CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

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HOUSE OF COMMONS

Monday, February 12, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

DRUGS

HEROIN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, under the provisions of Standing Order 43, I seek unanimous consent to move a motion on a matter of urgent and pressing public interest. I refer to a recent disclosure by a national magazine that the government's failure to act upon recommendations concerning the control and use of heroin constitutes a serious national situation. I therefore move, seconded by the hon. member for Edmonton-Strathcona (Mr. Roche):

That the annual report of the Department of National Health and Welfare be forthwith referred to the Standing Committee on Health, Welfare and Social Affairs for consideration and report.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be moved.

Mr. Nielsen: Sounds like a fix!

* * *

SOCIAL SECURITY

PENSION INCREASES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave under the terms of Standing Order 43 to move a motion on a matter of urgent and pressing necessity. I feel sure my friends in the Official Opposition will agree to the motion being put and I hope the government will give it at least a few seconds thought before saying no. I move, seconded by the hon. member for Vancouver-Kingsway (Mrs. MacInnis):

That immediately on the passing of this motion the Leader of the Opposition be given five minutes in which to state clearly the program of pension increases to which he referred last night on CBC television, and in particular to state the precise figure to which his party would raise the basic amount of the pension provided under the Old Age Security Act.

Some hon. Members: Oh, oh!

Some hon. Members: Agreed.

Mr. Speaker: I am doubtful as to the procedural acceptability of the suggestion proposed by the hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): But it was agreed to.

Mr. Speaker: I will inquire from the House whether there is unanimous consent to the motion proposed by the hon. member for Winnipeg North Centre.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no apparent unanimity.

Mr. Knowles (Winnipeg North Centre): Who said no?

Mr. Reid: On a point of order, Mr. Speaker, I should just like it to be known that it was not we on the government side who refused unanimous consent.

Some hon. Members: Hear, hear!

Mr. Stanfield: So that hon. members will not be disappointed, may I say I shall be speaking, I hope, later this afternoon.

Some hon. Members: Hear, hear!

* * *

FOOD PRICES

PRICES AND INCOMES COMMISSION STUDIES AND RECOMMENDATIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, pursuant to Standing Order 43 I rise on a matter of urgent and pressing necessity. Tomorrow, the Minister of Consumer and Corporate Affairs will be appearing before the Special Committee on Food Prices. Since the minister left some doubt, in reply to questions last week, whether or not he is prepared to make available to the committee all of the findings of the Prices and Incomes Commission, and in view of the importance of those findings to the committee which has to report to the House in less than two months, I would therefore move, seconded by the hon. member for Kingston and The Islands (Miss MacDonald):

That in the opinion of this House the Minister of Consumer and Corporate Affairs should make available to the Special Committee on Trends In Food Prices all background studies and recommendations of the Prices and Incomes Commission.

Mr. Speaker: The House has heard the motion proposed by the hon. member for St. John's East. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There does not appear to be unanimity.

* * *

OIL

PROPOSED WEST COAST TANKER ROUTE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I ask the unanimous consent of the House to present a motion under Standing Order 43 which I believe is urgent and can be passed without debate. The motion deals with the proposed tanker route down the west coast of British Columbia. In view of the recent decision by the United States Court of Appeals which has blocked temporarily the issuing of government permits for the building of a trans-Alaska pipeline, I feel it is essential that the Canadian position be made crystal clear. I therefore move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That this House in this, the first session of this new parliament, express its unanimous opposition to the proposed tanker route from Valdez, Alaska, to Cherry Point, State of Washington, and that this decision of the House of Commons be transmitted to the United States government through official channels.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent. Does the hon. member for Calgary North rise on a point of order?

Mr. Woolliams: Yes, Mr. Speaker. As I heard the motion, I think it ascribed the decision to the United States Court of Appeals. My information is that it was the court of appeal of one of the states, and whether that decision will be binding on the other states is a question of jurisdiction.

[*Later:*]

I rise on a question of privilege, Mr. Speaker. Earlier, on a point of order, I questioned whether a court to which the hon. member for Kootenay West had referred was, indeed, the United States Court of Appeals. It is, in fact, the United States Court of Appeals and the hon. member for Kootenay West was right. The information I had was incorrect.

* * *

• (1410)

REGIONAL ECONOMIC EXPANSION

REGIONAL ANALYSES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elmer MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity, pursuant to Standing Order 43. In view of recent statements attributed to the Minister of Regional Economic Expansion that his department has prepared analyses on the economic structure and possible development of six regions of this country—the Atlantic provinces, Quebec, Ontario the prairie provinces, British Columbia and the Canadian northwest—and in view of an impending major policy announcement to the premiers of the Atlantic region that is undoubtedly connected with these economic development strategies, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That the annual report of the Department of Regional Economic Expansion be referred to the Standing Committee on Regional Development in order to allow the committee to study these analyses, and that the committee be reconvened forthwith for this purpose.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

Mr. MacKay: A point of order, Mr. Speaker.

Mr. Speaker: The hon. member is rising on a point of order.

Mr. MacKay: In view of the fact that according to the required rules of the House this report is already nine days late, in view of the fact that this party has been accused of being obstructionist, and in view of the fact on at least one other occasion the Department of Energy, Mines and Resources report was referred without debate, I appeal to the government House leader and to the minister to reconsider and to have this matter referred to the committee as soon as possible.

* * *

[*Translation*]

INDIAN AFFAIRS

MOTION TO REFER ANNUAL REPORT TO STANDING COMMITTEE

On the order: Government Notices of Motions: February 8, 1973—The Minister of Indian Affairs and Northern Development moved:

That the Annual Report of the Department of Indian Affairs and Northern Development for the year ended March 31, 1972, tabled January 22, 1973, be referred to the Standing Committee on Indian Affairs and Northern Development.

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

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

SUPPLEMENTARY RETIREMENT BENEFITS ACCOUNT

Question No. 10—**Mr. Knowles (Winnipeg North Centre):**

1. What was the total amount contributed (a) by employees (b) by the government, to the supplementary Retirement Benefits Account during the period April 1, 1971 to March 31, 1972?

2. What was the total amount paid out of the Supplementary Retirement Benefits Account, during the period April 1, 1971 to March 31, 1972, in the form of pension supplements and to how many individuals were such pension supplements paid at any time during that period?

3. What was the balance at credit in the Supplementary Retirement Benefits Account as at March 31, 1972?

Hon. C. M. Drury (President of the Treasury Board): 1. (a) $14,534,684.44; (b) $14,544,326.77.

2. $21,692,103.93 was paid out in pension supplements. As of March 31, 1972, there were 85,447 beneficiaries.

3. $13,735,512.82.

RCMP—PERSONNEL IN RECEIPT OF PENSIONS

Question No. 11—**Mr. Knowles (Winnipeg North Centre):**

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

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

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

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

Hon. Warren Allmand (Solicitor General): 1. (a) 9; (b) 57; (c) 9; (d) 73; (e) 10; (f) 37; (g) 15; (h) 32; (i) 23; (j) 187; (k) 339; (l) 367; (m) 354; (n) 1354.

2. (a) 88; (b) 10; (c) 8; (d) 10; (e) 18; (f) 10; (g) 15: (h) 13; (i) 11; (j) 54; (k) 35; (l) 53; (m) 13; (n) 27;

3.

Province	Retired Personnel	Widows
Newfoundland	52	3
Prince Edward Island	19	2
Nova Scotia	232	13
New Brunswick	98	8
Quebec	213	10
Ontario	613	68
Manitoba	139	12
Saskatchewan	159	13
Alberta	411	32
British Columbia	843	116
Northwest Territories	27	1
Outside Canada	60	7
	2,866	285

4. 127, Average monthly payment is $56.22.

CANADIAN PENITENTIARY SERVICE—PAY RATES

Question No. 31—**Mr. Coates:**

1. (a) On what date did the government establish regional pay rates for employees of the Canadian Penitentiary Service (b) how many other members of the Public Service of Canada, associated with other departments, have also had their pay rates determined on a regional basis and (i) by what departments are they employed (ii) on what date were regional pay rates agreed to?

2. What is the pay rate for correctional officers of the Canadian Penitentiary Service, of the same classification, at all penal institutions in Canada?

3. What is the pay rate for a carpenter instructor of the Canadian Penitentiary Service, of the same classification, at all penal institutions in Canada?

Hon. C. M. Drury (President of the Treasury Board): 1. (a) Regional rates of pay were established by the government for approximately 1,400 employees of the Canadian Penitentiary Service following the coming into force of the Public Service Staff Relations Act, 1966-67, c. 72, s. 1., on March 13, 1967; (b) There are approximately 49,300 other members of the Public Service of Canada associated with other departments in the operational, technical, scientific and professional categories who have their rates of pay determined on a regional basis; (i) The following departments or agencies employ members of the Public Service who have their pay rates determined on a regional basis: Agriculture, Public Works, Public Archives, Veterans Affairs, Office of the Auditor General, Energy, Mines and Resources, Customs and Excise, National Energy Board, Consumer & Corporate Affairs, External Affairs, Office of the Chief Electoral Officer, Finance, Office of the Governor General Secretary, Board of Grain Commissioners, Indian Affairs & Northern Development, Canadian International Development Agency, Information Canada, Industry, Trade and Commerce, Communications, Justice, National Defence, Manpower and Immigration, Environment, Labour, Science and Technology, Transport, National Health and Welfare, National Museums of Canada, Privy Council Office, Post Office, Public Service Commission, Royal Canadian Mounted Police, Regional Economic Expansion, Supply and Services, Canadian Radio Television Commission, Statistics Canada, Tariff Board, Secretary of State, Taxation, Unemployment Insurance Commission, Treasury Board.

1. (b) (ii) The following classification groups have regional rates of pay and these rates were agreed to and became effective on the dates shown:

Group	Agreed	Rates Effective
General Labour & Trades	Sept. 27, 1968	Oct. 1, 1966
General Services	Nov. 29, 1968	Oct. 1, 1966

Group	Agreed	Rates Effective
Hospital Services	Aug. 30, 1968	Oct. 1, 1966
Printing Operations	June 28, 1968	Feb. 1, 1967
Ship Repair	July 22, 1968	Oct. 15, 1967
Ships' Crews	April 28, 1969	Oct. 1, 1966
Nursing	Aug. 29, 1968	July 1, 1967
Education	May 29, 1968	Sept. 1, 1967
Education Support	July 20, 1971	Sept. 1, 1969
Engineering and Scientific Support	May 22, 1969	July 1, 1967
Ships' Officers	May 28, 1969	July 1, 1969

2. The pay rates for Correctional Officers of the Canadian Penitentiary Service of the same classification at all penal institutions in Canada are as follows:

CX-1				
$ 6,688.44	$ 7,385.51	$ 8,083.11	$ 8,780.18	$ 9,477.25
CX-2				
$ 6,870.01	$ 7,597.87	$ 8,325.68	$ 9,052.54	$ 9,780.39
CX-3				
$ 9,456.38	$ 9,759.52	$10,062.66		
CX-4				
$ 9,759.52	$10,062.66	$10,365.81		
CX-5				
$10,095.01	$10,428.42	$10,762.34		
CX-6				
$10,398.16	$10,731.56	$11,064.96		
CX-7				
$10,792.61	$11,126.01	$11,459.41		
CX-8				
$11,095.75	$11,429.15	$11,762.56		
CX-9				
$12,709.00	$13,175.00	$13,642.00	$14,109.00	
CX-10				
$13,234.00	$13,700.00	$14,167.00	$14,633.00	

3. The basic rate of pay for Carpenter Instructor of the Canadian Penitentiary Service of the same classification at all penal institutions in Canada varies depending upon the zone or region in which he works from $3.63 to $5.06 per hour in accordance with the rates negotiated and contained in the General Labour and Trades collective agreement signed on the October 31 1972.

FEDERAL-PROVINCIAL PROGRAMS UNDER OFFICIAL LANGUAGES ACT

Question No. 32—**Mr. Coates:**

1. What has been the cost to the government of programs initiated since passage of the Official Languages Act?

2. Of the total, how much has been provided to provincial governments for language instruction and what is the breakdown in assistance by province?

3. Of the total amount spent by the government on federal program, what have been the programs and how much has each cost to date?

Hon. James Hugh Faulkner (Secretary of State): 1. For the period of January 1, 1970 to December 31, 1972, the cost of the various programs administered by the Department of the Secretary of State under the Bilingualism Development Program has been $167,819,970.

2. For the period of January 1, 1970 to March 31, 1972, amounts granted to provincial governments or provincial institutions may be broken down as follows: Newfoundland, $326,204; Prince Edward Island, $246,895; Nova Scotia, $1,679,530; New Brunswick, $10,540,116; Quebec, $73,293,456; Ontario, $34,133,769; Manitoba, $2,097,071; Saskatchewan, $1,099,627; Alberta, $2,062,234; British Columbia, $2,089,874; (a) Final figures for fiscal year 1972-73 are not yet available on a provincial basis, but payments of $39,449,760 have been made between April 1, 1972 and December 31, 1972 to provincial governments or provincial institutions; (b) For the period of January 1, 1970 to December 31, 1972, an amount of $801,075 has been spent in non-governmental sectors (national voluntary associations, linguistic research, etc.); this amount cannot be broken down on a provincial basis.

3. The amounts spent by the government between January 1, 1970 and December 31, 1972, under the various programs administered by the Department of the Secretary of State are the following: (a) Assistance for education in the official minority language (English in Québec and French elsewhere) and the teaching of the second official language (English in Québec and French elsewhere) at the pre-university levels: $150,048,221; (b) Assistance for education in the official minority language and the teaching of the second official language at the university or teacher training levels: $12,692,169; (c) Technical and financial assistance in areas other than education (translation, language courses for provincial civil servants, etc): $551,154; (d) Summer language courses for students: $3,727,351; (e) Assistance in non-governmental sectors: $426,075; (f) Linguistic research: $375,000.

FEASIBILITY STUDIES ON CONSTRUCTION OF RAIL LINE FOR TRANSPORTING OIL FROM ARCTIC

Question No. 38—**Mr. Gleave:**

1. Have any studies or research been undertaken by the Department of Transport into the feasibility of the construction of a rail line for the purpose of transporting oil and liquified gas from the production fields in the Arctic to points in southern Canada?

2. Have any studies been made into construction and maintenance costs as between rail transport and pipeline transport of oil and gas?

3. Have comparative studies been undertaken as to the effect on the ecology between these two alternate methods of transporting oil and gas?

Hon. Jean Marchand (Minister of Transport): 1. The Ministry of Transport has contributed towards funding the study "Railway to the Arctic" carried out in 1972 by the Canadian Institute of Guided Ground Transport, Queen's University. This report examines in a preliminary way the technical feasibility and the cost of rail movement of oil in the permafrost region from Prudhoe Bay on the Alaskan north slope to North American markets.

2. Some tentative comparison of the cost of moving oil between different transportation modes were made by the Canadian Institute of Guided Ground Transport in connection with the "Railway to the Arctic" study. It is likely that because of interest in both these modes further comparative work will be done.

3. No. However, the extensive information being collected on the environmental impact of pipelines in the North is applicable to all modes of transportation in the Mackenzie corridor and is being used to assess the environmental impact of the Mackenzie highway. Further studies on the ecological effects of the Mackenzie highway are also being carried out currently. The information from both these sets of studies would be largely applicable to assessing the ecological effect of any possible railway to the Arctic.

POST OFFICE DEPARTMENT

Question No. 49—**Mr. Haliburton:**

1. In each of the past five years, within the Post Office Department (a) what was the number of full-time, part-time and casual employees (b) what was the total number of pieces of (i) first class mail processed (ii) second class mail processed (iii) third class mail processed (c) how many new post office buildings have been constructed and at what total cost (d) how many old post office buildings have been demolished and at what total cost?

2. In Wolfville, Kings County, Nova Scotia (a) what was the total cost of (i) demolition of the old post office (ii) construction of the new post office (b) what was the reason for abandoning the old post office?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Post Office Department and the Department of Public Works as follows: 1. (a):

1. (a)

Year	Full-time	Part-time	Casual man years*
1967–68	42,522	5,854	1,815 (approved man years)
1968–69	43,111	5,947	1,396 (approved man years)
1969–70	41,008	6,591	2,135 (actual usage)
1970–71	41,022	6,902	2,317 (actual usage)
1971–72	42,767	7,191	2,579 (actual usage)

*Christmas Man Years not included in above figures for Casuals.

(b)

Year	First Class	Second Class	Third Class
1967–68	2,586.4	694.3	1,331.4
1968–69	2,532.4	673.1	1,375.1
1969–70	2,708.2	518.6	1,206.2
1970–71	2,723.0	504.7	940.6
1971–72	2,699.0	448.1	1,146.9

(c) New Post Office buildings:

Year	New post offices provided by Crown construction		New post offices provided by build-lease terms	
	Number	Cost	Number	Annual Rental
		$		$
1968	134	17,686,881.00	9	176,671.00
1969	91	4,715,690.00	31	355,515.00
1970	73	4,959,441.00	24	360,180.00
1971	56	4,032,284.00	15	203,243.00
1972	31	1,947,042.00	13	346,482.00
Totals	385	33,341,338.00	92	1,442,091.00

(d) Old post office buildings demolished:

Year	Number	Cost
		$
1968	Nil	Nil
1969	2	2,000.00
1970	1	3,250.00
1971	4	13,021.00
1972	3	15,850.00
Totals	10	34,121.00

Note: 1. The figures in (c) and (d) above do not include post office accommodation provided in multi-purpose buildings such as federal buildings housing two or more departments. 2. The figures in (d) above do not include possible demolition of buildings which have been turned over to Crown Assets Disposal Corporation. No information as to the ultimate disposal of such buildings is reported to D.P.W. by C.A.D.C.

2. Wolfville, Kings County, Nova Scotia. (a) (i) $6,000, (ii) $154,000; (b) The old post office building was not structurally sound nor was it large enough to accommodate the increased requirements of the Post Office Department. The complete renovation of the existing building and the construction of an addition would have cost more than the new modern building and would have meant displacing the post office operation for approximately one year.

AMOUNT OF REVENUE RECEIVED FROM TOBACCO INDUSTRY 1970-71

Question No. 64—**Mr. Wise:**

What was the total amount of government revenue received from the Canadian tobacco industry for the years 1970 and 1971?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned: Government revenues, in so far as income taxes are concerned, are not compiled by industry but the following information on income taxes payable is derived from annual reports published by Statistics Canada (Corporation Taxation Statistics, Catalogue 61-208 Annual).

Tobacco products manufacturing

	1970
Federal taxes (net)	18.2 million
Provincial taxes (including Ontario and Quebec)	5.2 million
Total provincial and federal income taxes	23.4 million

The 1971 figures are not yet available. In so far as National Revenue, Customs and Excise, is concerned: The following figures reflect the total revenue by way of excise tax and excise duty from the Canadian tobacco industry for the fiscal years 1970-71 and 1971-72. The figures do not include sales tax revenue as such funds are recorded in one account with no distinction as to sources.

Fiscal year	Excise tax	Excise duty	Total
1970-71	$319,413,605.26	$212,173,674.18	$ 531,587,279.44
1971-72	330,120,737.21	221,385,069.35	551,505,806.56
		Total:	$1,083,093,086.00

Order Paper Questions

SASKATOON AIRPORT

Question No. 65—**Mr. Gleave:**

1. How much money is allocated for improvement of the airport at Saskatoon (a) in the year 1973 (b) in the year 1974?

2. What is the projected date for completion?

Hon. Jean Marchand (Minister of Transport): 1. (a) For 1973-74 fiscal year, $1,125,000; (b) For 1974-75 fiscal year, $1,300,000; (c) For 1975-76 fiscal year, $725,000.

2. Project is scheduled for completion in 1975-76, with minor cleanup work completed the following summer at a cost of $100,000.

CONTRACTS FOR RESEARCH, DEVELOPMENT AND CONSULTING SERVICES

Question No. 102—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the National Energy Board on contracts to outside persons and organizations for research, development and other consulting services?

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

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

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources):

1.

1968-69	1969-70	1970-71	1971-72	1972-73 to date
$10,709.45	$72,127.55	$180,127.11	$155,315.96	$136,255.25

2. and 3. Names and Addresses	Amounts Paid	Purpose	Title
	$		
Thorne, Gunn, Helliwell & Christensen, 1112 West Pender Street, Vancouver, British Columbia.	44,051.95	Undertake analysis of the rate base of a company to the Board's jurisdiction.	None
Thorne, Gunn, Helliwell & Christensen, 1112 West Pender Street, Vancouver, British Columbia.	3,739.97	Assist in preparation of studies of Rate Base, Earned Return, etc. on Peace River Transmission Co. Ltd., Phase II.	None
Thorne, Gunn, Helliwell & Christensen, 1112 West Pender Street, Vancouver, British Columbia.	42,500.00	Assist in preparation of studies of Rate Base, Earned Return, etc. on Westcoast Transmission Co. Ltd.	None
Professor S. J. May, 2046 Dorval Avenue, Ottawa, Ontario.	2,200.00	Planning a simulation model of the energy sector.	None
Dr. E. R. Petersen, 1779 Hillview Road, Kingston, Ontario.	7,858.00	Complete various projects concerned with Energy Model.	None
Foster Economic Consultants, 600 Sixth Avenue S.W., Calgary 1, Alberta.	9,000.00	Assist N.E.B. participation on the Prospective Demand for Canadian Crude Oil under alternative industry and Canadian/U.S. government policies.	None
Foster Economic Consultants, 600 Sixth Avenue S.W., Calgary 1, Alberta.	11,987.08	Assist in preparation of N.E.B.'s "Long Term Energy Forecast".	None
Deloitte, Haskins & Sells, 55 Yonge Street, Toronto 1, Ontario.	130,000.00	Assist in studies in connection with a rate application.	None
Dr. R. E. Boston, 10 Clairmont Avenue, Pointe Claire, P.Q.	5,000.00	Organization Study.	None
Soloway, Wright, Houston, McKimm, Killeen, Greenberg & Citran, 170 Metcalfe Street, Ottawa, Ontario.	131,047.36	Special counsel in connection with a rate hearing before the Board.	None
Vincent Moran, R.R. No. 3, Oil Springs, Ontario.	14,788.66	Advise and assist with regard to aspects of pipeline construction.	None
G. R. Hugo, 1001 Elizabeth Road S.W., Calgary 6, Alberta.	2,666.90	Study on petroleum costs.	None
E. C. Sievwright Associates, 95 St. Clair Avenue West, Toronto 7, Ontario.	8,987.65	Advice and assistance to the Board in areas of energy policy study.	None
Bureau of Management Consulting, Department of Supply & Services, Ottawa, Ontario.	2,340.00	Position classification assistance.	None
Mrs. G. Adams, 185 Stanley Avenue, Ottawa, Ontario.	2,112.50	Preparation of classification descriptions for Board positions.	None

4. Names and Addresses	Amounts Paid	Purpose
	$	
Dr. E. Rabitsch, 300 East 40th Street, New York, N.Y. 10016 U.S.A.	2,930.86	To assist N.E.B. in assessing the economic impact of development of natural resources.
Deloitte, Haskins & Sells, 55 Yonge Street, Toronto, Ontario.	68,227.57	Assist in studies in connection with a rate application.
Soloway, Wright, Houston, McKimm, Killeen, Greenberg & Citran, 170 Metcalfe Street, Ottawa, Ontario.	65,996.82	Special counsel in connection with a rate hearing before the board.

DEPARTMENT OF VETERANS AFFAIRS—RESEARCH AND DEVELOPMENT CONTRACTS

Question No. 116—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Department of Veterans Affairs on contracts to outside persons and organizations for research, development and other consulting services?

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

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

[Mr. Stanbury.]

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. 1968-69 Nil; 1969-70 Nil; 1970-71 Nil; 1971-72 $5,393.

2. Management Concepts Ltd., Scarborough, Ont. $5,393.

3. Professional consulting and training services in relation to the program of Management by Objectives.

4. Management Concepts Ltd., Scarborough, Ontario. $6,811; estimated total expenditure 1972-73—$20,000. Professional consulting and training services in relation to the department's program of Management by Objectives.

CONFEDERATION BUILDING RENOVATIONS

Question No. 141—**Mr. Forrestall:**

1. What is the cost by variety of the potted plants provided in the Confederation Building adjacent to Parliament Hill?

2. What was the total cost of these potted plants?

3. What is the name and address of the firm that is contracted by the government to water these plants?

4. What is the price of the contract awarded to that firm?

5. How many men are employed by that firm to water those potted plants, as determined by the number of special passes issued to them for security purposes?

6. Are these plants similar to those provided in other government buildings in the Capital area, in respect to variety or price?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. The cost, including fibreglass containers, is: 40 Draceana Reflexa $2,100. 50 Dracaena Warnecki $2,625. 60 Draceana Massangaena $3,150. 50 Ficus Decora $2,625. 100 Scheffl-era $5,250. 12 Philodendron Selloun $951.

2. $16,701.

3. Eric Jensen Greenhouses Ltd., 161 Nugget Avenue, Agincourt, Ont.

4. $4,680 for 12 months full maintenance.

5. Two. They do not have passes. Their operation is controlled by House of Commons protective staff.

6. Yes.

CONFEDERATION BUILDING RENOVATIONS

Question No. 144—**Mr. Forrestall:**

1. When was the Confederation building initially opened, and what was it's original total cost?

2. When was the present heating system installed?

3. When were the thermostats added to the radiators in the offices which have become those of Members of Parliament?

4. Are there thermostats in the outer offices shared by secretaries to Members of Parliament and, if not, for what reason?

5. What temperature is steam or water heated to for circulation in the radiators in the offices in the Confederation building?

6. Is the government considering the installation of thermostats in the radiators of the offices shared by secretaries to Members of Parliament?

7. Does the government plan to install air conditioning in these offices, and if so, when, and of what type?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. 1929; $2,700,624.

2. 1929.

3. The summer of 1972.

4. No, there are not any thermostats in the outer offices. Temperature in these areas can be manually controlled by operating a shut-off valve located on the radiator. The provision of individual automatic room temperature control is not normally undertaken in support staff areas.

5. From 212 to 220°F.

6. No.

7. No, but we will respond to direction of Parliament.

ROYAL CANADIAN MOUNTED POLICE—BUILDING SIGNS

Question No. 150—**Mr. Forrestall:**

1. How many buildings housing offices of the Royal Canadian Mounted Police had the signs outside those buildings changed or altered to read "Police" where they had formerly read "R.C.M.P."?

2. When were such alterations discontinued?

3. Have any such altered signs been restored to read "R.C.M.P." where they had been changed to read "Police" and, if so, how many were so altered?

4. Is it the intention of the Solicitor General to order the sign in front of the Dartmouth detachment offices changed to "R.C.M.P." where it now reads "Police"?

Hon. Warren Allmand (Solicitor General): 1. While signs have not always been of a standard format, as far as is known, no buildings housing offices to the Royal Canadian Mounted Police have had signs altered to read "Police" in those cases where the signs formerly read "R.C.M.P." However, twenty-six signs containing the crest of the R.C.M. Police and the word "Police" were installed on operational buildings replacing signs which contained the crest of the Force and the words Royal Canadian Mounted Police and/or Gendarmerie Royale du Canada.

2. The alterations referred to in Part 1 were discontinued on April 28, 1972.

3. No.

4. A new sign for display on R.C.M. Police operational buildings is presently in the developmental stage and upon being approved will be installed on all such buildings.

PROGRAM TO ENHANCE PRODUCTIVITY

Question No. 160—**Mr. Broadbent:**

1. What were the names of the corporations which received cash grants under the program to Enhance Productivity (PEP), in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date and, in each case, what were the amounts of money committed and paid?

2. What are the objectives of the program?

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

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): 1. The amounts of money committed and paid to corporations under PEP during the fiscal years 1968-69 to date are as follows:

Order Paper Questions

Program to Enhance Productivity

Company Name	Commitment ($)		Payment ($)	
			(71/72)	(72/73)
Canoe Cove Marina	18,600.00	(71/72)	6,304.25	10,830.50
Canadian Bronze Co. Ltd	12,265.00	(72/73)		9,427.10
I.E.C. Holden Ltd	7,530.00	(72/73)		
Kay Silver Inc	5,100.00	(71/72)	1,125.00	3,750.00
Progress Brand Clothes Inc	5,600.00	(71/72)	5,600.00	
S. Stall & Sons Ltd	11,080.00	(71/72)	11,080.00	
Jacob Crowley Mfg. Ltd	3,620.00	(71/72)	2,620.00	
Lancer of Canada Ltd	14,020.00	(72/73)		13,999.04
Aird Industries Ltd	22,800.00	(71/72)	19,773.93	
Canadian Lady-Canadelle Inc	47,045.00	(71/72)	25,564.99	14,452.16
Starr-Hollywood Ltd	2,850.00	(71/72)		2,850.00
Gregory Sanders Inc	5,175.00	(72/73)		5,175.00
St. George Shoe Co	7,150.00	(71/72)	6,520.26	
Twentieth Century Headwear	4,640.00	(71/72)		3,327.50
Standard Knitting Co. Ltd	3,920.00	(71/72)		3,823.00
Mid-West Garments Ltd	8,275.00	(71/72)		7,923.15
Panther Pant	5,470.00	(71/72)		4,535.96
Merit Clothing Co. Ltd	7,988.00	(71/72)		7,988.00
Park Leather Ltd	2,195.00	(71/72)		2,195.00
Don Ivan Associates Ltd	4,038.00	(71/72)		3,649.75
Marbrooke Knitting Corp	3,082.00	(71/72)		3,082.00
Coppley, Noyes & Randall Ltd	17,683.00	(71/72)		13,181.65
Acme Garment Co. Ltd	3,495.00	(71/72)		3,495.00
Earl Shibou Jeans Ltd	5,300.00	(71/72)		
Aljac Sportswear Ltd	6,930.00	(71/72)		6,930.00
Kaplan's Mfg. Co. Ltd	3,170.00	(71/72)		2,900.89
Bonwitt Mfg. Ltd	2,245.00	(72/73)		2,101.56
Lucien Bougie Inc	7,450.00	(71/72)		
Grenico Inc	5,040.00	(72/73)		5,040.00
Bay Mills Ltd	3,126.00	(72/73)		3,057.52
Canadian Lady-Canadelle Inc	15,250.00	(72/73)		
The Miner Co. Ltd	3,750.00	(72/73)		
Great Things Mfg. Co. Ltd	9,340.00	(72/73)		9,340.00
Knit-Rite Mills Ltd	4,373.00	(72/73)		
White Ram Knitting Co. Ltd	5,225.00	(72/73)		5,225.00
Monarch Wear of Canada Ltd	8,445.00	(72/73)		
Linda Originals	2,267.00	(72/73)		2,164.00
Dorothy Dean (Canada) Ltd	3,950.00	(72/73)		
Baby Bear Shoe	6,690.00	(72/72)		
Chaussures Girard Inc	6,281.00	(72/73)		
Collins & Aikman Ltd	12,250.00	(72/73)		
Outdoor Outfits Ltd	4,845.00	(72/73)		
Boutique Bagatelle Inc	3,796.00	(72/73)		
Grand-Mere Shoe Co. Ltd	8,581.00	(72/73)		
Milton Wallace Co. Ltd	3,925.00	(72/73)		
Northern Pigment (1970) Ltd	34,750.00	(71/72)	31,275.00	
Westport Chemicals	2,030.00	(72/73)		637.13
Buttons & Ornaments Ltd	5,060.00	(72/73)		4,188.50
G.S.W. Ltd.-Ltée	50,000.00	(72/73)		40,794.00
Electrical Mfg. Co. Ltd	28,000.00	(72/73)		14,843.38
Entreprise Foundry Co. Ltd	12,950.00	(72/73)		10,469.47
Western Research & Development	25,400.00	(72/73)		16,802.49
Phillips Cables Ltd	50,000.00	(72/73)		11,458.00
QSP Ltd	28,500.00	(71/73)	19,456.28	4,801.64
Welmet Industries Ltd	9,950.00	(71/72)	3,375.60	6,029.70
Bibby Foundry Ltd	21,560.00	(71/72)	7,887.88	4,342.26
Supreme Precision Castings Ltd	16,770.00	(71/72)	3,795.84	8,929.50
Anthes Western Ltd	50,000.00	(71/72)		30,066.91
Greening Donald Ltd	24,243.00	(72/73)		9,237.35
Tree Island Steel Co. Ltd	27,500.00	(72/73)		7,117.36
Robert Mitchell Co. Ltd	16,875.00	(72/73)		6,790.88
Lake Ontario Cement Ltd	50,000.00	(72/73)		6,326.80
Magog Foundry Ltd	9,980.00	(72/73)		1,340.00
Delamere & Williams Co. Ltd	11,450.00	(71/72)	11,450.00	
Black & Decker Mfg. Co. Ltd	20,500.00	(71/72)	18,527.53	1,583.97
C. E. MacPherson (1968) Ltd	5,574.00	(71/72)		
Ebco Industries Ltd	20,302.50	(71/72)		11,634.79
Guelph Engineering Ltd	24,750.00	(72/73)		
Dominion Glass Co	50,000.00	(72/73)		
Dominion Forge Co. Ltd	22,290.00	(71/72)	564.00	1,433.15
Dominion Auto Accessories Ltd	31,300.00	(72/73)		12,944.52
Blue Giant Equip. of Canada	13,325.00	(72/73)		2,325.74
B.C. Tree Fruits Ltd	12,600.00	(71/72)	12,600.00	
Bowes Co. Ltd	11,700.00	(71/72)	11,084.22	

[Mr. Gillespie.]

Program to Enhance Productivity

Company Name	Commitment ($)		Payment ($)	
			(71/72)	(72/73)
Cape Bald Packers Ltd.	2,725.00	(71/72)	1,484.29	
F. G. Bradley Co. Ltd.	23,245.00	(71/72)	3,978.20	19,266.80
Ganong Bros. Ltd.	9,475.00	(71/72)	6,903.92	2,571.08
Quebec North Shore Paper Co.	5,100.00	(72/73)		
Wm Puddy Beef Ltd.	10,187.00	(72/73)		
H. B. Nickerson & Sons Ltd.	28,650.00	(72/73)		3,445.00
Dairy Producers Co-Operative	26,775.00	(72/73)		10,751.22
Chun King Corp. of Canada Ltd.	31,489.00	(72/73)		
Bonnex Inc.	32,800.00	(71/72)	16,137.85	4,844.55
Desmarais & Frere Ltd.	21,010.00	(71/72)	16,382.30	4,627.70
Victoriaville Furniture Ltd.	41,500.00	(72/73)		
Baribeau Industries Inc.	17,500.00	(72/73)		
Otis Pant Mfg. Ltd.	2,636.00	(72/73)		
R. B. Hayhoe Foods Ltd.	12,350.00	(72/73)		

2. The objective of the Program to Enhance Productivity, known as PEP, is to induce improved productivity in manufacturing and processing industries in Canada by means of contributions to encourage companies to undertake intensive studies of significant and imaginative efficiency-improvement projects.

3. The program is under continuous evaluation and review.

BUILDING EQUIPMENT ACCESSORIES AND MATERIAL PROGRAM

Question No. 161—**Mr. Broadbent:**

1. What were the names of the corporations which received cash grants under the Building Equipment, Accessories and Material Program (BEAM), in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date and, in each case, what were the amounts of money committed and paid?

2. What are the objectives of the program?

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

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): 1. No corporation has received a grant under the Building Equipment Accessories and Material Program (B.E.A.M.) in any of the fiscal years, 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date.

2. The over-all objective of the BEAM program is to increase productivity and efficiency in the manufacture and use of building equipment, accessories and materials. Specific objectives: Establishment of a comprehensive National Construction Information System to provide the industry with a means for storing, retrieving and disseminating information vital to the effective conduct of its business. Encouragement of modular dimensional standardization and co-ordination. Encouragement of accelerated industrialization of the building process through an understanding and application of the systems approach to building concept. Development and expansion of export markets for Canadian buildings, building components and expertise. Promotion of nationwide acceptance and use of the National Building Code, more adequate standards and improved means of assessing new products and systems. Encouragement of building design excellence through awards programs, research, development and innovation.

3. The program is under continuous evaluation and review.

INDUSTRIAL DESIGN ASSISTANCE PROGRAM

Question No. 162—**Mr. Broadbent:**

1. What were the names of the corporations which received cash grants under the Industrial Design Assistance Program (IDAP), in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date and, in each case, what were the amounts of money committed and paid?

2. What are the objectives of the program?

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

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): 1. The amounts of money committed and paid to corporations under IDAP during the fiscal years 1968-69 to date are as follows:

Industrial Design Assistance Program

Company Name	Commitment ($)		Payment ($)		
			(70/71)	(71/72)	(72/73)
Performance Sailcraft Inc.	20,430.00	(71/72)		10,033.00	7,815.00
International Hydrodynamics Co. Ltd.	6,000.00	(71/72)		4,539.22	1,392.12
Sunspot Plastics Inc.	8,100.00	(71/72)		6,531.75	1,563.25
Atlantic Bridge Co. Ltd.	48,160.00	(71/72)		7,883.24	24,386.48
Samson Marine Design Ltd.	14,510.00	(71/72)		5,124.73	1,043.17
Wesgar Industries Ltd.	22,780.00	(71/72)		6,743.01	13,758.99
Crystaplex Plastics Ltd.	4,149.00	(71/72)		1,864.00	
Cooper Canada Ltd.	23,343.50	(72/73)			17,343.89
Canadian Coleman Co. Ltd.	14,240.00	(72/73)			
Electrohome Ltd.	33,500.00	(70/71)	6,951.59	20,523.39	
Venus Electric Ltd.	4,931.00	(71/72)		3,820.18	408.14
Wilson Lighting Ltd.	21,000.00	(71/72)		8,606.29	4,407.66

Order Paper Questions

Industrial Design Assistance Program

Company Name	Commitment ($)		Payment ($)		
			(70/71)	(71/72)	(72/73)
Picker X-Ray Mfg. Ltd.	52,700.00	(71/72)		47,430.00	5,270.00
Canadian Chromalox Co.	5,000.00	(71/72)		2,601.54	1,581.34
Westinghouse Canada Ltd.	11,677.00	(71/72)		2,673.00	7,596.35
GSW Ltd.	48,475.00	(72/73)			6,261.47
Superior Electric Ltd.	15,000.00	(72/73)			465.50
Ferranti Packard Ltd.	55,300.00	(72/73)			5,827.73
Stuc-Art Inc.	22,025.00	(70/71)	2,800.00	16,900.00	
Westeel-Rosco Ltd.	45,000.00	(71/72)		15,715.47	8,115.51
Tweed Steel Works Eastern Ltd.	8,790.00	(71/72)		1,498.16	4,497.70
Webster Mfg. (London) Ltd.	12,500.00	(70/71)		6,884.58	
Air Guard Control of Canada Ltd.	9,453.00	(70/71)	4,332.50	4,159.00	943.50
Sanitation Equipment Ltd.	15,200.00	(71/72)		13,652.53	*1,547.47
Merco International Ltd.	10,980.00	(71/72)		7,109.32	
Crane Canada Ltd.	34,300.00	(71/72)		13,131.29	13,187.46
Emco Ltd.	26,858.00	(71/72)		20,671.96	6,186.04
Guy Chart Tools Ltd.	22,500.00	(71/72)		11,321.91	3,884.55
Egress Ltd.	8,295.00	(71/72)		6,794.00	1,501.00
Arlyn Industries	10,750.00	(72/73)			8,187.56
Wico Canada Ltd.	16,800.00	(72/73)			10,050.00
Blythe T. Rogers & Ass. Ltd.	17,110.00	(72/73)			7,817.47
Neeco Industries Ltd.	17,888.00	(72/73)			9,298.27
Parkland Plastics Ltd.	5,075.00	(70/71)		4,567.50	
Triple E Motor Homes Ltd.	18,000.00	(71/72)		3,834.63	4,669.42
Wear Check International Ltd.	14,250.00	(71/72)		12,300.00	
Multiscreen Corp. Ltd.	37,650.00	(72/73)			
Safetour Inc.	24,200.00	(71/72)		7,475.00	9,900.00
Northway Snowmobiles Ltd.	49,878.00	(71/72)		17,610.94	18,956.74
Hayes Dana Ltd.	25,775.00	(72/73)			
A.T.M. Industries Ltd.	21,532.00	(72/73)			9,089.85
Biltrite Furniture Mfg. Ltd.	38,390.00	(70/71)	1,060.00		
Canadian Seating Co. Ltd.	4,000.00	(70/71)	4,000.00		
Kermil Co. Ltd.	8,975.00	(70/71)	1,700.00	1,797.50	
Electrohome Ltd.	36,331.00	(70/71)	21,171.93		
Steel Equipment-Div. of Eddy Match	26,885.00	(70/71)		19,715.81	1,292.80
W. R. Breen Ltd.	15,968.00	(72/73)			
Elite Interiors Ltd.	11,210.00	(71/72)		11,210.00	
Dominion Metalware Industries Ltd.	50,000.00	(71/72)		13,609.66	1,537.51
Precision Wood Mfg. Ltd.	25,000.00	(72/73)			13,315.00
Art Laboratory Furniture Ltd.	50,000.00	(71/72)		22,615.50	11,700.50
Cdn. Office & School Furniture Ltd.	17,850.00	(71/72)		11,625.67	4,176.39
Metal Craft (1970) Ltd.	11,472.00	(72/73)			
Index Card Co. Ltd.	12,000.00	(71/72)			
Plydesigns Ltd.	20,700.00	(71/72)		6,505.00	5,057.50
Innovative Metal Inc.	9,750.00	(72/73)			2,125.00
Les Meubles Carriers	9,500.00	(72/73)			
Decor Wood Specialties Ltd.	10,550.00	(72/73)			8,955.70
Pierre Legault Inc.	41,000.00	(72/73)			

2. The IDAP objectives are: improve the quality of Canadian product design, thereby advancing Canadian industry and expanding its sales; create an environment in Canada which will attract and retain industrial design talent.

3. The program is under continuous evaluation and review.

GRANTS UNDER EMERGENCY GOLD MINING ASSISTANCE ACT

Question No. 164—**Mr. Broadbent:**

1. What were the names of the corporations which received cash grants under the Emergency Gold-Mining Assistance Act (EGMA), in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date and, in each case, what were the amounts of money committed and paid?

2. What are the objectives of the program?

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

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): 1. In accordance with the act, gold mining companies receive assistance on a designated, i.e. calendar year, basis. The amounts paid in the years 1968 to 1971 inclusive are shown in the report on the administration of the Emergency Gold Mining Assistance Act for the fiscal year ended March 31, 1972, which was tabled on January 4, 1973. The Canadian gold mines did not sell any of their 1972 gold production to the Royal Canadian Mint and thus no assistance was payable for the calendar year 1972.

2. The objective of the program is to provide financial assistance to long-established marginal gold mines. By enabling gold mines to extend their productive life, the assistance helps communities dependent on gold mining to adjust gradually to diminishing economic support.

3. A comprehensive evaluative study was completed in 1970 prior to the renewal of the act at that time. This study was extended in 1972 for purposes of renewal of the act and is referred to in the annual report just tabled. The internal studies are confidential.

EMPLOYMENT SUPPORT PROGRAM

Question No. 168—**Mr. Broadbent:**

1. What were the names of the corporations which received grants under the Employment Support Program (ESP) in each of

the fiscal years 1971-72 and 1972-73 to date, and what were the amounts in each case?

2. What are the objectives of the above program?

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

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): 1. For reasons of commercial confidentiality, this information is not available.

2. To support employment in Canada by mitigating the disruptive effect on Canadian industry of the imposition of foreign import surtaxes or other actions of like effect.

3. No.

THEFT OF POSTAL BAGS

Question No. 186—**Mr. Laprise:**

1. How many thefts of postal bags have been reported in 1970-71 and since the beginning of 1972 (a) in the Province of Quebec (b) in Canada?

2. How many refunds have been made and what was the average amount refunded?

3. How long did the inquiries on these thefts average?

Hon. André Ouellet (Postmaster General): 1. (a) Quebec, (b) Canada.

	Quebec	Ontario	Western	Atlantic
1970	498	122	0	1
1971	357	175	1	1
1972	270	239	13	1

2. For the most part post office records of indemnities paid do not differentiate between loss or damage in the mails and loss by theft. Statements submitted by postal districts on a monthly basis reveal the following expenditures. Of the figures shown, 4.46 per cent represent international claims and 1.05 per cent of money paid international claims.

	Total Indemnities Paid	No. of Claims	Average Amount
1970	720,262.65	22,919	31.42
1971	932,522.36	26,033	35.82
1972	738,111.74	24,080	30.65

3. The length of time spent on enquiries raised in this part of the inquiry varies from hours to weeks to months and this type of statistics would be meaningless.

AIR TRAFFIC CONTROLLERS

Question No. 190—**Mr. Gleave:**

1. How many applicants were accepted for training as air traffic controllers by the Department of Transport in the Saskatoon district during the calendar years 1970, 1971 and 1972?

2. How many completed the course of training and received certificates or diplomas?

3. How many of those who completed the course and received diplomas are now employed by the Department of Transport as air traffic controllers?

4. How much is the average cost of training one air traffic controller?

Hon. Jean Marchand (Minister of Transport): 1. 1970, ten; 1971, six; 1972, three.

2. 1970, six; 1971, three; 1972, nil.

3. Nine.

4. $11,400—to train to Level 1, licensed Air Traffic Controller.

TAX ON TOBACCO PRODUCTS

Question No. 195—**Mr. Laprise:**

1. What was the annual total of tax on tobacco, cigars and cigarettes obtained by the government each year 1962 to 1972 inclusive?

2. What amount was allocated annually toward the problems of the harmful effects of usage of tobacco in all forms from 1962 to 1972?

Mr. John M. Reid (Parliamentary Secretary to the President of the Privy Council): I am informed by the Departments of National Revenue and National Health and Welfare as follows. 1. The following figures reflect the total revenue collected by way of Excise Tax and Excise Duty on tobacco, cigars and cigarettes for the fiscal years 1961-62 through to 1971-72. However, the figures do not include sales tax revenue imposed by the Excise Tax Act, such revenue being recorded in one account with no distinction as to sources.

Fiscal year	Excise tax	Excise duty	Total
	$	$	$
1961–62	207,550,499.00	160,582,654.64	368,133,153.64
1962–63	217,807,695.00	166,607,152.56	384,414,847.56
1963–64	226,938,710.00	165,640,936.05	392,579,646.05
1964–65	218,343,945.00	177,167,726.19	395,511,671.19
1965–66	238,080,357.00	187,066,748.55	425,147,105.55
1966–67	251,434,853.00	196,432,489.55	447,867,342.55
1967–68	266,686,510.00	194,580,906.93	461,267,416.93
1968–69	304,176,479.00	196,646,181.92	500,822,660.92
1969–70	295,845,229.00	193,840,437.23	489,685,666.23
1970–71	319,413,605.00	212,173,674.18	531,587,279.18
1971–72	330,120,737.00	221,385,069.35	551,505,806.35
Total			4,948,522,596.15

2. The amounts expended annually on the problems arising from the usage of tobacco are as follows:

INSERT QUESTION 195B

Fiscal year		Expenditure
		$
July	1963–1964	37,281.50
	1964–1965	126,542.59
	1965–1966	129,770.71
	1966–1967	161,843.46
	1967–1968	200,281.07
	1968–1969	239,649.00
	1969–1970	260,436.00
	1970–1971	163,619.00
	1971–1972	381,271.00

Order Paper Questions

PUBLIC WORKS—PROTECTION OF FARMLAND AND PROPERTY FROM HIGH WATER LEVELS

Question No. 221—**Mr. Holmes:**

What action, if any, has the government taken to protect the farmland and property from the high water levels and impending flood conditions in (a) Dover township (b) Chatham township (c) Wallaceburg, Ontario?

Hon. Jean-Eudes Dubé (Minister of Public Works): None. The policy of the Department of Public Works concerning shoreline erosion is that the government will contribute to the cost of shoreline protection in cases where erosion is directly attributable to commercial navigation or the presence of a federally owned structure. The department has in the past advised property owners of the types of engineering structures which could be used to advantage in their particular case but each case must be considered separately and on its own merit. Although some regulation of levels and flows is carried out on Lake Superior and Lake Ontario under joint action by the International Joint Commission, the general water level condition of the Great Lakes and in particular lakes Huron, St. Clair and Erie, are considered to be natural. Remedial measures for flood situations are a provincial responsibility and the federal government would only become involved in co-operation with the province in the event of emergency or disaster situations.

PUBLIC WORKS—PROTECTION OF FARMLAND AND PROPERTY FROM HIGH WATER LEVELS

Question No. 222—**Mr. Holmes:**

What action, if any, has the government taken to protect the farmland and property from the high water levels and impending flood conditions at Erieau and Erie Beach, Ontario?

Hon. Jean-Eudes Dubé (Minister of Public Works): None. The policy of the Department of Public Works concerning shoreline erosion is that the government will contribute to the cost of shoreline protection in cases where erosion is directly attributable to commercial navigation or the presence of a federally owned structure. The department has in the past advised property owners of the types of engineering structures which could be used to advantage in their particular case but each case must be considered separately and on its own merit. Although some regulation of levels and flows is carried out on Lake Superior and Lake Ontario under joint action by the International Joint Commission, the general water level condition of the Great Lakes and in particular lakes Huron, St. Clair and Erie, are considered to be natural. Remedial measures for flood situations are a provincial responsibility and the federal government would only become involved in co-operation with the province in the event of emergency or disaster situations.

SNOWMOBILE IMPORTS

Question No. 223—**Mr. Lambert (Bellechasse):**

Did Canada import any snowmobiles in 1971 and 1972 and, if so, from what countries and what quantity was imported from each country?

[Mr. Reid.]

[*Translation*]

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics on imports of snowmobiles and snowmobile parts are provided in the attached table. Figures are not compiled separately on the import of snowmobiles only. For this reason, and also due to lack of complete documentation at the time of import it is not always possible to identify the number of complete units imported. Figures are not yet available for November and December of 1972.

Imports of Snowmobiles & Parts[1]

1971

Country	Quantity	Value ($)
United Kingdom		183,000
Austria		1,901,000
Belgium-Luxemb.		21,000
France		5,000
Germany West		356,000
Italy		81,000
Switzerland		3,000
Japan	6,969	5,523,000
United States	36,542	34,945,000
TOTAL	43,511	43,018,000

1972 (January to October)

Country	Quantity	Value ($)
United Kingdom		75,000
Austria		1,574,000
Belgium-Luxemb.		3,000
Finland	111	90,000
Germany West		142,000
Italy	1	17,000
Sweden		8,000
Switzerland		136,000
Japan	9,125	7,126,000
Mexico		2,000
United States	34,401	38,019,000
TOTAL	43,638	

[1] Quantity not always available. Value includes both units and parts.

[*English*]

PUBLIC WORKS—DOCK AT POINT AU PÈRE HARBOUR

Question No. 237—**Mr. Allard:**

Have the funds earmarked for the works carried out to the dock at Point au Père Harbour in the constituency of Rimouski, Quebec, been exhausted and, if not, what is the remaining amount and what does the government intend to do with it?

Hon. Jean-Eudes Dubé (Minister of Public Works): Of the funds allocated for the dock at Point au Père, $10,000 has already been disbursed for repairs. During the present winter it is planned to disburse the remainder to repair the lighting system on the wharf.

AIR TERMINAL—MONT-JOLI, QUEBEC

Question No. 238—**Mr. Allard:**

What was the estimated cost of the contract awarded for the construction of the air terminal at Mont-Joli, Quebec, and what was the final cost of construction?

Hon. Jean Marchand (Minister of Transport): The estimated cost of the contract awarded to Pisapia Construction Inc. of Montreal, P.Q., for the construction of an air terminal and operations building at Mont-Joli Airport, Quebec, was $650,000; the contract was awarded in the amount of $575,290.75; and the final cost of the work was $620,00.

L'ÎLE-AUX-COUDRES WHARF

Question No. 240—**Mr. Caouette (Charlevoix):**

Is the study of the wharf problem relative to the ferry at l'Île-aux-Coudres complete and, if so, on what date have the repairs or reconstruction works been initiated to allow boats to anchor overnight on the island's shore to ensure emergency service?

Hon. Jean-Eudes Dubé (Minister of Public Works): Studies are being carried out jointly with the province of Quebec to reach an equitable solution. Until the studies are complete and a decision taken, it is not planned to carry out any major construction work.

STUDY OF LAND EROSION, STE. ANNE DE PORTNEUF

Question No. 241—**Mr. Caouette (Charlevoix):**

Is the study on land erosion at Ste. Anne de Portneuf completed and, if so, on what date was the construction of a retaining wall initiated?

Hon. Jean-Eudes Dubé (Minister of Public Works): The study has been completed. It shows that erosion is due to natural causes and therefore not a federal responsibility.

CONTRACT WITH ARTHUR D. LITTLE OF CANADA TO STUDY OIL AND GAS RESOURCE PROGRAM

Question No. 247—**Mr. Andre:**

Did the Department of Energy, Mines and Resources, during 1972, hire the firm of Arthur D. Little to do a study connected with frontier petroleum resources and, if so (a) what was the amount of the contract (b) what other firms were considered (c) what was the basis upon which Arthur D. Little was accepted?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes. (a) $9,000 maximum plus $3,000 expenses maximum; (b) Consideration was given to several other firms but Arthur D. Little of Canada Limited only was selected to make a proposal; (c) The contract was given to Arthur D. Little of Canada Limited because the firm's international experience provided the necessary background for the economic concepts needed in the early stages of the oil and gas resource appraisal program. This program is now being conducted by the federal government on a continuing basis.

Order Paper Questions

CHARLOTTETOWN AIRPORT

Question No. 258—**Mr. Macquarrie:**

1. What buildings have been (a) erected (b) dismantled at the Charlottetown Airport since January 1, 1970?

2. In each case, what tenders were submitted and what was the dollar figure?

3. In each case, who was the successful tenderer?

4. What is intended for the currently existing hangar on this Airport?

5. Since June 1970, has any property been acquired for expansion of the Charlottetown Airport and, if so, how much?

6. When is it intended to provide a new or enlarged terminal building at this Airport?

Hon. Jean Marchand (Minister of Transport): 1. (a) Buildings erected, none. However, an extension to the present air terminal building was completed in 1971. (b) Buildings dismantled: (1) Old maintenance garage (2) Hangar No. 1 (3) Two storage buildings designated as buildings T4 and T7.

2 and 3. (a) Extension to terminal building Three tenders received as follows: (1) Williams, Murphy and MacLeod Ltd. $46,187 Successful tenderer; (2) Bagnalls Mills, $46,900; (3) Square—K Construction Co. Ltd., $52,414; (b) Dismantling: (1) Old maintenance garage—Three tenders received as follows: Lloyd Cudmore, $3,000 Successful tenderer; Albert Thomas, $5,000; Tom Claybourne, $5,100; (2) Hangar No. 1. Crown Assets Disposal Corporation sold this hangar to the City of Charlottetown on October 26, 1970 for the sum of $5,000; (3) Two Storage Buildings—T4 and T7; Sold by Crown Assets Disposal Corporation; Two tenders received as follows: Island Auto Supplies T4; $801, Successful tenderer; T7, $201, Successful tenderer; Borden Ford, T4, $210; T7, $25.

4. Part of the existing hangar is presently used as the airfield maintenance garage and fire hall by the Ministry of Transport Airports Branch. Remainder of hangar is rented to Roberts Flying Club for aviation purposes.

5. The McRae property has been acquired. Approximately forty acres.

6. A new Air Terminal Building and related works is programmed for start of construction in the fiscal year 1978-79.

RCMP—REQUESTS FOR INFORMATION ON MEMBERS OF PARLIAMENT

Question No. 268—**Mr. Cossitt:**

Has the Royal Canadian Mounted Police ever been asked by any employee of the government or by any member of the government for information about any individuals serving as Members of Parliament since April 20, 1968 and, if so (a) who made such requests (b) who were the individuals on whom the information was requested?

Hon. Warren Allmand (Solicitor General): The R.C.M. Police is not asked by any employee or member of the government for information about individuals serving as Members of Parliament for any reason that would not apply, in similar circumstances, to any Canadian citizen. To reveal the details of any request that might have been made would be contrary to the public interest and a violation of the individual's right to privacy.

Order Paper Questions

ACQUISITION OF LAND FOR TORONTO WATERFRONT

Question No. 281—**Mr. Atkey:**

Has the government exercised its option to purchase for $9.7 million the 14 acres of land from a New York company for the proposed park on the Toronto waterfront and, if so, under which departmental estimates were such funds committed?

Hon. Jean-Eudes Dubé (Minister of Public Work): Yes, funds were committed from Department of Public Works estimates.

ST. LAWRENCE RIVER ISLANDS

Question No. 419—**Mr. Cossitt:**

1. What islands or parts of islands are owned by the government in that area of the St. Lawrence River between Brockville, Ontario and Kingston, Ontario?

2. Will the government be enlarging, improving or repairing any of the dock facilities during 1973 in that area and, if so, in what places?

Mr. John. M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Indian Affairs and Northern Development and Public Works as follows: 1. St. Lawrence Islands National Park consists of a small mainland headquarters property at Mallorytown Landing, part of Grenadier Island, 16 islands, and about 80 rocky islets. The names of the 16 islands are: Cedar, Thwartway, Pitcairn, Gordon, Aubrey, Mulcaster, Mermaid, Georgina, Beau Rivage, Constance, McDonald, Squaw, Camelot, Adelaide, Endymion, Stovin.

2. During the 1973 season, the Department of Indian Affairs and Northern Development plans to construct a wharf at Thwartway Island and 20 floating docks at various islands. Additional wharves will be replaced at several locations where needed. At present there are no plans for enlarging, improving or repairing any of the public dock facilities which come under the jurisdiction of the Department of Public Works during 1973 in this area.

RELOCATION OF RAILWAY TRACKS

Question No. 425—**Mr. Woolliams:**

How many agreements are in effect between the necessary parties (the municipalities, the provinces, and the federal government) according to our constitution and by agreements that will result in the moving or relocation of railway tracks in any city in Canada in the year 1973?

Hon. Jean Marchand (Minister of Transport): None.

HOUSING STARTS AND COSTS

Question No. 427—**Mr. Woolliams:**

1. How many of the 233,000 housing units, that were started in 1972, were single dwelling units and how many were units in an apartment block?

2. What was the cheapest, in dollars, single housing unit (three bedroom) that was financed by CMHC in the following cities of Canada (a) Vancouver (b) Calgary (c) Edmonton (d) Winnipeg (e) Toronto (f) Montreal?

Hon. Ron Basford (Minister of State for Urban Affairs): 1. The distribution of housing starts in 1972, by type, was as follows:

House Type	Dwelling Units
Single-Detached	115,570
Semi-Detached and Duplex	13,649
Row	16,980
Apartment and other	103,715
Total starts	249,914

2. The lowest cost, three-bedroom, single housing unit financed by CMHC in 1972 was: (a) $13,000 in Vancouver; (c) $17,470 in Edmonton; (d) $19,600 in Winnipeg; (f) $12,000 in Montreal; CMHC did not finance three-bedroom single housing units in (b) Calgary; (e) Toronto.

CONDITIONAL AND ABSOLUTE DISCHARGES

Question No. 446—**Mr. Hueglin:**

1. How many instances have there been where conditional or absolute discharges have been granted since this became law?

2. What are the different offences for which they have been granted?

3. How many instances have been granted for each of the offences listed in Part 2?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Statistics Canada reports that the information requested is not yet available.

NATIONAL DEBT

Question No. 491—**Mr. Beaudoin:**

What was the National Debt on April 30, 1970?

[*Translation*]

Hon. John N. Turner (Minister of Finance): Since the Public Accounts of Canada are based on a fiscal year ending on March 31 of each year, it is not possible to derive the National Debt at points in time other than March 31 of each year. When the National Debt is defined as the total of liabilities as recorded on the statement of assets and liabilities, the level at March 31, 1970, was $38,150 million. On the other hand, when the National Debt is defined as the excess of gross liabilities over net recorded assets (i.e., when it is defined to represent the cumulative budgetary deficit since Confederation), the level at March 31, 1970, was $16,943 million.

[*English*]

CBC—PURCHASE OF AM TRANSMITTERS FROM CONTINENTAL ELECTRONICS, DALLAS, TEXAS

Question No. 515—**Mr. Gillies:**

1. What was the cost of the 50 kilowatt AM transmitters purchased by the Canadian Broadcasting Corporation from Continental Electronics, Dallas, Texas, in 1972?

2. Was this contract tendered for and, if so, what were the names and bids of the other firms concerned?

3. What is the policy of the Canadian Broadcasting Corporation towards Canadian content in the purchasing of wireless electrical equipment?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Including duty and federal sales tax, the bid received from Continental Electronics, Dallas, Texas, in

1972 for eight 50 kilowatt AM transmitters was considerably lower than that of the two other bidders. Because of its competitive nature, it has not been customary to request the CBC to reveal the purchase price of this type of equipment.

2. The other bids were received from Gates Radio Co. (Canada), Pointe-Claire, P.Q., and R.C.A. Limited, Ste. Anne de Bellevue, P.Q.

3. (a) All CBC specifications contain a paragraph encouraging the supplier to use as high a Canadian content as possible; (b) All quotations must specify the percentage of Canadian content in labour and materials; (c) All other things being equal, the policy of the CBC is to give preference to the equipment with the highest Canadian content.

STAFF OF PRIME MINISTER'S OFFICE

Question No. 580—**Mr. Lambert (Bellechasse):**

1. As of August 31, 1972, how many persons were on the staff of the Prime Minister's office?

2. What was the total cost of the staff of the Prime Minister's office for the year 1972?

Right Hon. P. E. Trudeau (Prime Minister): 1. 90 (on staff); 2 (by contract).

2. $972,925.73 (for staff), $57,783.82 (for contracts).

EDUCATION SUPPORT

Question No. 711—**Mr. Stackhouse:**

1. What was the grant per student paid in 1972 by the government for distribution by provinces to universities and colleges?

2. What was the grant per student actually received in 1972 by church related universities and colleges in Ontario?

Hon. James Hugh Faulkner (Secretary of State): 1. The amounts transferred to the provinces under Part VI of the Federal-Provincial Fiscal Arrangements Act, 1972 are not calculated on the basis of grants per student, but on the basis of operating expenditures for post-secondary education. It is estimated that in the fiscal year ending March 31, 1973 the amounts transferred to the provinces will total approximately $972 million. This total includes the value of the federal revenue relating to post-secondary education, related equalization and guarantee payments, and post-secondary education adjustment payments.

2. The Federal-Provincial Fiscal Arrangements Act, 1972 does not require provincial governments to report to the federal government the distribution within the province of the transfers received under the act.

CONFLICT OF INTEREST RULES FOR DEPUTY MINISTERS

Question No. 737—**Mr. Orlikow:**

1. Has the government established, then codified and distributed, any conflict-of-interest rules for Deputy Ministers and members of their families regarding (a) stock and bond holdings (b) real estate property (c) purchases of major items of a personal or domestic nature such as automobiles or services such as travel-/holiday accommodation and, if so (i) what has been the form of distribution of such promulgation (ii) has the government given any consideration to their publications?

2. Is there any notable difference in the provisions of such rules from those who apply to Ministers of the Crown?

3. If no such rules have been established for Deputy Ministers, has there been, is there, or is there likely to be, any consideration of such by the government?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. No.

2. Not applicable.

3. Yes. As the Prime Minister stated during the oral question period on February 1, 1973, the ministers of each department have conveyed to their deputy ministers general directives regarding the question of conflict of interest but these directives have not been formalized or codified. It is the government's intention to formalize these general directives when the proposals relating to the conflict of interest question, referred to in the Speech from the Throne, are brought before parliament.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

NATIONAL DEFENCE—EXPENDITURES FOR PUBLIC RELATIONS

Question No. 71—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of National Defence on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72?

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

3. What contracts for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

DEPARTMENT OF THE ENVIRONMENT—PUBLIC RELATIONS EXPENDITURES

Question No. 92—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of the Environment on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72?

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

3. What contracts for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

EXPENDITURES BY NATIONAL RESEARCH COUNCIL FOR RESEARCH

Question No. 104—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the National Research Council on contracts to outside persons and organizations for research, development and other consulting services?

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

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

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, and what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

ACCELERATED CAPITAL COST ALLOWANCE PROGRAM

Question No. 170—**Mr. Rodriguez:**

1. What were the names of corporations benefitting from the Accelerated Capital Cost Allowance Program (ACCH) for pollution-control structures and equipment, in each of the fiscal years 1971-72 and 1972-73 to date and, in each case, what were the costs allowed under the program for rapid write-off?

2. What are the objectives of the above program?

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

Return tabled.

REQUEST FOR RCMP CENTENNIAL LICENCES

Question No. 205—**Mr. Forrestall:**

1. How many requests have been received, and from whom, for RCMP Centennial licences?

2. How many have been approved and to whom were they issued?

3. In each approved case, what are the royalty scales?

4. Did the Royal Canadian Mint seek a licence and, if not, for what reason?

5. For what reason were licences not issued in the same manner as they were for our National Centennial year?

Return tabled.

ORAL QUESTION PERIOD

FINANCE

POSSIBLE IMPOSITION BY UNITED STATES OF IMPORT SURCHARGE IN LIGHT OF DOLLAR DIFFICULTIES—CANADIAN REPRESENTATIONS AND POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Industry, Trade and Commerce a question arising from a statement attributed to the chairman of President Nixon's council of economic advisers that the United States government is seriously considering the imposition of a surcharge to urge or at least have the effect of compelling or bringing its trading partners to the point of adjusting their monetary and trading policies to relieve the United States deficit. I should like to ask the minister whether, in view of this statement attributed to the chairman of the President's economic advisory council, he has had any contact with the United States government in this regard?

[Mr. Nystrom.]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am aware of the newspaper reports quoting the chairman. Our officials have, of course, been in contact with United States officials over a period of time and certainly very recently as well.

Mr. Stanfield: Mr. Speaker, I assume what the minister is saying is that he has not been in contact with the United States government as a result of this statement of the chairman of the President's council of economic advisers. What is the position of the government in respect of the difficulties relating to the United States dollar and the possibility of surcharges being imposed in light of the statement to which I referred? Is it the position of the government of Canada that Canada will make a special approach to the United States with regard to this potential difficulty for Canada, or does Canada intend to rely upon a multilateral approach in association with the countries of western Europe, Japan and other countries that will be concerned?

Mr. Gillespie: Mr. Speaker, I should like to emphasize that Canada's position will be placed strongly and clearly to the United States authorities. It has been made strongly and clearly over the months and, indeed, recently, and I am sure it will continue to be so. As far as the solution of the difficulties the United States faces at the present time is concerned, I very much hope it will be a multilateral solution rather than a series of bilaterals.

An hon. Member: Don't be so formal.

Mr. Stanfield: Mr. Speaker, I have a further supplementary question. I am sure the minister will agree that the recent difficulties are what the chairman of the President's economic council referred to. Does the minister propose to act on behalf of the government of Canada in putting forward and claiming a special position for Canada in relation to United States trade in light of consideration by the United States of the imposition of surcharges, or does the government of Canada propose to let nature take its course in the United States and then formulate domestic policies designed to relieve Canadian industries that might be affected, as the policy followed apparently was in the imposition of a surcharge in August, 1971?

Mr. Gillespie: Mr. Speaker, we have made clear to the United States authorities that Canada is not contributing to the deficit on current account that the United States is experiencing. In fact, we assist in respect of that deficit in that we as a nation have helped to reduce the U.S. deficit position on current account. Indeed, like the United States, we are in a deficit position on current account with the rest of the trading world.

BANK PROFITS FROM INTERNATIONAL MONETARY DEALINGS—GOVERNMENT ACTION

Mr. David Lewis: Mr. Speaker, I should like to ask one or two questions in the same area. May I first address a question to the Minister of Finance. In view of reports by the chartered banks of Canada showing that they have made considerable profits from international monetary dealings, may I ask whether the minister has discussed

this situation with the chartered banks, or intends to do so, in order to make sure that they do not add to the international monetary crisis by profiteering from international monetary transactions?

• (1420)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the arrangement agreed to by the banks last June in Winnipeg to limit the amount that they were willing to pay on certificates of deposit for short-term deposits up to 100 days and up to a year has had a beneficial effect so far on the Canadian dollar in the sense that it has discouraged the influx of short-term money in which the banks were participating prior to that time. Insofar as the Canadian chartered banks are concerned, I am satisfied that since that date they have not been contributing to an adverse position in the Canadian dollar scene.

CANADIAN PARTICIPATION IN DISCUSSIONS ON REFORM OF INTERNATIONAL MONETARY SYSTEM

Mr. David Lewis (York South): Mr. Speaker, may I ask the Minister of Finance a further question. Are Canadian authorities now participating in the further discussions for the reform of the international monetary system and to expedite that reform to produce more liquidity in the international monetary system so as to make it more difficult for vested and speculative interests to create an international monetary crisis every few months?

Hon. John N. Turner (Minister of Finance): Yes, indeed, Mr. Speaker. As the House knows, Canada is part of the group of 20 constituted last September in Washington, which includes developing and developed countries, seeking to achieve a new international monetary situation having as one of its prime features a new reserve currency. Whether it should be special drawing rights or an other is not yet determined. One of the items on the agenda which is now being considered by the deputies and which will be considered by the ministers, including myself, in March will be the question of not necessarily capital controls but the control of short-term money.

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TRADE

CANADA—UNITED STATES—POSITION OF NEGOTIATIONS ON SO-CALLED IRRITANTS

Mr. David Lewis (York South): Mr. Speaker, may I address a supplementary to the Minister of Industry, Trade and Commerce. In view of the developing difficulties and the threat of possible further protectionism by the United States administration, may I ask the minister whether negotiations are now continuing in respect of what his predecessor called trade irritants between Canada and the United States and at what stage those negotiations are now?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, there have been discussions by Canadian officials prior to the vote of confidence. I would expect that there will be further discussions between officials of a similar exploratory and general review nature in the very near future.

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FINANCE

INTERNATIONAL MONETARY SITUATION—CANADIAN PARTICIPATION IN PRESENT DISCUSSIONS—PURCHASE OF U.S. DOLLARS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Finance. Would the minister advise whether he has had any negotiations or communications with his opposite numbers in the Group of 20 or perhaps even the smaller group of ministers that is rumoured to be meeting this week in order to deal on a much more pragmatic and urgent basis than the long-term basis of next March with the present situation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the government of Canada has been following very closely the situation in international monetary terms last week, over the weekend and again this morning. Although we have not been a party directly to the discussions in Bonn or Paris, we have through our representatives in Bonn, Paris, London, Basel and Washington kept abreast of the situation, and this morning I talked on the telephone with the Secretary of the Treasury of the United States, George Shultz, who is keeping me informed of the current situation.

Mr. Lambert (Edmonton West): Mr. Speaker, would the minister advise the House whether the Bank of Canada late last week participated or whether it is contemplated that the Bank of Canada will participate in the mopping up of excess United States dollars in order to maintain Canada's own position in the exchange market? What is contemplated precisely so far as Canada is concerned?

Mr. Turner (Ottawa-Carleton): The hon. gentleman, I and the Leader of the Opposition talked about reserves before. The position of Canada at the moment in the current situation is to maintain the floating of the Canadian dollar. The exchange fund will continue to intervene in order to preserve an orderly market.

[*Translation*]

CANADIAN DOLLAR EXCHANGE LEVEL—GOVERNMENT POSITION RESPECTING UNITED STATES POLICY

Mr. Speaker: Is the hon. member for Compton rising on a supplementary?

Mr. Henry Latulippe (Compton): Yes, Mr. Speaker.

Mr. Speaker: Order. I shall allow the hon. member to put his questions, after which I shall recognize the hon. member for Oshawa-Whitby for a supplementary, and then we shall return to this subject later on.

Mr. Latulippe: Mr. Speaker, my question is for the hon. Minister of Finance.

Could he tell us whether Canada will be in a position to float its dollar or whether the decision in this respect will

depend on the policy of the United States or of the international organization?

Mr. Turner (Ottawa-Carleton): I am sorry, Mr. Speaker, but I did not quite get the hon. member's question.

Mr. Latulippe: I shall put my question once more, Mr. Speaker.

I am asking the minister whether Canada will be in a position to float its dollar or whether the decision will be left to United States or world organization policy?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, we have our own economic policy and at present, as I told the hon. member for Edmonton West, we are continuing to float the Canadian dollar.

* * *

[*English*]

TRADE

CANADA-UNITED STATES AUTO PACT—POSITION OF DISCUSSIONS—INVESTMENT BY INDUSTRY IN CANADA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the fact that the specific item of trade that has been of most concern to the United States in recent months has been the Canada-United States automotive agreement, is the minister in a position to tell us what has happened in terms of discussion of that agreement up to this point?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, that particular so-called irritant was one of several that were discussed on an earlier occasion. There have not been any discussions with respect to that particular item in recent months.

Mr. Broadbent: In view of the concern being expressed at present in Canada by both the parts sector of the industry and the assembly plant sector concerning investment decisions that are now being made in that industry, the concern being that all the investment now will take place on the American side of the border for future production, would the minister assure the House that he will obtain assurances from the Canadian side of that industry that we will get our fair share of future investment in the automotive industry during the next 12 months?

Mr. Gillespie: Any discussion with respect to the benefits of the automotive pact or its reconsideration or revision must, in our view, provide significant benefits for Canada.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Prince Edward-Hastings on a last supplementary question on this subject

[*Translation*]

and then I shall recognize the hon. member for Bellechasse.

[Mr. Latulippe.]

[*English*]

FINANCE

EFFECT OF POSSIBLE DEVALUATION OF UNITED STATES DOLLAR ON CANADIAN DOLLAR

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Finance. Because it has been widely rumoured during the weekend that the United States dollar will be devalued because of that country's trading difficulties with West Germany and Japan in particular, does the government of Canada feel that this will affect adversely the Canadian dollar as opposed to the U.S. dollar?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman himself admits that it is still a rumour and therefore the question is hypothetical.

* * *

[*Translation*]

OFFICIAL LANGUAGES ACT

REFERENCE OF REPORT OF COMMISSIONER TO HOUSE COMMITTEE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the minister responsible for the application of the Official Languages Act.

In view of the importance of the second annual report of the official languages commissioner, does the minister intend to refer it to a house committee or will he take steps to implement the recommendations of the commissioner?

[*English*]

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, it is on my prescribed reading list. It is being studied by the department, and I would suggest that all Members of Parliament would be interested in reading that document.

* * *

GRAIN

PROVISION BY RAILWAYS OF SUFFICIENT CARS FOR MOVEMENT—SYSTEM OF ALLOCATION

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, my question is directed to the minister responsible for the Wheat Board. Would the minister explain, or at least investigate, the problem in Saskatchewan where many producers have been unable to deliver quotas for months because many points are plugged while other points are less than half filled and there is still lots of room? Many of these quotas are election quotas that were imposed last September.

• (1430)

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, individual situations will be looked into, including some brought to my attention by a telegram this morning. The Canadian Wheat Board is making every effort to assign

cars to the blocks where the congestion is most serious. Of course, a good deal of the allocation of cars within blocks is in the hands of the elevator companies rather than the Wheat Board under the rules of the block shipment system. Movement of grain is going along rapidly, but in certain places there will be some congestion until the fullest movement begins with the opening of navigation to the east.

Mr. Horner (Battleford-Kindersley): Would the minister not agree that the problem seems to lie in the way boxcars are allocated to the blocks? For part of the year the allocation is based on space available in the elevators. If this allocation is fair for part of the year, why is it not fair for the whole year? Should boxcars not be allocated all year according to space available?

Mr. Speaker: Order, please. The supplementary is perhaps couched in argumentative language, but possibly the minister might be allowed to reply.

Mr. Lang: Mr. Speaker, certain producers certainly were concerned about the question of whether or not the Bracken formula was creating some of the congestion problems. We conducted a thorough investigation of the situation only to find that the amount of space available was fairly equal among the various elevator companies with the Bracken formula operating. Further, we asked the Canadian Wheat Board to try to ensure that some shifting of cars from non-congested blocks to congested blocks could occur at the request of the elevator companies. In other words, in assessing the situation we found that since congestion was evenly spread among the elevator companies it was not a matter of the sharing of the business which was creating the problem at individual points.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I would like to direct a question to the minister in charge of the Wheat Board. Since this is a chronic condition that has existed for some time, will he meet with the Canadian Transport Commission and the Canadian Wheat Board to get down to cases, find out what the problem is and arrive at a solution?

Mr. Lang: Mr. Speaker, the hon. member is well aware that I had just that kind of meeting with the Canadian Wheat Board, not just days ago but weeks ago, and got their agreement to attempt to move allocations of shipping orders to those areas where congestion was most serious. I should emphasize, as I have said before in the House, that it was the Wheat Board's decision to raise quotas rather more rapidly than I would have liked in the fall and early winter that gave rise to the possibility of congestion which will not be relieved until the very rapid movement that occurs in the spring period begins. I should point out that the movement at the present time is in fact more rapid than in any other year for the winter months, but obviously not as much grain moves while Thunder Bay is frozen so it will be April before we see very rapid movement again.

Oral Questions

FINANCE

CONTINGENCY PLANS TO CONTROL INCREASE IN SHELTER COSTS

Mr. Don Blenkarn (Peel South): Mr. Speaker, I wish to direct a question to the Minister of Finance. In light of the fact that shelter prices rose .7 per cent last month and increased over the last 12 months by 6.4 per cent, would the minister advise the House whether the government has designed any contingency plans to abate shelter price increases?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the plans which the Prime Minister has been revealing to the House about the subject of price and wage controls are in general terms.

Mr. Blenkarn: In light of the fact that over-all fiscal and monetary policy has an immense effect on shelter costs, has the government any target for 1973 with respect to the limits to which shelter costs will be allowed to rise?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think my colleague, the Minister of State for Urban Affairs, already answered that last week so far as CMHC is concerned. If shelter were to be dealt with specifically, it might well fall under provincial jurisdiction.

* * *

GRAIN

CHARGES AGAINST ALBERTA FARMERS RESPECTING WHEAT AND RAPESEED QUOTAS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to direct a question to the Minister of Justice. He may answer it either as Minister of Justice or as the minister in charge of the Wheat Board. Is he aware that in one community alone in the province of Alberta 40 farmers have been charged with violations of the Wheat Board regulations in connection with wheat quotas, and a number have been charged with violations of the rapeseed quotas? Further, is he prepared to hold the charges in reference to rapeseed in abeyance until the Supreme Court has ruled in that regard? Also, will he advise the House whether any of the farmers received notice prior to being charged under these regulations, which I may say are numerous?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, that question was extremely broad in its scope, and I would have to ask the hon. member to give me an indication of the specific charges to which he is referring. Obviously such charges are laid from time to time by the Wheat Board in an attempt to enforce its act and regulations in order to ensure orderly marketing and fair delivery opportunities for farmers across the prairie region. I would want to look into the specific second part of the hon. member's question. I assume counsel for the defence and counsel for the Wheat Board have that well in mind.

Mr. Woolliams: The charges were laid in the Bentley-Red Deer district and I am advised by the farmers, although I have not had a chance to check this, that there

may be 100 or more charges pending in Alberta. I would ask the minister to look into this in light of the fact that the regulations are numerous and the farmers have been experiencing marketing difficulties. Will he ascertain whether the charges have arisen because of marketing difficulties, and will he report to the House?

Mr. Lang: I will certainly look into it. I appreciate the specific information given by the hon. member. There certainly have been more infractions in the province of Alberta this year than in any other province, particularly in relation to rapeseed. I was not specifically aware of the situation in the Red Deer area and the charges there to which the hon. member refers, but I will be glad to look into the matter.

Mr. Woolliams: In light of the fact the minister says there have been more violations in Alberta than in any other province, would he or his department exercise the same kind of scrutiny and diligence with respect to breaches of the regulations in other provinces, particularly around Humboldt and Saskatoon? Further, does he find any conflict between being the Minister of Justice and the minister in charge of the Wheat Board?

Mr. Speaker: Order, please.

* * *

DRUGS

USE OF HEROIN—REQUEST FOR TABLING OF MEMORANDUM AND DOCUMENTS PRESENTED TO CABINET—ACTION TO MEET PROBLEM

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the shocking revelation over the weekend that a memorandum and documents were presented to the cabinet last April warning that the use of heroin was increasing at a terrifying rate of perhaps 2,000 per cent over the past five years and that the cabinet should take immediate action, would the minister undertake to table those documents and memorandum in the House?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am sure the hon. member is very familiar with the rules in this regard and I do not foresee that those documents if they exist, will be tabled.

[*English*]

Mr. Nystrom: In view of the revelation that the number of heroin addicts increased from about 500 to 10,000, can the minister say what action was taken, and can he also say what action the department is planning now to meet this grave social problem?

Mr. Speaker: Order, please. The hon. member will appreciate that at least the first part of his supplementary is not in order.

[*Translation*]

Mr. Lalonde: Mr. Speaker, the first part of the question deals with an opinion expressed in a newspaper: I have no comments to make. In answer to the second part, I shall be pleased to explain in detail what the department has done in this field as soon as the occasion arises, either in the House or before the appropriate committee of the House.

* * *

SOCIAL SECURITY

QUEBEC—REDUCTION OF PENSIONS PAID TO HANDICAPPED PERSONS

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

Since most disabled persons from Quebec are now receiving a reduced pension, could the minister tell us whether his advice has been sought by his Quebec counterpart in this connection and if he has given his agreement?

Hon. Marc Lalonde (Minister of National Health and Welfare): I have not been consulted, Mr. Speaker.

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

Since during the last election campaign the provincial minister promised a pension raise, was the federal minister then consulted?

Mr. Lalonde: No, Mr. Speaker.

* * *

[*English*]

NATIONAL DEFENCE

PAY OF CANADIAN ARMED FORCES PERSONNEL ON VIET NAM SUPERVISORY COMMISSION

Mr. Peter Reilly (Ottawa West): Mr. Speaker, I wish to direct a question to the Minister of National Defence. In light of the fact the government acknowledged some time ago that Canadian military personnel in Viet Nam would be facing a dangerous situation, can he tell the House whether or not it is true that a married man, with children, who belongs to the Canadian Armed Forces, receives between $300 and $400 a month less than his counterpart in External Affairs, and can he justify this, if true?

• (1440)

Mr. Speaker: Order, please. The hon. member knows that a question cannot be asked in those terms. A minister cannot be asked to confirm or deny a statement made outside the House or made in the press. The hon. member should ask the question directly.

Mr. Reilly: I will ask the minister then whether it is true that a member of the armed forces who is married, with children, receives $300 to $400 less than his counterpart from the Department of External Affairs and how the minister can justify this?

Mr. Speaker: Order, please. I doubt that the hon. member has succeeded in getting around the procedural

difficulties of the first question. Perhaps he might have a chance later to try a second time to rephrase the question. I have the impression it would be somewhat difficult to make that question acceptable within the rules of the House. The hon. member might like to rephrase the question. I want to be fair to him.

Mr. Reilly: Does the minister intend to bring into line the extra pay accorded to members of the armed forces serving in Viet Nam with the salary scale now paid to men in equivalent circumstances working for the Department of External Affairs?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I have stated in the House that members of the armed forces in Viet Nam receive foreign service pay of $150 a month for single men and up to $180 a month for married men in addition to regular pay and allowances. There are some differences in the payments made to personnel of the Department of External Affairs but we are still on the 60-day basis and these arrangements have not yet been finalized.

Mr. Reilly: Is any change in view in the circumstances of these military personnel which would bring their additional foreign service pay into line with that paid to External Affairs officials in the same circumstances?

Mr. Richardson: Mr. Speaker, I shall be discussing this with my colleague, the Secretary of State for External Affairs, and with the government.

* * *

FINANCE

POSSIBLE IMPOSITION BY UNITED STATES OF IMPORT SURCHARGE IN LIGHT OF DOLLAR DIFFICULTIES—DISCUSSION WITH SECRETARY OF TREASURY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance arising out of his statement that he had a telephone conversation with the Secretary of the Treasury of the United States this morning. Is view of the fact it is obvious that the Minister of Industry, Trade and Commerce has not taken any special action with regard to this difficulty, may I ask whether the Minister of Finance discussed with the Secretary of the Treasury the question of any surtax that the United States might impose upon its trading partners and did the minister make any representations to him on this subject?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the Secretary of the Treasury and I agreed that the purpose of the conversation was to keep Canada informed on American intentions and that for the moment the substance of the conversation should remain confidential.

PENITENTIARIES

KINGSTON—REQUEST FOR TABLING OF REPORT ON DISTURBANCE

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Solicitor General. As his department has had five months to study the report on the disturbance at Kingston penitentiary which occurred about two years ago, has the minister decided whether the report can now or will be made public? If so, when may we expect it? If not, will he inform us why?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we hope to make an announcement on that report soon. I might add that I have only been looking at it for about two months.

Mr. O'Sullivan: Can the minister advise the House whether the report has been referred to penitentiary officials at Kingston with recommendations for action on the commission's findings?

Mr. Allmand: Not explicitly, Mr. Speaker, although on some points the penitentiary officials have already taken action, but not as a result of the report.

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PUBLIC SERVICE

RECONSIDERATION OF RAISING OR REMOVING CEILING ON ANNUAL ESCALATION OF PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board. In view of the information placed on today's *Hansard* in response to my question No. 10 on the order paper that the credit balance in the supplementary retirement benefits account is growing by leaps and bounds, will the minister now reactivate consideration and discussion with respect to raising or removing the ceiling on the annual escalation of pensions of retired public servants and others who are in related categories?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I have not seen the answer to which the hon. gentleman refers, but I have an idea that at the bottom of that answer is a note to the effect that the amounts in the account are those computed by the actuaries as being required to meet but no more, current and future obligations.

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. The minister must be referring to some other document because there is no such footnote on this one. Perhaps he will look at the matter and consider my question.

Oral Questions

NATIONAL CAPITAL COMMISSION

POSSIBLE INVESTIGATION OF ROLE AND POWERS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to ask the Minister of State for Urban Affairs whether the government has made any decision with respect to the investigation of the role and powers of the National Capital Commission which was referred to and agreed to be necessary by the chairman of that commission and its general manager late last week?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the role of the National Capital Commission is determined by the National Capital Commission Act. Since I became minister a year ago I have said that it seemed to me it would be desirable, following the recommendations of the constitutional committee, to have a parliamentary committee examine the role and operations of the National Capital Commission. That was not possible in the last session of parliament and, although I would welcome discussion amongst the House leaders, I suspect it would not be possible this spring.

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AIRPORTS

PICKERING TOWNSHIP SITE—INDEPENDENT STUDY—DISPOSAL OF EXPROPRIATED LAND IF PROJECT NOT PROCEEDED WITH

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is directed to the Minister of Transport. Since the minister's announcement of the Pickering airport decision almost two weeks ago, when he undertook to meet immediately with leaders of the various levels of government to set up an independent study, has he met with the Premier of Ontario and municipal government leaders to get the study under way and, if not, when does he intend to do so?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have not met the Premier of Ontario. I think that I will meet the Ontario minister responsible for transport and airports. We are now consulting at the senior official level in order to agree as to those who will be called to sit on the board that has been referred to.

[*English*]

Mr. Atkey: If the study to which the minister has referred indicates massive public opposition to the airport and it is cancelled, as the minister apparently suggests is possible, what does the government intend to do with the 18,000 acres of land already expropriated?

Mr. Marchand (Langelier): I think I shall wait, Mr. Speaker, until we have the results of the board examination.

[Mr. Knowles (Winnipeg North Centre).]

EXTERNAL AFFAIRS

RELEASE OF CANADIAN CIVILIANS HELD IN NORTH VIET NAM—PAYMENT OF TRANSPORTATION COSTS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is for the Secretary of State for External Affairs. I join with him in appreciation of the fact that the exchange of prisoners of war with North Viet Nam is taking place. However, nothing has been said yet concerning the two Canadians. I would ask the minister whether he has any information with respect to their possible evacuation from North Viet Nam and return to Canada?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I join with the right hon. gentleman in welcoming the beginning of the movement of prisoners of war to their homelands. We have not yet been able to get definite information about the time of the release of Mr. Cayer and Mr. Oppel. We know they are safe and we know they are about to be released but we have not been able to get information as to the exact time of their release. We have made arrangements to transport them home, which I am sure would be the wish of all members of the House, and we have been in touch with their families on a daily basis.

Mr. Diefenbaker: With particular reference to the release of Mr. Oppel, I am informed that his family was told they would have to pay the cost of transportation. That is the instruction they got within the last couple of days. I suggest that such a niggardly policy would not be approved by the minister as Mr. Oppel was actually a prisoner of war as was the other man, and they should receive the same treatment as the prisoners of war.

Mr. Sharp: Mr. Speaker, I should like to reassure the right hon. gentleman that my instructions are that the public should pay the expense of the return of these two Canadians.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, I rise on a question of privilege. A moment ago I asked a question. I do not ask questions without foundation.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: The indication of the answer given by the minister was that I was mistaken. I have the letter here from the father of Mr. Oppel. It is dated the seventh of this month. I quote from the letter:

> My son is alive and I hope will soon be home. Our External Department told us that the Americans may bring him as far as their base in the Philippines and then that the Canadians would take over but my son would have to pay his way.

He goes on to make some further observations which I would not want to read.

Mr. Speaker: Order, please.

Mr. Sharp: Mr. Speaker, I rise on a question of privilege. I wish to reiterate what I said, that I gave instructions that the expenses were to be paid. Perhaps by the time he had this information, my instructions had not been conveyed.

I was not questioning the word of the right hon. gentleman.

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AIR TRANSPORT

ADVANCE BOOKING CHARTER REGULATIONS—REQUEST FOR STATEMENT ON RATES SET

Mr. John Harney (Scarborough West): Mr. Speaker, my question is for the Minister of Transport and relates to a question I asked him on Friday, February 9, with regard to the advance booking charter rates. His answer then was to the effect that these rates had been published by the Canadian Transport Commission on February 1. In view of the fact there have been subsequent reports to the effect that Air Canada offices are informing travellers that these rates have not been set and that Canadian Pacific as well as Air Canada officials have stated that these rates have not been set, will the minister make a statement to this House to the effect that the rates have indeed been set and also cite these rates to avoid and obviate the very great confusion that now exists in the minds of the air travelling public?

• (1450)

Some hon. Members: Hear, hear!

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the Canadian carriers filed applications with the board. If my memory is right, that was on January 16, and the commission gave its approval on February 1. They now have to enter into a contract with the charterer and come back before the commission before everything is settled. Since then, about 11 foreign carriers have made applications to the board and the board will probably make a decision very soon. Therefore you have the Canadian carriers for which the rates have been established and approved, and the foreign carriers for which the rates have not yet been approved.

Mr. Harney: Could the Minister of Transport clarify the situation further for the House in view of the fact that according to the regulations published earlier this year controlling advance booking charters there is a floor below which foreign carriers may not charge and that floor is clearly related to the prices or tariffs filed on behalf of Canadian carriers with the Canadian Transport Commission which, as far as I can understand, does not approve but simply receives applications for tariffs?

Mr. Marchand (Langelier): Mr. Speaker, I think the commission has approved the contract. As far as the prices are concerned, I think they will be about the same as those in force last year. If the hon. member wants an example, Toronto to London last year was $235. Now it will be $240 or something like that.

Mr. Speaker: Order, please. The hon. member will be recognized for one last supplementary, but before we reach the end of the question period the Chair is anxious to recognize some members in the back row who have been waiting for a chance to ask questions.

Mr. Harney: Mr. Speaker, considering that there is some "Marchandage" with relation to the prices charged by carriers, will the minister inform the House whether he has received a communication from the Consumers Association of Canada urging a thorough investigation of the costs involved in charter services offered by Canadian carriers to ensure that prices charged reflect those costs and do not allow excessive profits to carriers at the expense of the Canadian public?

Mr. Marchand (Langelier): Mr. Speaker, I think I said last week that, as minister, I had not received any representations, but I know that the Canadian Transport Commission did receive some representations.

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ROYAL VISIT

REQUEST THAT PRIME MINISTER RECOMMEND THAT THE QUEEN INCLUDE FORT MACLEOD IN ITINERARY

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is directed to the Prime Minister. On January 19 I asked my first question in the House, at which time the Prime Minister answered by saying that a communiqué would be sent to Her Majesty the Queen requesting her to place Fort MacLeod on her itinerary. Has this been done and, if not, why not?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the requests of Fort MacLeod and, indeed, Edmonton have been discussed by Premier Lougheed and myself. The hon. member's representations have been taken into account. The upshot is that the Palace feels it really would be impossible in the one short day that will be spent in Alberta in order to celebrate the centennial of the RCMP to meet every request for her presence in every part of that province. In discussion with the premier's office, the conclusion was reached that Calgary would be the best place for the Queen to assist in the celebration of the RCMP centennial. I am sure the Palace regrets that Her Majesty cannot spend more time out west, but the House will recall that the first decision was to celebrate the centennial in Ottawa. It was after my talks with Her Majesty in December that she agreed to spend one day in Saskatchewan and one in Alberta.

Some hon. Members: Hear, hear!

Mr. Hurlburt: I wish to ask the Prime Minister whether a communiqué to Her Majesty did leave his office on January 19 or on any date until now?

Mr. Trudeau: Mr. Speaker, I have not got the exact dates of correspondence between my office and Buckingham Palace. If the hon. member is wondering whether his own request to me was communicated to Her Majesty, the answer is no, because the question of Fort MacLeod had already been discussed and a solution had been arrived at to the effect that it would not be possible or desirable to have the whole day which is allocated to Alberta spent in Fort MacLeod, and a choice had to be made.

Oral Questions

PENITENTIARIES

FAILURE OF JOHN CHARRON TO RETURN TO COLLINS BAY FOLLOWING RELEASE ON ONE-DAY PASS—RECONSIDERATION OF PAROLE POLICY

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I wish to direct a question to the Solicitor General with reference to John Charron, a prisoner at the Collins Bay farm annex who, while serving six years for parole violation, armed robbery, attempted robbery and possession of a sawed-off shotgun, did not return Sunday night from a day long pass. What are the minister's department or other authorities doing to apprehend this prisoner?

Mr. Baker: Probably nothing.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, on Sunday, February 4, Mr. John Charron was granted a one-day pass to visit a couple. He was to leave at nine o'clock in the morning and return at eleven o'clock in the evening. The hon. member is correct; he did not return. Since that time the police have been informed and an information has been laid, but we have not been able to find him yet.

Mr. Stackhouse: In light of this conduct by a person who already had a record of parole violation, is the minister willing to reconsider the policy of his department with regard to giving passes to this kind of person?

Mr. Allmand: Mr. Speaker, it was announced in the Speech from the Throne and I also answered questions in the House that we are reconsidering the entire question of parole and temporary absence.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Solicitor General. In view of the minister's repeated public statements outside and inside the House concerning the intention of his departmental officials and himself to bring about reform in the bail measures now available to prisoners, when is it his intention to make a clearcut definitive statement to the House with respect to the tightening up of these very loose measures now in effect?

Mr. Allmand: Mr. Speaker, I never made any mention about bail. However, with regard to parole and temporary absence I explained to the House that I received the task force report just before Christmas. It is a rather lengthy report. We are analysing the report now and I hope to have some information for the House in the near future.

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AGRICULTURE

FRUIT AND VEGETABLES

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of Agriculture. Will the minister in his best "Whelanese" tell the House why he has never mentioned fruit or vegetables in all his speeches sent to my office or in the speech he made in the House?

[Mr. Trudeau.]

Some hon. Members: Hear, hear!

• (1500)

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I have some doubts as to the acceptability of the hon. member's question. I think this would be an appropriate moment, on this happy note, to call orders of the day.

Is the hon. member for Kingston and The Islands rising on a point of order?

Miss Flora MacDonald (Kingston and The Islands): Yes, Mr. Speaker. I would have done this during the question period had I been able to catch your eye. I should like to take this opportunity to welcome back to the House the Minister of Indian Affairs and Northern Development.

Some hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

SUPPLEMENTARY ESTIMATES (A), 1972-73—MOTIONS FOR CONCURRENCE IN VOTES 35a, 40a, 45a—DEPARTMENT OF NATIONAL HEALTH AND WELFARE

The House resumed, from Friday, February 9, consideration of the motion of Mr. Drury:

That vote 35a, in the amount of $850,000 of the Department of National Health and Welfare for income security and social assistance—Operating expenditures in supplementary estimates (A) for the fiscal year ending March 31, 1973, be concurred in.

That vote 40a, in the amount of $2,685,000 of the Department of National Health and Welfare for income security and social assistance—Contributions in supplementary estimates (A) for the fiscal year ending March 31, 1973, be concurred in.

That vote 45a, in the amount of $1,000,000 of the Department of National Health and Welfare for fitness and amateur sport—Operating expenditures in supplementary estimates (A) for the fiscal year ending March 31, 1973, be concurred in.

Mr. Henry Latulippe (Compton): Mr. Speaker, I was saying last Friday that we were experiencing a national economic lack of balance, that we were living gloomy days and had few solutions to offer. I was commenting on vote 45a in the amount of $1,000,000 for fitness and amateur sport.

Mr. Speaker, I am not against amateur sport but we must live before having a good time.

Many families in Canada are at grips with financial problems and yet they are also entitled to live. One practices sports when one can afford it and has time for it, but we can no longer afford to spend so much money to develop amateur sports and thus deprive families of what they need.

All hon. members should try to answer the following question: Why are so many older persons so deprived, why have 65 years of their working life of sacrifices and

devotion not enabled them to save enough money to enjoy a decent life and why are most of them compelled to depend only on public charity?

Is it not enough to convince us that we must condemn the present system which has kept for itself their property. Surely their dependents did not inherit these assets for all they have inherited is a lot of debts and mortgages.

Mr. Speaker, government debts now exceed our citizens' ability to pay. How logical it is that so many members of Parliament pretend to be experts! Do they not care to know why there is so much poverty, unemployment, so many debts and bankruptcies? Once more, I suggest that when we are at grips with such economic unbalance, amateur sports should be let aside.

Last Friday, when the House adjourned, I was saying that we should identify the most urgent needs, those which can give to the Canadian economy the appropriate boost to meet essential needs. I suggest that our efforts in the economic and social areas should be primarily based on family, for this is where basic needs are to be found. The family needs clothes, housing, furniture, schools, hospitals, drugstores, teachers, doctors, fuel, policemen, city councils, restaurants, cars, hotels and household help. Finally, one can say beyond a doubt that it is the greatest consumer, that it contributes most to the general trend of the economy. It is also the most forgotten in the minds of our leaders, the most heavily taxed. Generally, it has only one salary, that of the father, to provide food, clothing and shelter to one or several persons despite the fact that its salary is being eaten away by taxes of all sorts.

Families are without the necessary purchasing power and they are the ones which suffer most from the increase in the cost of living; they are the ones which are the hardest hit by economic imbalance and the nonsense in the present diabolical system.

Yet it is the family which is the foundation of society, which builds and maintains it. It has to carry the major part of the social and economic responsibilities, and we also rely on it to upgrade and continue the species.

• (1510)

Mr. Speaker, the prerogatives and rights of the family are being denied consideration; its existence is nearly being denied. You have to be young before you get old. Family allowances were set up in 1944-45. Their rate has remained the same while all other sectors of society have kept pace with the increase in the cost of living. Old age pensions followed an upward pattern but family allowances which stood at $6 to $8 in 1944-45 remain at the same level today while the cost of living increased by over 100 per cent.

I am not against increasing old age security pensions, Mr. Speaker. In fact, I support all increases. However, I am opposed to increases which are without positive effects, which lead to nothing, which only serve to increase the cost of living which is going up continuously.

Mr. Speaker, the question is whether it is worthwhile to increase family allowances and old age security pensions before other ways are explored for giving the economy the upsurge it needs.

Mr. Speaker, national production approximated to $12 billion in 1944. In 1973, it will amount to $114 billion of which $8 billion will be derived from personal income tax and $40 billion from corporate taxation.

On the other hand, family allowances still being down at only $6.00 and $8.00 in 1973, no wonder that we are witnessing an unprecedented decrease in own birth rate while w e should be having a greater family expansion. Coupled with this economic expansion, there is a decrease in the number of children. We are closing our eyes on these tragic events and we are looking for consumers abroad. This is the worst administrative mistake ever made by our governing bodies.

With such a national production, Canadians should enjoy renewed prosperity. And yet, all we have is unemployment, poverty and inflation which indicate that our off-centred national economy is still affecting the whole population.

Mr. Speaker, it is only by restoring an economic equilibrium between people, families and companies that poverty, unemployment and inflation will be eliminated.

Only the government is capable of quickly restoring and maintaining the economic stability which would rub out poverty, unemployment and inflation for the benefit of all Canadians provided that specific and efficient decisions are taken.

However qualified they may be, no civil servants, no university professors, no professional bodies, no trade unions, no federal or provincial economic councils, no religious groups, be they Roman Catholic or Protestant, no ethnic groups, whether English, French or whatever you like, no political parties, no party bagmen, no bank or company presidents or directors, are empowered to pass legislation for the Canadian Parliament. The power to vote is the exclusive privilege of the 264 members of Parliament, a privilege which they must exercise on behalf of 22 million Canadians.

It is therefore in 1973 that this problem should be solved by the government. If the constitution, monetary, economic and political systems enable the people of Canada to achieve a national production of $114 billion i.e. $5,000 per inhabitant or an average of $25,000 per family of five, these same institutions should also enable us to accomplish an equitable sharing among the 22 million citizens living in 6 million homes, residences or slums, throughout our country.

All hon. members, the 30 ministers, the right hon. Prime Minister (Mr. Trudeau) and primarily the Minister of Finance (Mr. Turner), together with the President of the Treasury Board (Mr. Drury) and the leaders of the three opposition parties are the only Canadians responsible for restoring national balance. But how should the government go about this? That is the great question.

I have before me, Mr. Speaker, the findings of the four major commissions of inquiry created over the past decade on banks, taxation, poverty and the status of women in Canada. There is no need for further study. Everything has all been said and studied; every recommendation has beem made. There is nothing left but legislating. We know exactly what the present situation is, we know the logical evolution of technology and we have an

inspiring outlook on immediate possibilities. In short, we have all the required powers to act in a positive way.

First of all let us think of children and teenagers. Let us at least grant $1 a day for children and $2 a day for teenagers. Let us enable this class of citizens to enjoy an annual guaranteed income so that they may contribute to an adequate purchasing power. This will maintain the economic equilibrium. In fact, this category of citizens should have priority over all others.

The hon. Minister of National Health and Welfare (Mr. Lalonde) said in his speech that efforts should be made to establish income security programs which would attain objectives within the related interdependence of the tax system itself.

He also said that it is important to recognize that there are several aspects to the redistribution of income in Canada and that social security legislation must be envisaged in the overall system of tax legislation. He said at the same time that if Canada wants to attain its objectives in social security better ways to set up components must be found. Finally he said we must take into account the virtuality of a conflict between, on the one hand, the natural reluctance of Canadians in the face of the rising level of taxation and, on the other, the concern the governments should feel in the name of all Canadians to increase assistance to the underprivileged.

Nothing can be done without the necessary resources and we have not yet discovered a magic wand or an alchemy formula. So many complicated words to say that much is wanted but that the means are lacking. Still more time is required to explain that the Canadian taxes will have to be increased.

A substantial rise in old age security pensions has been promised, not only a symbolic increase. But there is never any mention of family allowances which are still at the 1944-45 level when that plan became effective.

The minister and the political parties have completely ignored family allowances in the list of the various appropriate programs worked out by the Canadians aware of their responsibility toward their fellow-citizens unable to work.

Mr. Speaker, why should we have one law for the elderly and another for the young? In the course of his life, each individual experiences a basic need for breathing, eating, sleeping and clothing. Therefore, why do the same hon. members vote pensions for the aged with an escalation clause related to the cost of living, and do they fail to follow the same course as concerns family allowances?

Why do the same hon. members vote themselves higher salaries up to $26,000 per annum, to take into account the cost of living, while, at the same time, refusing to do the same with respect to family allowances, to young people quite unable to earn a living?

The minister himself stated that wages generally do not take into account family responsibilities.

Mr. Speaker, I would therefore suggest that family allowances, under the legislation now in force, be increased for all children up to the age of 18 under the guaranteed income program.

[Mr. Latulippe.]

Since 1944 Canadian production has increased by $102 billion, and none the less there is not enough money for Canadian children. There is money for everyone. Children suffer from hunger and cold and their parents are ashamed of such a situation.

If we find means to increase the cost of living, we must also find means to provide a decent living for Canadian families. Family allowance should have increased at the same pace as old age security benefits, as salaries of members of Parliament and senators, as should have kept pace with increases in all sectors of the economy. Family allowances alone have not gone up.

I am not against the hon. member for Winnipeg North Centre (Mr. Knowles) when he strongly advocates that old age pensions be increased. However, I would ask him to be kind enough to support us, to remember the Canadian families because, at the present time, their needs are greater than those of the aged. The children ask the people of Canada to treat them at least as well as all the other institutions or sectors of our economy.

Mr. Speaker, we owe a lot to families. We owe them justice and some security. It is good to give the old some security but if we do not allow Canadians to renew our society through births, if we commit all possible errors and work against the family, the time will soon come when there will be neither young nor old people. There will be no need for old age pensions or family allowances because society will have disappeared.

Mr. Speaker, we must face up to our responsibilities and open our eyes and all together we should recognize the injustice that we have done to the family in opposition to the normal development of the Canadian people. At present, our legislation, all the restrictions and the economic worries are prompting parents not to have any more children.

This, Mr. Speaker, is where we stand; we are witnessing the near-complete disappearance of the Canadian or Christian civilization.

• (1520)

[*English*]

Mr. Speaker: Is the House ready for the question on the motion by Mr. Drury for concurrence in respect of Votes 35a, 40a and 45a of the Department of National Health and Welfare?

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 10a—DEPARTMENT OF MANPOWER AND IMMIGRATION

Hon. Allan J. MacEachen (for Mr. Drury) moved:

That Vote 10a, in the amount of $292,263,037 of the Department of Manpower and Immigration for development and utilization of manpower in supplementary estimates (A) for the fiscal year ending March 31, 1973, be concurred in.

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

Some hon. Members: Agreed.

Mr. Nielsen: Mr. Speaker, may I suggest that if we put the remainder of the motions in respect of which there is notice of opposition all at once, and carry them all together, and then put the remainder of the unopposed items as a block, and carry those, this might hasten the procedure somewhat.

Mr. Speaker: In view of the fact we have this one before the House I might ask whether it is the pleasure of the House to adopt the said motion.

Some hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: Is it the understanding of the Chair that Motions Nos. 1, 4, 5 and 9 be put to the House at this time?

Some hon. Members: Agreed.

MOTION FOR CONCURRENCE IN VOTE 1a, DEPARTMENT OF FINANCE; VOTE 15a, L30d, DEPARTMENT OF MANPOWER AND IMMIGRATION; VOTE 5a, TREASURY BOARD

Hon. Allan J. MacEachen (for Mr. Drury) moved:

That Vote 1a, in the amount of $200,000 of the Department of Finance for Financial and Economic Policies—Program Expenditures in supplementary estimates (A) for the fiscal year ending March 31, 1973, be concurred in.

That Vote 15a, in the amount of $5,475,000 of the Department of Manpower and Immigration for Immigration—Program Expenditures in supplementary estimates (A) for the fiscal year ending March 31, 1973, be concurred in.

That Vote L30a, in the amount of $454,000,000 of the Department of Manpower and Immigration for Unemployment Insurance Commission—Administration Program in supplementary estimates (A) for the fiscal year ending March 31, 1973, be concurred in.

That Vote 5a, in the amount of $60,000,000 of the Treasury Board for Government Contingencies in supplementary estimates (A) for the fiscal year ending March 31, 1973, be concurred in.

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

Some hon. Members: Agreed.

Motion agreed to.

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (A)

Hon. Allan J. MacEachen (for Mr. Drury) moves:

That supplementary estimates (A) for the fiscal year ending March 31, 1973, laid before the House January 8, 1973, except those Votes previously concurred in, be concurred in.

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. MacEachen (for Mr. Drury) thereupon moved for leave to introduce Bill No. C-141, for granting to Her Majesty certain sums of money for the Public Service for the financial year ending the 31st March, 1973.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the said bill be read a second time?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I believe there is agreement that the bill be read a second time now. May I ask if it has been printed, and can it be distributed?

Mr. Speaker: My advice is that copies are available at this time, or will be available shortly. However, inquiries are being made to confirm this.

Hon. Allan J. MacEachen (for Mr. Drury) moved that Bill C-141, for granting to Her Majesty certain sums of money for the Public Service of the financial year ending 31st March, 1973, be read a second time and referred to the Committee of Supply.

• (1530)

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I rise not to oppose the motion but in order to make a few comments of a very non-partisan and non-controversial nature in respect of the bill, particularly with regard to two aspects relating to unemployment, the winter works and LIP programs which were designed to reduce unemployment. Certainly, as I say, I do not propose to oppose the measures that are put forward so far as the winter works program is concerned. I have consistently maintained that in a country such as Canada there is a need for special programs relating to employment in winter in an effort to mitigate to some extent the amount of unemployment that ordinarily develops within Canada as a result of winter. Of course, the winter works program was originally inaugurated under the government of my friend, the right hon. member for Prince Albert (Mr. Diefenbaker). I must say, in connection with the supplementary estimates on this item that the announcement of December, I believe it was or late in November, by the government that it would embark on a program of winter works did surprise me somewhat in view of the very harsh condemnation of a winter works program for Canada by this government over a period of at least some two or three years.

Second, I must comment that this announcement came extraordinarily late in order to be as effective as it might have been for this winter following a rather constant position taken by the government that it would not involve itself in any program this winter. So I can only conclude that the announcement of the program was the result of some kind of conversion and was really not induced by conviction. Third, in passing I must comment that, since it covers some three years, the method of introducing this program through the supplementary estimates seems to be a rather strange proceeding. Above all, however, I wish to emphasize as firmly as I can in this Chamber that the winter works program and the supplementary funds voted for the LIP programs are, of course, no substitute for an adequate level of employment in

Canada based on an annual rate and annual considerations. These programs are only supplementary to offset seasonal effects and seasonal unemployment, but in no way constitute a substitute for an adequate program for the development of employment opportunities in this country.

These items relating to the winter works program and supplementary amounts for LIP are here before us now because of the inadequacy of the budget of last May. They are here before us at this time because the budget of last May failed to generate enough growth in our economy and failed to encourage enough development of employment. I think most of us agree that in Canada most jobs are created in the private sector. Indeed, I think the Minister of Finance (Mr. Turner) during his budget comments of last May emphasized this and emphasized that his efforts were directed toward increasing employment in the private sector through direct encouragement to certain types of industrial investment in Canada. Hence we had the proposed reductions in corporate taxation for manufacturing and processing operations as well as fast write-offs in respect of new equipment purchased. But we emphasized at that time that this was not an adequate stimulation of the economy and that these measures would not have the effect of generating the rate of growth the minister was talking about, even the 6 per cent or 6½ per cent which in the circumstances would not have had any marked effect on the rate of employment or unemployment in this country.

We emphasized that this was a very inadequate proposal to place before this House of Commons at that time, if it was really designed or intended to generate the rate of growth required in order to cut down the terrible rate of unemployment that existed. There was some suggestion that the personal income tax cuts we were demanding prior to that time, at budget time and ever since, were inflationary. I do not think too many people would now argue that such is the case in the existing context of inflation. Indeed, the Economic Council of Canada in its recent report indicates that if personal income tax cuts are not introduced, in certain circumstances this might very well have an inflationary effect. This has been our argument. I do not wish to spend too much time on this aspect this afternoon, because in about a week's time we will have an opportunity for a general debate. I simply wish to make the point that these estimates are before us today. One may call them a band-aid or whatever may seem appropriate, but they are here because of the inadequacy of the budget which the Minister of Finance presented to this House last May.

It must be said that the budget that was adopted, despite our objection and despite the fact that we on this side of the House voted against it, constituted a drag on the economy through the summer, the fall and so far through the winter because it has generated a much higher degree of revenue for the government as a result of the tax schedules in the so-called tax reform bill passed in late 1971, which of course has a schedule of tax brackets much more productive in terms of revenue for the government as people move up the income scale than the old brackets. So, partly as a result of the new tax schedules adopted, and particularly because of the high rate of inflation we have had through 1972 since the budget, this government has been taking in money hand over fist.

There has been some suggestion by the Minister of Finance that these increased revenues are due to the rate of growth of the economy, but I point out that the economy has grown at a substantially slower rate than the Minister of Finance projected in his budget when he gave his projection of estimated revenue. The minister projected a growth of 6¼ per cent whereas it looks now like something in the order of 5 per cent or 5½ per cent. The President of the Treasury Board suggests that that is not the case. However, it will be nearer 5½ per cent than 6¼ per cent. The Minister of Finance will fall one per cent beneath his forecast in respect of the growth in the gross national product.

• (1540)

So my point is, that the extra money that the government is taking in is not because the growth rates are exceeding the target of the government. In fact, the growth rates are well below the prediction of the government, well below the figure upon which it based its estimates of revenue at the time of the budget. I would point out also that the rate of growth in capital investment has been a disappointment. The budget measures presented last May have not generated a rapid growth in industrial investment. This reminds us again that we were, of course, right in emphasizing that people will not build bigger factories or more factories unless there is a demand for the products requiring enlarged factories, more machinery and more equipment. This is why we were pressing for measures to stimulate the economy and stimulate the demands for investment. So, we called for personal tax cuts.

I say that instead of this sort of behind-the-door operation that the government performed in December of last year by increasing grants for LIP and establishing a winter works program, we should really have had a mini-budget late in November or early in December because if there was ever a time when the estimates and the planning of the budget for the year were completely out of whack it has been this year. We should have had a mini-budget so that, among other things, the drag on the economy that the budget of May had created and was continuing to create could be dispelled immediately rather than having to wait for a measure in March to do this. No one has been able to find out for sure whether income taxes are to go up 3 per cent as of January 1. Despite the fact that the calculations of the Minister of Finance were completely wrong in May, despite the fact that it has been demonstrated for months that his budget was inappropriate, this government would not even say in November, December or January that the 3 per cent increase in personal income tax rates was not going to go into effect as of January 1 of this year.

We called for tax cuts on the basis of conditions as they existed in the fall of 1972 and relating to the current fiscal year. We said that a 3 per cent increase in personal income taxes should not come into effect on January 1, and we said that we required a 4 per cent cut in personal income taxes to offset the increase in the real rate of taxation which has come about as a result of inflation taking place. I am addressing myself to the current fiscal year. I am

quite content to wait for a week or so before addressing myself to the next fiscal year and what tax cuts are appropriate with regard to that year. But we emphasized the importance of a 7 per cent cut for the latter half of 1972-73 to stimulate the economy and to do something about this terrible unemployment which, seasonally adjusted, stands at exactly the same rate in January of 1973 as it did in January of 1972, and is actually higher in February.

We also say that these measures which are before us do nothing to reform in any way our tax structure. When the budget was being considered, I urged the adoption of a reform measure to get the government out of the business of profiting from inflation. I put forward a very simple device which would, in effect, adjust the statutory exemptions, the statutory deductions and the tax brackets to correspond to the change in the purchasing power of the dollar each year. It is a very simple device, and I put forward the simplest mechanism that I thought I could devise. Somebody may be able to devise a simpler method, but it was clear at the time, and increasingly clear since, that my proposal would have preserved whatever equity there was in the tax structure for personal income taxation adopted in 1971. This simple measure would have prevented a drag on the economy from developing, one that has been so pronounced this year as a result of inflation moving people up into higher tax brackets and increasing everybody's rate of taxation, by leaving nominal rates of taxation alone. Of course, this would force any government to come to parliament for increases in taxation rather than allowing them to secure increased revenues in a sneaky way as a result of inflation working on the progressive tax structure.

Some hon. Members: Hear, hear!

Some hon. Members: Hear, hear!

Mr. Stanfield: If this course had been adopted, we would not have this problem today of the budgetary measures being a drag on the economy and maintaining unemployment at high levels, problems which we are now considering in a piecemeal way as this bill goes through the House. I do not think the Minister of Finance understood what I was proposing to him at all. He poured scorn on it. I do not think he misrepresented my position deliberately; I just think he did not understand it. It has been very apparent in the course of the months that have passed since May that the proposal I made, or some variation of it, is receiving increasing acceptance. A similar proposal was put before the Tax Foundation a few months ago and met with no objection at all. It is theoretically sound and very simple to administer. It would prevent a fiscal drag from developing in the course of the year as the result of the present tax system we have, and would compel the government to deal honestly with parliament. I cannot repeat too often that while the government can bring forth winter works programs and put more money into LIP projects, we need a big personal tax cut. We needed it in 1972 just to offset the real increase in tax rates that have come about through inflation. I cannot repeat that too often.

An hon. Member: How big is "big"?

Mr. Stanfield: My hon. friend just needs to be patient for a week or so to see how big the government thinks is big. We will have no hesitation, as we had no hesitation during the election campaign, to put a very precise figure on it.

I think it is obvious that the measures we are now considering do not do anything to stimulate or encourage small business in the country which is the greatest source of employment in Canada. We put forward a proposal to encourage the individual and to stimulate business to expand and develop, a proposal designed to help people get started in small business. We call it the Canadian investment credit incentive, and it would be available if we were in government and had the opportunity to bring it into operation to benefit any Canadian citizen who invests directly in the equity of Canadian owned small business. The credit, which would be 50 per cent of qualified investments up to a maximum of $5,000 a year, would either be offset against the individual's income tax for the year or repaid in whole or in part directly to him. Qualifying investments would include any equity share of corporations provided they qualify or direct participation in proprietorships or partnerships. In order for this credit to be available and granted, the businesses would be required to register with the Department of Industry, Trade and Commerce. Since only investment in Canadian owned small businesses would qualify, small business would include corporations with a net worth up to $1 million and with annual revenues up to $10 million, and no corporation would be able to qualify as a small business if its shares were listed on the stock exchange.

• (1550)

I say again, as I said when I made this proposal, that I believe this incentive to small business will do more in a single year to stimulate private initiative, to provide more new opportunities for jobs, and to stimulate demand for goods and services than any combination of direct government loans, concessions and subsidies presently in effect. They, of course, include the measures we are now considering. I repeat that we are not opposing the measures we are considering, but they do not really represent an attack on the main problem confronting the Canadian people, and on the main problem confronting the unemployed. I have emphasized the need for tax cuts. I have emphasized the need for reform in our personal income tax system. I have emphasized the need for this kind of encouragement and stimulus to small business as the greatest employer in the country.

Of course, Mr. Speaker, how we are going to convince the government that it needs an independent forecasting unit is something I do not know. The Economic Council recommended this for years. We have been after the government for years on this. One would think that after its terrible record of forecasting, particularly this year, the government would be ready to help establish an independent forecasting unit. I have to say, and I say it without any unkindness in my heart, that in view of the record of the first year in office of the Minister of Finance, he is beginning to make the last year of his predecessor look good by comparison.

Some hon. Members: Hear, hear!

Mr. Stanfield: I am not going to take up the time of the House this afternoon, Sir, to get into areas like regional economic disparity. Obviously, these measures do very little in connection with that. I will not take the time to emphasize the extent of the failure of the government's program in the area of diminishing regional economic disparity. For example, we have all seen the unemployment figures published for the month of January, and we can see a great disparity between unemployment rates in the Atlantic provinces and Quebec as opposed to Ontario.

A subject which is a little off my theme, but which I am glad to take up for a minute, arises from the question raised by the hon. member for Winnipeg North Centre (Mr. Knowles). He is inquiring about what position I have taken in relation to old age pensions. Of course, when I consider old age pensions, like the hon. gentleman who put the question, I am thinking primarily of the old age pensioner rather than of the economic consequences of increasing old age pensions, although those also are significant. The hon. member for York South (Mr. Lewis) earlier in the session, during the debate on the Address in Reply to the Speech from the Throne, delivered quite a sweeping generalization on the same topic. He indicated that he could not find anything specific in the record that I had said about old age pensions beyond maintaining the present plan and removing the 2 per cent ceiling on the cost of living adjustment.

I appreciate that the hon. member for York South was not in the House last May 15 when I spoke on this matter in the budget debate, as you will find reported at page 2264 of *Hansard* for that date. I appreciate that he was not in the House when I spoke, although he was here later on in the afternoon to take part in the debate himself. But I must say I find it a little difficult to understand how the hon. member did not take the trouble to read what I did say. I want to remind him, and also the hon. member for Winnipeg North Centre, that detailed proposals and costing summaries relating to our policies on pensions were distributed in a mass way, including distribution to the media, and they were reported. This was done in May. We carried on with this position on pensions during the election campaign. That was the reference I made last night, when I said in fact that we had presented proposals regarding pensions.

In addition to those, and I emphasize that in putting these positions forward, and in still putting them forward, I do so as the minimum positions, as the very least that we should have done, since last August I have called for specific emergency provisions, aside from the standard pension provisions, to assist our old people who were bearing the brunt of the drastic increases in food prices. While hon. gentlemen to my left were promoting a committee to study food prices, I think also in association with a review board of some sort, this is what I was doing, Mr. Speaker. I was advocating some direct and immediate help to the people living on fixed incomes, to the people living on old age pensions, who were facing the increase in the cost of living and, in particular, the increase in the cost of food. This is our minimum position. We are reviewing this position with the budget coming up, and I will have more to say about old age pensions, as well as about other matters, in the forthcoming budget debate.

[Mr. Stanfield.]

I trust that the hon. member for York South and the hon. member for Winnipeg North Centre, if they are unable to be in the House and do not have the privilege of hearing me in person when I speak during the budget debate, this time will be able to read afterwards what I had to say. I do not question their sincerity with regard to assistance to the older people, and I trust they are not going to question my sincerity, or the sincerity of my party in that regard.

The country is paying a very heavy price for the budget adopted last May, the first budget presented by the Minister of Finance. We are paying a very heavy price in terms of a disappointing rate of growth, a rate falling well short of the target set by the minister. We are paying a very heavy price in terms of unemployment which, seasonally adjusted, is as high as it was in January, 1972. And, of course, we are paying a very heavy price in terms of inflation which is running on a year to year basis at something in excess of 5 per cent.

There is nothing at all in these measures contained in the supplementary estimates, nothing at all more than some belated assistance to those caught by winter unemployment, and only to a small percentage of the large number of unemployed in Canada. There is nothing in these supplementary estimates to get the country on the right track. I hope I will not be accused of immodesty if I say we, speaking for this party, during the past couple of years and in particular during the last year, have been on the right track in terms of diagnosing the economic problems of the country and in terms of recommending very precise and appropriate methods to deal with them.

I expect there is a very good reason why the Minister of Finance cannot be in the chamber at the present time to hear my speech, but I can send him a copy of it later to read, and I hope he will adopt the suggestions that we have been making. I hope he will bring in some of the reforms in the tax system that we have been suggesting, some of which I have touched upon today, so that while the government remains in office, whether it is for a few days, a few weeks, or for as long as it may last, will begin to get the country moving in the right direction. I hope the government will begin to adopt a few of the measures that are appropriate to get the economy zinging along, get employment growing at an adequate rate, get unemployment down, and do something effective to deal with the problems associated with inflation.

• (1600)

Mr. David Lewis (York South): Mr. Speaker, I stayed to listen to the hon. Leader of the Opposition (Mr. Stanfield) because of the promise I understood him to make earlier this afternoon that he would, when he spoke on this bill this afternoon, answer what was in the motion moved, not with tongue in cheek but very seriously, by my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles).

Some hon. Members: Oh, oh!

Mr. Lewis: The motion that could have been passed if hon. members of the Conservative party had had the courage to let it pass—

Mr. Horner (Crowfoot): That is not so, at all.

Mr. Lewis: Mr. Speaker, that was the way I noticed it.

Mr. Horner (Crowfoot): That is not the way it was said.

Mr. Alexander: You noticed in error.

Mr. Lewis: The hon. member may speak for his—

Mr. Lundrigan: Mr. Speaker, a question of privilege.

Mr. Deputy Speaker: Order, please. What is the question of privilege?

Mr. Lundrigan: Mr. Speaker, I was in the House this afternoon and the House did not give consent to the motion made by the hon. member for Winnipeg North Centre (Mr. Knowles) but certainly no members were named as having refused consent. I challenge the hon. member to state categorically who refused consent or get on with the problem.

Mr. Lewis: Mr. Speaker, let not the hon. member try to be so smart. There was not anyone from the other side of the House who cried "No" and there was not anyone from my party who cried "no". The Speaker heard the "no" so I ask you, Mr. Speaker, to decide exactly where that "no" came from.

I stayed, Mr. Speaker, to listen—

Mr. Lundrigan: Mr. Speaker—

Mr. Deputy Speaker: Order, please. The hon. member for York South (Mr. Lewis) has the floor. I do not believe a question of privilege is involved in what I have heard so far. The hon. member for York South.

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

Mr. Deputy Speaker: The hon. member for York South is recognized by the Chair.

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

Mr. Lewis: I waited, Mr. Speaker, to hear the hon. Leader of the Opposition (Mr. Stanfield)—

Mr. Lundrigan: Mr. Speaker, surely a question of privilege, when raised, must be heard immediately.

Mr. Deputy Speaker: The hon. member rose on a question of privilege. It was heard and disposed of, and then he mentioned a further question of privilege. I am not sure how one could arise but I will be patient and hear the hon. member on a further question of privilege.

Mr. Lundrigan: Mr. Speaker, I have the greatest respect for you, Sir, but I will say that if I want to raise 50 questions of privilege you are called to judge those—

Some hon. Members: Order, order!

Mr. Lundrigan: The hon. member for York South (Mr. Lewis) has made an accusation which is incorrect. As a matter of fact, the hon. Leader of the Opposition accepted the challenge and, consequently, there was no reluctance on his part to express in detail the opposition of this party on old age pensions or he would not have taken the opportunity to do it this afternoon. Consequently, when the charge is made the hon. member must withdraw his remarks. I am not going to sit here as a member of this party and allow smear tactics by the hon. member for York South which have no basis in fact and can only downgrade his party. I should like to see him start to act like an hon. member instead of a dishonourable member, as is the case at the moment.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Perhaps this sustains the Chair's suspicion—

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: —that we are really dealing with a question of debate rather than a question of privilege. The Chair would remind the hon. member for Gander-Twillingate (Mr. Lundrigan) that he has an opportunity to take part in the debate. If somebody has said something with which he finds fault or if there is a disagreement on fact, rather than interrupting another hon. member's speech he should make his own contribution with his own statement of the facts as they appear to him. I am sorry to have been somewhat impetuous earlier in trying not to see the hon. member for Gander-Twillingate a second time, but I think it does become an abuse of our procedures if every time an hon. member says something with which some other hon. member disagrees, violently or otherwise, an attempt is made to settle the difference then and there by means of a question of privilege. I really believe this is a bad debating practice, and I have to appeal to all hon. members to assist the Chair in seeing that the debate proceeds in a more orderly fashion.

Some hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker—

Mr. Deputy Speaker: The hon. member for Prince Edward-Hastings (Mr. Hees) rises on a question of privilege.

Mr. Hees: Mr. Speaker, the allegation the hon. member for York South made was 100 per cent untrue. Mr. Speaker, he has said, sitting at the far end of the chamber, that he could ascertain exactly whether every member on the far side, a long, long distance from him, said yes or no.

Some hon. Members: Order, order!

Mr. Hees: He is saying no one said no. I say to him he is stating a straight untruth and he knows it.

Mr. Deputy Speaker: Perhaps the hon. member for Prince Edward-Hastings was not here when I made my point a few minutes ago—

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: —on questions of privilege which are really matters of debate, and trying to set forth one's own opinion of what transpired. I appeal to hon. members not to raise bogus points of order or questions of privilege

to try to quarrel with statements of other hon. members. I will certainly see that the hon. member for Gander-Twillingate or the hon. member for Prince Edward-Hastings or any other member is recognized to make their contribution on this particular point if they feel that point should be dealt with. I now call on the hon. member for York South.

Mr. Lewis: Mr. Speaker, the first thing I should like to say is that it is obvious that members of this House were exceedingly wise in asking you to be deputy speaker of this House of Commons—

Some hon. Members: Hear, hear!

Mr. Lewis: —in view of your evident wisdom and impartiality. The second point I should like to make, Mr. Speaker, is that I do not withdraw the statement that I made,—

Mr. Alexander: Shame!

Mr. Lewis: —nor do I withdraw one word of that statement.

Some hon. Members: Hear, hear!

Some hon. Members: Shame.

Mr. Lewis: I was coming, Mr. Speaker, to the fact that as I listened to the hon. Leader of the Opposition he gave me the impression that, speaking later in the debate, which meant the speech he has just finished, he would tell this House in the language of the motion—that was the impression I got—at precisely what figure he wants to see old age pensions established. He then referred, and I hope I have the correct page number, to *Hansard* of May 15, 1972, page 2264, where he is reported to have said:

> These pensioners, who have been bearing the brunt of inflation ever since January 1, 1967, should have been awarded an increase in their basic pension sufficient to compensate them adequately for the deterioration in purchasing power which has taken place since the last major change late in 1966. This would involve an adjustment, not of $2.88 but of nearly $15 a month in the basic pension. I have no hesitation in saying that the government I expect to lead shortly will do just that.

I remind hon. members that the figure was $15, on top of $80, which would have given a pension of $95. If this is still the policy of the hon. Leader of the Opposition and his party, I hope he will state that policy when the pension bill comes before this House.

Some hon. Members: Hear, hear!

Mr. Lewis: I want to say to you, Mr. Speaker, and to hon. members of this House that such level of basic old age pension would not satisfy my colleagues and myself.

I rise to speak also because we have been through some steps in this parliament that have been very disturbing to anybody who watches it with an objective eye. The hon. Leader of the Opposition said that he was rising not to oppose this bill and later on in his speech he said "I repeat that I have not risen to oppose this bill". He should have informed some of the members in his party that was his intention, that he was not opposing any of the supplementary estimates, because members of his party had nine motions of opposition to the supplementary estimates. He says that he is not opposing the proposed winter works program. He says it is not enough. Of course, it isn't. I will have a word to say about that in a moment. Although he was not opposing it, there was a motion to oppose by one of the Conservative members. It was the request of the provinces and municipalities of this country that the winter works programs be arranged for a period of years so that they could plan and prepare for them. However, the Conservative party said "No. We want to limit it only to this year; $75 million and no more."

• (1610)

Some hon. Members: Hear, hear!

Mr. Lewis: That was the motion on the order paper.

Mr. Nielsen: Mr. Speaker, I rise on a point of order. I cannot allow such a canard to go unanswered, particularly when it is being done deliberately and for his own political advantage by the hon. member for York South (Mr. Lewis).

Some hon. Members: Oh, oh!

Mr. Nielsen: It was made clear throughout the debates in committee and here that the reason for the notices of opposition was to enable debates and for no other purpose.

Some hon. Members: Hear, hear!

Mr. Alexander: He knows that.

Mr. Nielsen: It was further made clear that we intended to permit those items to pass without recorded division. The point of order I raise has to do with—

Some hon. Members: Order.

Mr. Nielsen: If Your Honour will prevent the howling from hon. members to my left and opposite, I will quote Standing Order 35 which prevents the hon. member for York South from reflecting upon any vote of the House. I quote:

> No member may reflect upon any vote of the House, except for the purpose of moving that such vote be rescinded.

In his remarks, the hon. member for York South is attempting to reflect upon a vote that was taken this morning and yesterday. I submit that he cannot do this. I further submit that the hon. member for York South should be the gentleman that he is supposed to be in this House and stop playing politics with these issues.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. Perhaps I could amplify the remarks I made earlier about points being points of debate rather than points of order.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: I refer hon. members to citation 113 in the fourth edition of Beauchesne's Parliamentary

Rules and Forms. I think the first sentence is helpful. I quote:

Members often raise so-called "questions of privilege" on matters which should be dealt with as personal explanations or corrections, either in the debates or the proceedings of the House.

I suggest that the remarks of the hon. member for York South (Mr. Lewis) with regard to what previously transpired in this particular debate is not a reflection on any member that is incapable of at least being answered in debate. I heard the point being raised over and over again as to whether the notices of opposition with regard to certain portions of money or the full sum of moneys set forth in these estimates constitutes attempts to defeat a particular estimate, or to be unkind to old people, or to have some such motive ascribed.

I heard all of that last week, as did other occupants of the Chair. These points were answered at the time. I think they can be answered again. I do not find that is a reflection on previous proceedings. I again ask hon. members to consider that they have a right to participate in the debate and to make their points known, at least to give the reasons they proceed in certain ways. At the moment the hon. member for York South has the floor.

Mr. Lewis: Mr. Speaker—

Mr. Deputy Speaker: Is the hon. member for Yukon rising on a further point of order?

Mr. Nielsen: With great respect, Mr. Speaker, it does not appear that the Chair has dealt with Standing Order 35, which was the point of order raised, because the items which the hon. member for York South referred to were votes that were taken this morning and last Friday afternoon. They were, in effect, votes. The hon. member for York South is attempting to deal with the position of this party on those votes. I suggest to the Chair that that is flying directly in the face of Standing Order 35 and should not be permitted.

Mr. Deputy Speaker: Order, please. In the remarks I made a moment ago, I thought I dealt with the point raised by the hon. member for Yukon. He read part of Standing Order 35, and I quote:

No member may reflect upon any vote of the House, except for the purpose of moving such vote be rescinded.

I do not think that the way in which the hon. member for York South was proceeding was a reflection upon the vote and I so rule. I ask that he be permitted to make his speech.

Some hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, may I assure the pure, non-political member for Yukon that I intend to remain a gentleman, if I can, and that I suspect my gentlemanliness will not be at a disadvantage compared with that of others. I did not speak about the vote at all. I am talking about notices of opposition on which votes were not taken.

Mr. Nielsen: They were.

Mr. Lewis: They were not. What was voted on was the vote in the estimate. The notices of opposition were not voted on. I remind Your Honour that not only was there a notice of opposition, but for almost two days members of the Conservative party beat the air against the idea that this three year arrangement was in a supplementary estimate. Indeed, the hon. Leader of the Opposition (Mr. Stanfield) referred to it in the mild way in which this kind, honest guy always refers to things. He also suggested that it was an improper procedure to have the three year arrangement in the supplementary estimates.

Mr. Stanfield: Peculiar.

Mr. Lewis: He says peculiar. He does not deny that is what he said. The Conservative party cannot have it both ways, Mr. Speaker. Either they are for the winter works program on a three year planning basis or they are not. I am sick and tired of their phony superiority throughout this debate.

Some hon. Members: Hear, hear!

Mr. Lewis: We have been treated to a parade of phoniness that I suggest to you, Mr. Speaker, this parliament has not seen for a long time. Despite all their notices of opposition to various items in the supplementary estimates, the hon. gentlemen, including the member for Yukon, did not even have the courage to say "on division" when those motions were called.

Some hon. Members: Hear, hear!

Mr. Lewis: Before the bill was introduced, the supplementary estimates were passed without objection from any corner of this House, despite three days of time wasted arguing against them.

I have received one or two letters, not too many, from pensioners who wrote me they had received letters from members of the Conservative party saying that our party had opposed bringing forth pensions earlier. They did not know quite what it was about, but they wondered what it was. One was a letter from Cape Breton Island where one of the Conservative members had written to say that the New Democratic Party had opposed bringing old age pension legislation forward earlier. I suppose the reference was to the phony motion in January which would have had the effect of adjourning the debate. The word goes all over the country that members of the Conservative party are concerned about the old age pensioners—they wanted a debate on their problems to come on early. Mr. Speaker, they knew it was phony; they knew it was dishonest. They were not satisfied with putting that dishonesty before the House; they are now spreading it across the country.

• (1620)

Some hon. Members: Shame.

Mr. Lewis: And these are the people who my colleagues and I are supposed, tomorrow, to permit to take over the government of this country because they are honest and because they know what should be done. Mr. Speaker, I don't like the Liberals. But I don't like the Tories any more!

Some hon. Members: Oh, oh!

Mr. Lewis: There have been times in my political history when I felt that at least in the case of the Tories I knew where they stood. When the right hon. gentleman from Prince Albert (Mr. Diefenbaker) led the Conservative party, I knew where they stood. I'm darned if I know where the Conservative party stands now on any issue which faces this country, whether it is capital punishment or taxes or pensions or national unity or any other question—even bilingualism. One member speaks one way; another member speaks another way. And I, as leader of the New Democratic Party, am supposed to say to the Leader of the Opposition: "Bob, you are the guy to lead this country to Heaven." I am supposed to say: "Go on, Bob; take over and lead us into the Kingdom of Heaven on this earth."

Some hon. Members: Oh, oh!

Mr. Lewis: The Leader of the Opposition talks about the awful situation with respect to unemployment. Let me just remind him of this: if you look for a year in which the seasonally adjusted rate of unemployment was higher than it is even now, that year was in 1961 when the Conservatives were in power.

The Leader of the Opposition rises when there is an international monetary crisis to ask with fervour that the government do something about it. He forgets that it was during the last Conservative administration that the whole relationship between the government and the Bank of Canada went down the drain.

The Leader of the Opposition made a remark about organ grinders.

Some hon. Members: Oh, oh!

An hon. Member: That got to you.

Mr. Lewis: If hon. members would be quiet, I want to tell them two things about that. First, I want to thank him for the compliment. At least, someone else was the monkey. The second thing I want to say, after listening to his speech, is that he could do with an organ grinder a lot more than with a speech writer. I did my best to phrase that delicately so that I would not have to suggest that anyone was a monkey. But I would suggest that an organ grinder might be in place. Because I put it to you, Mr. Speaker, that what we have been listening to in this House, during the debate on the Speech from the Throne, during the debate on supplementary estimates and during the debate today is a call for office as hungry, as clear, as unprincipled and as devoid of objectivity as anyone in this chamber has ever heard. I want the people of Canada to know this. If the time comes, and this government falls—and it may do so a week from now, or two weeks from now—

An hon. Member: Tell us when!

Mr. Lewis: —or three weeks, or three months, because we have made clear what kind of legislation we shall support—and if it should come about that the Leader of the Opposition does take over as head of the government, he will do so not because of his insatiable hunger for office, he will do so because of the failure of the Liberal government to produce legislation which in our view the people of Canada require for their welfare.

The Leader of the Opposition says he does not intend to oppose this bill. And then he makes a budget speech, or a mini-budget speech. Forgive me, there was no mini-budget. However, he made a budget mini-speech this afternoon dealing with taxes and unemployment. Of course, the government is responsible for the level of unemployment, not only since last May but since its disastrous decision back in 1969 to set off employment against the rising cost of living. That was a stupid course to take and not only the Leader of the Opposition but every spokesman for my party, myself included, and every knowledgeable economist in the country warned the government that it was being misled by its advisers in the Department of Finance and in the Bank of Canada. But the government had an overwhelming majority, smaller, it is true than that of the Conservative party led by the right hon. gentleman from Prince Albert, but just as effective, and it chose to ignore everything which was said on this side of the House.

I want you to know, Mr. Speaker, that October 30, producing, as it did, a minority government, led to a situation in which the Liberal administration opposite acts entirely differently from the way it acted when it could call upon its arrogant majority. It is now bound to take into account the wishes of the opposition and the advice of knowledgeable people who disagree with its policies. The Leader of the Opposition, in the next election campaign, will no doubt travel across the country yelling for a stable majority government under his gentle wing. Well, the people of Canada have learned that an arrogant majority government is to their detriment, and he will not be able to persuade the Canadian people of anything else, despite his hunger for office.

We are, of course, paying a heavy price in unemployment. What are the suggestions put forward by the Leader of the Opposition? One of them—and I agree with it—was that there should be a sizeable income tax cut. I had my ears open to hear exactly what figure he had in mind. If I am wrong, the Leader of the Opposition, for whom, personally, if I may interject this, I have the greatest possible warmth and respect—

An hon. Member: Too late.

Mr. Lewis: —will correct me. This will not prevent me in the future, any more than it has prevented me in the past, from telling him what I think of his policies and attitudes. But I do have a deep respect for him. I am waiting to hear what he has to say. How big shall the income tax cut be? My recollection is that during the election campaign he proposed, in addition to the continuation of the 3 per cent reduction, a further 4 per cent decrease for 1972 beginning on July 1 of that year. All I have ever heard him say, or, I state more accurately, all I have ever read him as saying about the size of the personal income tax cut was that it should be 4 per cent for the second half year of 1972. That is all I remember him saying. If I am wrong he will correct me, but he is not correcting me. That meant an average cut of 2 per cent. If the Minister of Finance is stupid and crazy enough to present that kind of personal income tax reduction, then he will not be Minister of Finance for very long, I promise him that.

• (1630)

Mr. Deputy Speaker: Order. I regret having to interrupt the hon. member, who has been given extra time for the interventions earlier in his contribution, but the time allotted to him has expired. It may, however, be extended with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hon. member for York South.

Mr. Lewis: Mr. Speaker, may I thank Your Honour and hon. members for their courtesy, which in this case may be a little more deserved than in other cases where I have had extended time. As I was saying, I wanted to hear what it should be, but I knew that I would not. I am certain that what has been decided to the right of me by the members of the Conservative party is this, that whatever level of income tax reduction is proposed they will say they want more. That is the only decision that they have made.

Mr. Horner: You have never done that.

Mr. Lewis: They have not decided what level of personal income tax is good for the country; the only decision they have made is that whatever is proposed by somebody else, they will say it is not enough. I did not really expect the Leader of the Opposition to tell me what the level would be. I am deliberately not making a budget speech, not even a mini one, because that will come in time. I rose to make it clear that we supported the government in the miscellaneous estimates committee and during the discusions here on the supplementary estimates before the bill was introduced and that we are going to be consistent throughout and support the bill now.

We are doing this because—and this also applies to the unemployment insurance amendments bill number one—we are determined that the unemployed should receive their benefits; that programs like LIP will have enough money to carry on; that the physical fitness program, which the members of the Conservative party also wanted to reduce in amount, will be able to carry on; and that the on-going work of the government and the salaries of civil servants should not be stymied and frustrated purely by political hunger for office. This is why we have consistently supported the supplementary estimates and it is why we support this bill.

May I say to this House what I have said outside it on one or two occasions. If I may speak personally for a moment, I fell in love in my early teens and the girl I fell in love with was silly enough to marry me. We have been married for 37 years now. Therefore, I have not personally experienced the delights and the discomforts of being wooed by more than one suitor at the same time. I am having that experience now. I get a wink from the Prime Minister and a nod from the Leader of the Opposition—if I may add, Mr. Speaker, in both official languages.

Let me repeat what I said during the throne speech debate. As far as we are concerned, we have noted the fact that over the past 15 years since 1957 this country has had five minority governments and only two majority governments. We have noted the fact that there are in Canada now four established political parties. We have also noted the fact that the relative percentage of the vote obtained by these parties at election time has been more or less the same. We, therefore, recognize that the likelihood of minority government after an election in this country is greater than the likelihood of majority government.

Under these circumstances, it is our duty—and if Conservatives members of this parliament had any principle other than yearning for office, it would be their duty too—to make this parliament work. This minority government is now chastened and humbled. One almost does not recognize the Prime Minister nowadays when he appears on television. I watched him on television last night and I must say that, although I do not agree with everything that he said, boy, oh boy, did October 30 change that man, at least superficially! I do not know what goes on inside. I am not a psychologist or God and I cannot climb into his mind, but superficially he is certainly a changed man.

My colleagues and I believe that it is possible, if Members of Parliament have regard for Canada and Canadians, instead of playing the political game of office-seeking with tongues hanging out for office, for this parliament to do more for the people of Canada than it has done in the past four and a half years. That is our objective and we intend to stick to that objective despite the hunger that overwhelms me sometimes from members immediately to my right.

Mr. Stackhouse: Mr. Speaker, would the hon. member for York South permit a question?

Mr. Lewis: Certainly.

Mr. Stackhouse: Would the hon. member inform the House what he would regard as the minimum figure that his party would settle for as the old age pension of the future?

Mr. Lewis: No, Mr. Speaker, I am not going to inform the hon. member of that. I have not said on television or anywhere else the words that the Leader of the Opposition used last night to the effect that I had made precise numbers known. I did not do that. We have made known to the country and to the old age pensioners of Canada that, in our view, the basic old age pension ought to be at the level of $150 a month, and we mean it. Now, whether or not that amount of old age pension will be accepted by this parliament is something that we will decide when we see the old age pension bill.

Motion agreed to and bill read the second time.

Mr. Reid: On a point of order, Mr. Speaker, I believe you will find there is agreement in the House that once we go into committee of the whole we stay there during the period normally allotted to private members. If there is such agreement of the House perhaps an order can be made to that effect.

Mr. Nielsen: That is agreeable to us, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Deputy Speaker: It is so ordered. Perhaps before I leave the chair I might announce the business for ten o'clock. Perhaps it would be agreeable that this announce-

ment be given from the Committee of the Whole House on this occasion since we do not have the list of the three members at this particular time.

• (1640)

Pursuant to Standing Order 54, I do now leave the chair for the House to go into Committee of the Whole on the said bill.

House in committee on Bill C-141, to grant to Her Majesty certain sums of money for the Public Service for the financial year ending March 31, 1973—Mr. Drury—Mr. McCleave in the chair.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, may I rise on a point of order for the purpose of getting clarification as to our procedure? I believe it is generally understood that there is a desire on the part of hon. members to discuss the different items set out in the schedule. My experience tells me there are two ways to do this: One would be either on Clause 2 or Clause 3, one of which mentions the estimates and the other mentions the schedule, to call the schedule and start with agriculture and go on through it. The other procedure would be for us to go through all the clauses, there being five of them, then call the schedule, taking department by department in an alphabetical order.

It seems to me that nothing turns on which way we do it, but I think we should have a clear understanding. I think there is a general desire to get into a discussion of the estimates of the different departments. If that is the case, perhaps when Clause 2 is called and before it is carried the chairman might call the schedule referred to therein and then take it department by department.

The Chairman: The Chair would appreciate the views of the hon. members on this important point raised by the hon. member for Winnipeg North Centre. It has been at least 10 years since we have gone into Committee of the Whole to deal with the estimates, so it is perhaps worthy of a moment of reflection.

If it meets the wishes of the committee, my own inclination would be to start with the schedule and begin with the items under agriculture, and then when that is exhausted proceed to the next topic and so work our way through the schedule. We would then come back to the clauses. I am quite prepared to hear submissions as to how we should proceed in a manner that is most agreeable to hon. members.

Mr. Drury: Mr. Chairman, on this particular point of order I think it might be more convenient if we were to deal with the clauses and then with the schedule, thus enabling us to summons the necessary ministers who are not, as you see, available in the House at the moment. If the first minister required is the Minister of Agriculture it might take us some time to get him here. I suggest we might deal with the clauses, and go on with the schedule on the understanding that each of the scheduled items will call for the presence, if needed, of the minister.

Mr. Nielsen: Mr. Chairman, we on this side would much prefer the suggestion of the hon. member for Winnipeg North Centre. While the Minister of Agriculture and his

officials are on the way here, I am sure there are members on this side who will be participating in the debate in a general way and will not require the presence of the officials or the minister during their remarks. For the sake of order, I think it would be much more preferable to proceed in the manner suggested by the hon. member for Winnipeg North Centre.

Mr. Horner (Crowfoot): On the same point of order, Mr. Chairman, in looking at Clause 2 and Schedule A, I find myself at a loss in determining how one could debate Clause 2 without dealing with some of the matters dealt with in Schedule A. In actual practice, I feel that the suggestion by the hon. member for Winnipeg North Centre is the only one that can be followed.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I appreciate the point made by the President of the Treasury Board that the Minister of Agriculture is not here at the moment. I am sure it will not take him very long to come here unless his office is a lot further away than it ought to be. I point out, however, that we have one or two members waiting to speak on matters relating to agriculture. I suspect there might be a Conservative member who wants to talk about this as well, so the Minister of Agriculture will be here before the item is carried.

Mr. Reid: Mr. Chairman, under the circumstances I think we would agree to proceed in the way the hon. member for Winnipeg North Centre has indicated. That would be acceptable.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, may I ask one further question? Do you intend to proceed simply by calling agriculture and letting the debate range over both the items therein, and then going on department by department, or do you prefer to call each item? Again, my only interest is in knowing how we are going to proceed.

The Chairman: I think the Chair would go along with the mood of the House to consider matters at an early stage by dealing with them by department rather than on a breakdown within departments. I propose to do that, so we will be calling Clause 2, Schedule A, dealing with agriculture Votes 15a and 40a under agriculture as the first part of the debate.

Mr. Knowles (Winnipeg North Centre): You are a wise Chairman.

Mr. Nielsen: For the purposes of further clarification, I take it that the calling of the items under the various departments in this fashion will not preclude the general rule of practice in this House, that is that on Clause 1 there will be the fullest possible range of discussion?

The Chairman: What I propose to do is reach a conclusion of discussions under each item within a department without calling the vote until the discussion is completed on the schedule, and then deal with the point raised by the hon. member for Yukon, if it should arise, after the schedule has been carried.

Mr. Nielsen: Mr. Chairman, it will not arise at all if we call Clause 1 of the bill, because this permits that kind of

full discussion on the subject. As long as there is the understanding that by proceeding in the manner suggested by the hon. member for Winnipeg North Centre, and I believe he is of the same view as I on this matter, the fullest possible discussion will be permitted, then we have no problem. Otherwise, we will have to call Clause 1 so we can have that kind of full discussion.

The Chairman: I think I should refer the hon. member to Standing Order 75 which probably deals with the question he has raised, and the reason Clause 1 is usually stood during consideration in committee.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, with respect, I am not sure the hon. member for Yukon has as yet made clear the point he has raised, but I think I understand it. What he wants to be sure of is that in discussing the items under agriculture members will be free to discuss agriculture generally. I submit, Sir, that is what has been happening in the debates we have had thus far. I also submit that the wording of these various items is such that it is pretty hard to restrict discussion. After all, under agriculture, we will be discussing production and marketing. What is there in agriculture that cannot be considered under one of those headings? Then, when we come to national health and welfare we will be discussing income security and social assistance. What is there which cannot be brought up under those headings? I submit there is really no issue here. These items are broad enough that discussion will take care of itself.

• (1650)

On Clause 2—*Schedule.*

Mr. Horner (Crowfoot): Mr. Chairman, it seems clear in the minds of members of this House why this latitude should be allowed in respect of Clause 2 and Schedule A. The first item deals particularly with production and marketing. A situation occurred in eastern Canada, as a result of which there were huge crop losses and farmers were in dire need of assistance. The government, therefore, has proposed a program which suggests a payment of $400 per farm to approximately 26,000 farms. The whole question of production and marketing involves other problems in Canada. We have the concern of the consumers in respect of the high cost of food. Now, when we have a situation in which $400 is to be granted per farm this will not be of major help to farmers who have suffered particular crop damage. If a farmer is in need of help, I do not believe that an amount of $400 will be of very much assistance.

In looking at the whole field of agriculture, and in comparing our productive capacity with that of other countries, one must look a little further afield than this expenditure. I should like to read about some of the problems Canada faces in relation to our major agricultural neighbour to the south, the United States. I shall read from the annual review, 1968 of the Economic Council of Canada in which mention is made of the challenge in respect of agriculture and productivity in Canada. A comparison is made between Canadian agriculture and that of the United States. I am reading from page 86:

> While growth rates in agricultural labour productivity have been similar in Canada and the United States, levels of labour productivity differ significantly. Over the past two decades, output per farm worker has been consistently lower in Canada than in the United States. In percentage terms, this relationship has changed little over the years. In terms of net value of production per worker, Canadian farmers produce on the average 25 per cent less than U.S. farmers. In terms of gross value of production, the disparity is about 35 per cent.

It goes on to suggest the following:

> Thus, any significant narrowing in this gap would require a sharp acceleration in productivity growth in agriculture in Canada relative to the United States. For example, assuming that U.S. agricultural productivity growth over the next two decades were to approximate that achieved over the past two decades, Canadian farmers would need to step up their productivity growth by more than half—from 5½ per cent to over 8 per cent per year—to catch up to U.S. productivity levels by 1990.

This article further suggests that part of the problem in Canada is that we have not put enough money into machinery and into the additional capitalization needed in the agricultural field. It reads:

> In the United States machinery input per form worker has been about 30 per cent higher than in Canada.

This gives us a glimpse of some of the problems involved in agriculture today. One might recall that the former minister of agriculture—I am not sure whether it was in this House or when addressing the farmers—suggested that the farmers bought too much machinery and that was part of their problems. Actually, they have not purchased sufficient machinery. We have the land, but we have not done enough with it.

We might look at the annual report of the Farm Credit Corporation for 1971-72. I shall refer to the amounts in round figures. It is shown that in 1967-68, the corporation lent to farmers an amount of $263 million. In 1968-69, the amount was $208 million and, in 1969-70, it was $160 million, while in 1970-71 the figure was $114 million. I am running through the figures shown in this report. The figure for 1971-72 was $114 million. This shows a decrease in the amount of money used for the purchase of farm machinery and capitalization of agriculture. The thorough study by the Economic Council of Canada in 1968 indicates that the Canadian agricultural industry should be upgraded and that its input per farm worker is 30 per cent less than that of our United States counterpart, our competition one might say.

One might look at the amount of money invested in the prairie provinces, the three major agricultural provinces. In the province of Saskatchewan, an amount of $80 million was lent five years ago as against an amount of $30 million last year. In the province of Alberta, an amount of $65 million was lent five years ago against an amount of $19 million last year. This indicates a decrease in capitalization. No wonder we see the agriculture industry severely handicapped today. No wonder we see, on the next page of the same annual report, that an amount of $8 million in arrears is shown against the three prairie provinces. This indicates a direct curtailment of capital. A number of farmers go broke. One cannot go broke until one runs out of money. If the government curtails the money supply, this has an effect on the interest rate. Statistics can be found in the same book, the annual report of the Farm Credit Corporation, indicating that something like 60 per cent of the money lent was for the purchase of land, for the change of ownership or for the

encouragement of land investment. The land has been acquired and has been farmed extensively in the prairie provinces for the past 50 years or so. What we need is more mechanization and more processing of agricultural products.

The Farm Credit Corporation indicates that 1.2 per cent of the money lent was for equipment and that 1.8 per cent was for livestock. We are not trying to catch up to our United States competition. We are keeping our loans low in respect of mechanization which is so badly needed. The agricultural program which is now being carried on in the province of Saskatchewan is wrong. The government of that province is spending $14 million to purchase land. The land is there. What we want is more production which might have the effect of lowering food costs.

In looking at the 1972 report of the Industrial Development Bank, we see the same thing. Approximately 60 per cent of the money lent is for the purchase of land. As I have said, we have the land and must have more money for the mechanization of the agriculture industry in order to have a greater productive capacity per man so that we can catch up to our competitors to the south. If our present practice continues, we will see an increase in the amount of agricultural goods imported into this country. I believe this is wrong. I should like the new Minister of Agriculture to take note of the change which should be taking place in the Canadian agriculture industry.

I was disappointed that the question of Farm Credit Corporation loans was not contained in the supplementary estimates. The former minister of agriculture allowed the interest rate on Farm Credit Corporation loans to increase to 8.75 per cent. I am disappointed that the farmers of Canada were not given an opportunity to refinance their loans because now the interest rate is down to 7 per cent. The feed and the mortgage companies have played a great part in the intensification of agricultural production, but they have done it at high interest rates. This has made it far more difficult for the farmers to catch up to their American counterparts. To me this is disappointing, and I would like to see somewhere along the line, a review of the whole concept underlying the Farm Credit Corporation. We have land. We do not have to push back oceans as they do in Holland. We should not spend so much time on changing ownership but we should put money into the capitalization of our industry to allow our workers to catch up with our major competitor.

• (1700)

There has been a suggestion regarding the payment of $12 million mainly in eastern Canada, a payment of $400 per farmer. An additional $4 million for feed freight assistance is merely patchwork assistance, something to sustain the farmers through the present winter. This is certainly no long term solution of the problem. When one considers the anxiety in the minds of the consumers regarding food prices, one has to discover where our agriculture industry went wrong. The former minister was concerned about farmers buying too much machinery, but basically they never bought enough. We had the situation in the Prairies where instead of providing more money for the agriculture industry, the government withdraw and tightened up. No wonder the arrears in Saskatchewan, Manitoba and Alberta total well over 20 per cent of the loans. These arrears arise when the banker cuts off the money supply. The Farm Credit Corporation has not been extending the same loans to the industry. In my opinion this is wrong.

We have to be readjust the program because this particular item under Schedule A deals with saving 26,000 farmers through the payment of $400 an acre. I wonder how many farmers are suffering in other parts of the country, because the amounts due, as contained in the annual report of the Farm Credit Corporation, total $8,616,000 over $7 million of that being in the three prairie provinces. If the $400 a year were paid to every farmer, it would not even amount to the $7 million. Certainly, farmers in that area are suffering when their crop is hailed out or watered out, as has happened in eastern Canada. Certainly, farmers in the Peace River area are not receiving the same consideration, since they have had four bad years and they need assistance and understanding. The Farm Credit Corporation has had to foreclose on the loans of many of these farmers, and to me this is a sad situation.

It is my belief that we have not put enough money into the agriculture industry and that is why farmers are going broke. How can we develop the agriculture industry? I wonder whether the new Minister of Agriculture has travelled through parts of the United States and has seen what they are doing there to develop their agriculture industry. I wonder whether he has seen the irrigation projects in the Moses Lake area, perhaps with the use of Canadian water from the Columbia River. We should do more of that type of thing. We should increase our agricultural production and encourage that industry so that we can meet the opportunities that will unfold internationally through the creation of greater demand for our agricultural produce. If we do not, food prices will increase substantially in Canada in the next year, and very little can be done about that unless we increase our production to meet both Canadian and world demand.

While approving Schedule A, I wish that the government had approached the matter with greater depth and scope. Even in the supplementary estimates, they could have brought in changes to alleviate the problems of the agriculture industry to a greater extent. I look with great hope to the present Minister of Agriculture. Perhaps he will bring a breath of fresh air, new ideas and new thought to the industry. I hope he does not encounter the same problems which faced the previous minister by accepting what the department officials tell him to do and not going any further than that. A completely new look must be given to the agriculture industry to increase production and to create greater stability. We must ensure that if one farmer suffers damage to his crops this will not mean that he is left without anything to sustain his family and himself throughout the winter months until the next crop is ready.

The Chairman: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—Social Security—Old Age Pensions—Introduction of legislation to provide increase—Consultation with provinces; the hon. member for Bellechasse (Mr. Lambert)—Man-

power—Local Initiatives Program—Measures to accelerate approval of projects; the hon. member for St. John's East (Mr. McGrath)—Search and Rescue—Steps to ensure adequate number of planes and vessels for accidents off east coast.

Mr. Gleave: Mr. Chairman, it has taken us some time to reach this very important item under which assistance will be given to the farmers in the Peace River area. It is the first item in these estimates. In speaking this afternoon in committee, I want to say that following correspondence and telephone calls which I have received, I am very concerned about the amount of assistance that has been offered to farmers in the Peace River country, both in Alberta and in British Columbia. This Committee should be made aware of the fact that their need is very great and that it has not been met by the amounts of money that have been provided for the relief of these farmers. Possibly the first move has properly been made in providing a blanket solution. However, on examining the situation closely I find that the farmers in various parts of the Peace River region have not suffered these hardships equally. There are areas which have suffered a total loss, while in others significant amounts of the crop have been recovered.

• (1710)

In addition to what has been done, I suggest that the Minister of Agriculture (Mr. Whelan) himself make a detailed on-the-spot survey of the conditions that exist in that part of the prairie region. My understanding is that he has been in Edmonton, met with ministers of the Alberta and British Columbia governments, and received reports from them. I say he should go personally to that area, talk to the farm families, and find out how those people are making out. I hope he will do this.

I hold in my hand an article from the *Globe and Mail*, a Toronto paper. It is headed, "A White Disaster for Peace River." It describes the real hardships that exist in certain parts of the Peace River country. I say that the minister should see to it that the people there receive all necessary assistance from other Canadians. This article in the *Globe and Mail* reports that farm families in the area say that what has been done to date is not adequate.

I also have a letter here from one of the Farm Union representatives in the Peace River area. He writes that there will be real hardship unless a more adequate and comprehensive job is done. I quote from his letter as follows:

> In short, the farm economy here requires a substantial injection of capital if it is to remain viable. Nothing less will guarantee its continuation as a contributor to the welfare of the country. I would suggest that the government has already set this sort of precedent. It has found it advisable, or expedient, to inject great amounts of cash into any number of projects of no more importance than this—OFY programs, manpower training programs, DREE incentive grants, and not the least, great tax concessions to any number and variety of corporations, many of them foreign owned.

We have provided assistance for corporations already. When the United States proposed, and indeed imposed, restrictions against the export of certain Canadian manufactured goods to the United States, we took action not more than a year ago to provide assistance. And we did not make it a limited program. We made it an open-ended program so that if companies could prove the damage done to them and the amount they needed, that amount of money would be paid under the formula in the act that we passed. I, as a farmer, as a Prairie representative, voted for that legislation. I, and others on this side of the House, thought it was necessary to keep Canadians in business. We did not think that Canadian businesses should be destroyed. All I am pleading this afternoon is that we do as much for the people who suffered disaster in western Canada as we were prepared to do for corporations in eastern Canada. I do not know if the Minister of Agriculture will pay any attention to my plea. I had hoped he would be in the House this afternoon when we were discussing estimates which affect his department. Perhaps he did not receive enough notice; I do not know, but I hope he will read the reports of the speeches made by those who are talking on behalf of these farmers.

These particular farmers suffered difficulties in previous years. That is why they are in straightened circumstances. Their reserves of credit and cash were already badly depleted. I understand that in that area the Farm Credit Corporation is not pressing collections on money owed to it. I say that the minister in charge of the Canadian Wheat Board should make representations to that board not to press collections under its cash advances program, in instances where farmers, because of weather conditions, have been unable to deliver grain and will not be able to deliver grain. There is no point in harassing those people at this time because they have neither grain nor money. The old saying that you cannot get blood out of a turnip is still true. I urge that minister to consult with officials of the Wheat Board to see if some assistance can be given in that area. Of course, interest rates have been a factor in the whole equation, but not the only one.

Finally, Mr. Chairman, the Minister of Agriculture did give some undertaking at a meeting of the Miscellaneous Estimates Committee, when I asked him if the government would give consideration to providing supplies of seed grain so that farmers could put in another crop in this area. He replied:

> We will be watching it very closely. If our investigations show that there may be a need to move jointly in seeds, etc., for them, we will do it. We already know the plans that we made on shipping feed in for the livestock and again there is not going to be the need that we thought there was for this unless it speeds up tremendously.

I call the attention of the House to that commitment, and hope adequate funds will be provided so that farmers can put in another crop and take it off properly.

Now, I wish to speak briefly about the Canadian Livestock Feed Board. Additional money is provided in these supplementary estimates for the transportation of feed grains. Again, I understand that this need arises in part because of bad weather conditions in eastern Canada, which resulted in less production of grain and corn than had been expected. As a result, we find it necessary to move larger amounts of feed grain into eastern regions to meet the needs of farmers there. I want to say that as far as we are concerned, we are prepared to see these amounts come before this committee, and we are prepared to support them so that farmers will be assured of the amounts of grain that they need. We are always pre-

pared to see a fair and workable agricultural arrangement between the various regions of Canada.

• (1720)

I want to say, too, Mr. Chairman, that we are concerned about the Wheat Board's handling of grain, particularly about the present situation that exists in western Canada and most particularly in the province of Saskatchewan and in my constituency, in regard to the marketing of rapeseed. I am informed that some farmers are delivering rapeseed under contract for less than the current market price. At some points in my constituency grain companies are paying 30 cents to 35 cents a bushel more than at other points in the same constituency. Places like Kinley, where the higher prices are paid, are plugged and farmers at that point are not able to deliver the quantities of wheat that they should under their quota because other farmers 50 or 60 miles east are delivering grain so that they can get the Vancouver price.

Two or three years ago I said to the then minister in charge of the Wheat Board that two future markets operating in western Canada could only work to the disadvantage of the western farmer, and this is what has happened. The only reasonable solution to the problem is to bring these other non-board grains under the Canadian Wheat Board and have an efficient method of marketing and pricing. The quota regulations are working to the disadvantage of the ordinary producers of rapeseed because of the present price situation and an explanation is owed to them. They should not have to spend their time in a truck taking their grain to another area in order to get the higher price; it should be available to them at their own elevator door. Perhaps the minister can clear up this problem when he speaks about the production and marketing of feed grains.

The price of rapeseed and the method of marketing will have a very important effect on planting programs in the coming year. The method of pricing barley will also have a profound effect on the plans of farmers in the coming year. There is nothing in the actions of the government to suggest that they have given any serious consideration to these factors. The minister makes vague noises now and then about bringing other grains under the Wheat Board, but in the last parliament when he and his party had a chance to do this they voted against it. When the Conservatives had a chance to do it, they also voted against it.

It would be interesting, Mr. Chairman, if the Conservatives would state their policy in regard to marketing. Do they want a free-wheeling, open market for feed grains and rapeseed across Canada or do they want them marketed through the Wheat Board, giving a fair deal to those who buy and those who sell? I am offering the Conservatives the same challenge on grain marketing that my leader offered them on the pension program half an hour ago. When are they going to stand up and be counted? I will put the policy of our party on the line. We will not continue to put up with the present policies in regard to rapeseed which set producer against producer and farmer against farmer to the advantage of that group who handles it and skims off the profit as the farmer moves it from the field to the marketplace.

[Mr. Gleave.]

We will have a chance to talk on the method of movement of grain later as these estimates move through the Committee, but at this point I should like to deal again with the needs of the men and women and their families in the Peace River country. We need to do more for them because we should not see hardship visited on farm families in Canada without protest. As a final word, Mr. Chairman, I say again to the Minister of Agriculture that he should review his position. He should personally walk with those farmers in their fields and talk to them. After he has done that, he is entitled to make his decision and bring it before the House. He should come here and tell the House what he has seen, then make recommendations on what should be done to meet the situation.

• (1730)

[*Translation*]

Mr. Latulippe: Mr. Chairman, I am pleased to say a few words on the supplementary estimates of the Department of Agriculture.

I attentively listened a while ago to the hon. member for Crowfoot (Mr. Horner) who spoke about agriculture. That member is surely well versed in agriculture, but as many others he does not know all solutions to farming problems.

The hon. member stated that we should find means to stimulate production in Canada, but I wonder whether it would now be advisable to stimulate farming production. Not so long ago, various ways were found to prevent farmers from producing apparently because there were surpluses. Eastern farmers were penalized because they were producing too much while western farmers were paid to prevent them from sowing.

Now, we are told that agriculture has to be invigorated and this, after it has been restricted and mismanaged to a point that about 50 per cent of our farmers are giving it up. A new policy of incentives for agriculture is now being advocated. But I do not think that agriculture can be stimulated with the means we have now. In fact, when a farmer needs machinery, he pays a lot for it, what with taxes and transportation. He also has to pay a very high rate of interest to finance companies when purchasing his implements.

But farmers do need other things besides machinery, like materials, buildings and decent homes. And when purchasing building materials, they must pay an 11 per cent tax just like any other citizen.

And yet we want the price of farm products to go down because the cost of living is too high, and we are seeking ways of bringing it down. Well, bringing the cost of living down for the farmers is a simple matter of removing taxes, bringing down interest rates and granting compensated discounts on products. In fact, the primary incitement for farmers is to enable them to sell their products, which is only possible if citizens have adequate purchasing power.

Now the cost of food is so high that many families are denying themselves necessary food products. I shall give milk as an example: some families could use four or five quarts a day but use only one because they cannot afford to buy more. The government should therefore find a

system for granting compensated discounts in order to bring prices down. By so doing, and through other means, such as reducing interest rates and eliminating taxes on building materials for farmers, we could contribute to bringing down the price of food.

If we brought those prices down, the farmer could sell more products and be less dependent on foreign markets, as other producers in our economy would be. We are seeking all kinds of ways of exporting our products while doing everything to prevent Canadians from purchasing more by burdening them with taxes and excessive interest rates.

Mr. Chairman, how can we find real solutions to this problem when we act in an unthinkable way, against all sense? Common sense requires to reduce interest rates and enable our citizens to buy more by pushing prices down. Yet prices are going up in every field, including that of grain movement; this is the reason why farmers have become unable to make both ends meet and they have gone deeply into debt.

This is why they borrow money. Interest rates, one could argue, are reasonable, but a rate of 8 or 9 per cent is too high for a farmer. It should not exceed 3 per cent.

We shall never settle problems related to agriculture by taking all kinds of measures designed to increase the prices of products; we should rather find other means in order to reduce them.

A moment ago, the hon. member for Crowfoot said that Canadian farm production is not balanced with the U.S. production. He stated that we are unable to produce as cheaply as the Americans do, that there is a difference between prices of American and Canadian products. The American legislation is a little more helpful, a little more human than the Canadian legislation in the area of agriculture. I met some U.S. farmers who borrow all the capital they need at an interest rate of 5 per cent; those American farmers do not pay any tax as long as they work on their farm. This is a system which does not exist in Canada, where farmers must pay taxes just as other citizens and they cannot make ends meet.

This is why there are so many problems in agriculture as in other areas of the economy. People cannot operate their farm on a profitable basis any more, excepted larger organizations. Those can finally survive but the ordinary owner of a family operation cannot make ends meet.

So, if we want agriculture to be more prosperous, we will have to find mechanisms other than the traditional ones. We cannot seem to find any logical formula to really stimulate agriculture. Yet the incentive formula is always the same: we have to try to find ways to lower prices through the granting of compensated discounts, the lowering of interest rates, through allowing the purchase of cheap machinery and eliminating taxes on building materials and on all kinds of goods.

That is a way, Mr. Chairman, to stimulate agriculture for the greater prosperity of Canadians.

[*English*]

Mr. Lang: Mr. Chairman, I wish to make a short intervention on this item. When the hon. member for Saskatoon-Biggar was speaking, he said he was dealing specifically with two areas. I also wish to touch on those two areas. I regret that the hon. member is not here at the moment. In the latter stages of his remarks the hon. member said that he wondered what our position was with regard to the marketing of rapeseed and whether rapeseed should be handled by the Canadian Wheat Board. He said something about my having made some vague utterance on this question.

We have been anything but vague. We have taken the position that it is up to the producers to decide this issue. In our discussions with producers we have followed their advice that a significant amount of information is needed about the marketing system, the open market, a pooled market, Wheat Board marketing, and that this must be in the producers' hands before they can make a sensible decision about which kind of marketing they want. It is our position that it is up to the producers to decide.

I know that the hon. member for Saskatoon-Biggar comes from a party which on the provincial side in Saskatchewan seems to take the view that it ought to decide when producers should have a marketing board, whether the producers want one or not, and goes ahead with marketing boards without consulting producers and imposes upon them a particular solution. That is in keeping with the basic NDP philosophy that the experts, that is to say themselves, ought to tell producers and everyone else what to do, and they will be better off for having been told.

I think that the hon. member for Saskatoon-Biggar is quite right in wondering about the Conservative position on this issue. He stated he would like to give them five minutes in which to present their views. I think it would be more workable if he were to invite five or six of them to state their five or six views on this issue, since usually their position on agricultural questions varies from one part of the country to another; they have no consensus. Luckily, they have not so far needed to reach a consensus on any of these issues.

• (1740)

If the hon. member for Saskatoon-Biggar has missed our position, or found it vague, let me state it for him once again very clearly. We will not impose producer marketing boards upon the producers of rapeseed, but we are prepared to offer them this type of marketing should they choose it. We have waited until they themselves are able to say that the information has been in their hands long enough to enable appropriate consultations to be held. I should like to repeat what I have said to some producer organizations and their representatives in the last few weeks: I believe the time is now ripe for us to take that next step and consult producers about the kind of marketing they want.

The member for Saskatoon-Biggar referred to price differentials which can exist under the present system. He referred to farmers who sell at a lower price at one period of the year and who then find that their neighbours are selling at a different price in another period of the year. This, of course, is one of the annoyances which will lead some producers to opt for board marketing, which will lead some producers to choose to get out of the business of speculating directly on the rapeseed market; they wish

to farm to raise the grain, not to speculate in its sale. This leads them to prefer the board marketing system.

Other producers, of course, have taken the view that the rapeseed market has been doing very well, that the price has been high and that the product has been moving. This is the aspect they are apt to stress in their arguments with other producers on this question. Let hon. members have no doubt about this, however: we propose to proceed by holding consultations on this question with producers in the very near future as to the kind of marketing system they prefer and then to move in accordance with their wishes, given the support of the House of Commons for the principle—a sensible one in my view—that machinery should be available to enable producers to handle their products in the way that producers desire.

The hon. member for Saskatoon-Biggar—I am glad to see him back in his place—also dealt with the need to provide relief for farmers whose crops suffer from particularly adverse weather conditions. He said there was a need for the Minister of Agriculture to view the scene in person. The Minister of Agriculture is an extremely energetic and sympathetic man who is going about his duties with tremendous enthusiasm and with the interest of the farmers very much at heart. He is away, necessarily, for several hours this afternoon on official business. On his behalf as well as on my own I should like to say a few words on this subject.

Hon. members are apt to ignore the fact that the provinces have some very important responsibilities in the field of agriculture. The hon. member says the Minister of Agriculture should personally visit the scene of these crop failures. Mr. Speaker, when localized problems occur it is particular fitting that provincial ministers of agriculture should take a lead and deal with them. This has been the position of the federal government for some time with respect to problems which can arise in localized areas, whether they involve fire or flood or unusual weather conditions.

Essentially, responsibility lies within the area in which the setback occurs. The federal government is ready to assist when the magnitude of the problem is so great that the burden would be too much for the provincial government concerned to bear. Notwithstanding this general rule, we have involved ourselves to the extent of strengthening the hand of the provincial ministers of agriculture both in eastern and in western Canada by offering certain forms of assistance in situations of this kind.

There are certain difficulties attached to rushing in with assistance when particular problems involving crop damage occur. Crop insurance programs across this country have been developed as a result of initiatives taken by this government and its predecessor. The usefulness of the program is gradually improving, and consequent upon the step now proposed, in accordance with which the federal government would bear an even greater share of the cost of the premiums across the country, it may improve even further. It is, of course, important that the crop insurance plans should be good plans and that farmers take advantage of what is, after all, the main measure of insurance against the occasional disaster which might occur. To some extent the provision of special assistance militates against the development of good crop insurance plans.

I should also like to draw attention two ways in which other governments have acted to assist areas in which weather conditions, particularly in early winter, give rise to chronic problems. There is the forage incentive program, now going into its third year of operation, under which some 3.7 million acres have already been taken from grain production and put to grass and forage as a base for livestock industries and to enable farmers to raise produce which is free from certain hazards such as early snow which can afflict wheat, barley and other grain crops.

I am happy to note that applications for payment under the forage incentive program came largely from areas in which the cattle industry should develop, areas in which grain production may be hazardous because of the recurrence of unfavourable weather conditions year after year. It is also the case that over the past three years we have offset some of the problems which arose in connection with the production of barley in those areas, thus making it easier for farmers to switch some of the risk away from themselves by planting barley instead of wheat. We achieved this result by revising the quota system in a way which brought about equality of treatment for barley growers as compared with wheat growers. We did it by carefully watching the initial prices for barley to ensure that they were attractive. In doing this we benefited the whole country by assuring new feed grain markets, markets which had for so long been neglected in this country. We have now gone into them in a big way. Barley is being grown in those areas where the climate is conducive to the shorter maturing period required by that crop, to the benefit of the farmers directly concerned and also to the national good.

This year we have also taken advantage of legislation passed by parliament at the initiative of the Liberal government two and a half years ago. I refer to the ability to extend by order in council cash advances in relation to grain which is still unharvested. This is a modest form of assistance but a useful one, so useful that in two previous periods it received special attention in the House in the form of legislation to enable the government to extend those provisions to the farmers affected. We have been able to do this by order in council as a result of the foresight shown on the last occasion when this question was discussed. On that occasion the provision to which I have referred was specifically embodied in the law.

The hon. member for Saskatoon-Biggar inquired about present Wheat Board cash advances. I have already discussed this subject with officials of the Wheat Board as a result of my own concern about the position of farmers who find themselves in a difficult financial situation as a result of adverse weather conditions—farmers who are in arrears in their repayments and in whose case the Wheat Board feels it is necessary to take some action to protect its own position. I am afraid that the position in which the Wheat Board finds itself is such as to require some steps to be taken in connection with these arrears. The farmers in question had undertaken to be in possession of adequate grain to repay the advances at the time they took out the initial advance. This has created some difficulties.

I have discussed the seed grain situation with the Minister of Agriculture. He will certainly see to it that should there be a shortage steps will be taken to ensure that supplies are available.

The government has been attempting not only to assist farmers in difficult financial situations but to encourage the production of crops which are most suited to particular areas as a means of minimizing the size of losses which can occur. I am happy that notwithstanding certain criticisms, the gist of the hon. member's remarks has been to support the measures which have been taken.

• (1750)

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I hardly thought when I returned to the House of Commons that my first speech would be on agriculture, but this seems to be my fate. I rise to say a few words to the absent Minister of Agriculture, not only to give him condolences for his job but to support him in what I suspect is his new, fresh attitude toward the marketing of grain in this country. When three weeks ago he asked the farmers of western Canada to grow all the grain they could, I was in western Canada and supported those remarks because they were the direct opposite of what we had been told for the previous four years.

Votes before the committee of $8 million or $9 million, money to help farmers in great distress, can only be understood by the rest of the country when we look at the whole situation in perspective. The perspective of the last four years has been of a government that is going the wrong way in the matter of marketing, that has been reducing the income of farmers to a level where they could not build up reserves with which to meet the emergencies that occur, whether they be in the Peace River area, eastern Ontario, the Maritimes or the eastern townships of Quebec. That was a deliberate decision made by the government of the day after three years of study, and it sent this country in the wrong direction.

Today this country stands condemned in the eyes of the hungry people of this world for not being able to do what it is elementary that we do here, namely, produce food for the world, something we can do so efficiently. By letting the income of our farmers decline to the point it reached in 1969 and 1970 we took away the farmers' ability to produce food and meet the demands of the world.

It is a matter of shame to every Canadian who ponders about this interdependent world in which we live that for the last four years Canada has been a net importer of beef at a time when the world is desperately short of protein. No government sitting in the seat of power during the last four years can escape that indictment. It is no help to the people around the world who need that protein to say that our American neighbours are also importing beef, because their government stands condemned for the same reason. The United States took land out of production and applied restrictions. That is why today the American farmers, indeed the American people, stand beside Canadians equal in guilt and equal in shame for not doing the basic things they should have done.

It is on the subject of grain that I want to speak most strongly. I shall praise the Minister of Agriculture so long as he keeps going in the direction he is going now, namely, that of expanding production. When there is a hungry world, any minister or any government that votes for restricting the production of food in a country that can produce food as Canada can stands condemned not only before parliament but before the country and their own conscience. I want to make that very clear.

There has been a debate all over the western world this last 15 to 20 years about the future of agriculture. World economists have been looking at the traditional markets for certain products. To use wheat as an example, in our traditional bread-grain markets of Europe these economists see a declining per capita consumption of bread-grains, and since the population is not increasing quickly enough to take up the slack these economists say that we must advise our farmers in the bread growing areas of the world to reduce production.

They do not see in that model two billion people living in Asia, South America and Africa who would like access to any type of food whether traditional with them or not. They do not see in that model that China has now come into the market as a steady purchaser of bread-grains from western countries. They do not see in that model that they use that Russia, having spread its agricultural production across the Urals and into the volatile, dry land of that area, sporadically comes into the market to buy several hundred million bushels of grain. They do not see any of these new factors in that model. They do not see in the general picture that whereas ten years ago the average trade in wheat between the countries of the world was roughly one billion bushels a year, it is today over two billion bushels a year and is still rising. What was a surplus ten years ago is nothing at all today.

When so much was said in this House two years ago about surplus there was roughly a surplus of two and a half billion bushels of grain, insufficient for one year's marketing. No merchant can stay in business without having something on the shelves, but we took our inventory off the shelves. That is what I want to speak about, Mr. Chairman, putting it in very simple terms.

In addition to the advice given to us by economists, advice was also given to us by those who know the needs of people—nutritionists, demographers, sociologists. A conference was held here in Canada in June of 1969, the first and only conference of this kind held in Canada, attended by all the brains of the Ford Foundation, the Rockefeller Foundation and the Food and Agriculture Organization, etc. At this conference representatives told of all they had done to bring about a green revolution around the world and confessed that even with all their efforts in the waters of the sea and on the dry land areas of the world, they would be unable to meet the needs of the people of the world. Therefore, they pleaded with governments to go all out to produce all the food they could. Figures were cited showing how they were losing the race.

The minister of agriculture in the previous government, the Hon. H. A. Olson, was given this information and he attended the November meeting in Rome of FAO. On November 11 he stood before the FAO nations and pledged Canada's all-out support for the expansion of production to help meet the deficiency in food production around the world. He made that pledge on our behalf.

Three months later it was repudiated in this House and in the country.

Mr. Chairman, I have got to the point in my remarks where I should like to make them cohesive, so may I call it six o'clock?

[*Translation*]

The Deputy Chairman: Order. It being six o'clock I do now leave the chair until eight o'clock.

At 6 p.m., the House took recess.

[*English*]

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: Order, please. When the committee rose at six o'clock it was considering the schedule of Bill C-141, particularly votes 15a and 40a.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, when the committee rose at six o'clock I was in the process of putting before it the type of decision the government made some three years ago which was so disastrous to the farmers of western Canada and to the world as a whole. I described one type of advice coming from the nutritionists, to the effect that no matter what we could do, we could not begin to feed the world and meet the gap which existed between the needs and our ability to supply. On the other hand, there was advice coming from economists mainly, to the effect that governments in the western world should restrict production and match production to the markets in our traditional areas.

To show that this debate was a lively one I hold up to the committee, as an example, the speech delivered by the then minister of agriculture, the Hon. H. A. Olson, in which he quoted figures from nutritionists pointing out that we produced only a certain amount of food in the world but that needs were roughly one-third higher. This speech was delivered on November 11, 1969, by the then Canadian minister of agriculture to the FAO. Three months later, on February 27, 1970, the minister in charge of the Wheat Board made a statement in the House of Commons to the effect that we had too much wheat on hand, requiring farmers, by inducement and by force, to stop producing wheat in the year 1970. That policy enunciated by the minister in charge of the Wheat Board was a strike in the back of his colleague the minister of agriculture which destroyed that minister before the producers of western Canada.

When the then minister of agriculture took that stand in November, 1969, I am positive he did so with all the honesty of any minister of agriculture speaking on a subject so important to his portfolio. In the meantime, the government—and I can only assume it was the minister in charge of the Wheat Board who had the biggest say—reversed the policy and the direction of the minister of agriculture by coming out for restriction with the Lift program which is supposed to mean "lower inventory for tomorrow" but which turned out to be "lower income for tomorrow." That is why the farmers in Peace River and in every other part of the country who have been smashed about by this government for the last four or five years cannot cope with this emergency situation with which we are now faced.

That decision by the government in February, 1970, was only part of a four-point program or package to restrict agriculture. The first as the Lift program to stop wheat production in western Canada for that year. Secondly, the government brought in a marketing act, the infamous Bill C-176, as a result of which farmers were not given control over their agriculture; control and decision-making in every step of agriculture from seeding to selling was put under the power of civil servants, with no control by parliament and no control by the farmers. It was a terrific example of controls and restriction on agriculture along the lines that economists of Europe, and later of North America, advocated. Thirdly, we had the stabilization bill. This bill meant that if you did what civil servants told you to do, you would be eligible for a formula-type minimum wage on the farm of $2,000 a year. I will not go into detail as to what happened to these bills.

The fourth part of the package was the adjustment program. This was a program aimed, as the task force had recommended in 1969, at getting two out of every three farmers in every part of Canada—not just in the west—off the farm, and the farmers in the west to cut grain acreage in half. This four-point program was the result of an economic theory called supply-management. This supply-management theory was in control and was running the government; the ministers had no say and I do not think the government understood what they were walking into. The time when appointed officials of government can run the elected officials of government is about over, and that is what the issue was across this country last year.

I have spoken of these two speeches and have indicated to the committee what the issues were. I simply point out that as a result of these restrictive policies and the whole direction the government took—and it was a wrong direction—income which from 1953 to 1957 had been about $2,000 a year for farmers in Saskatchewan and had slowly climbed from 1961 to 1967 to about $6,000 a year suddenly went down to $2,000 a year. Yet the experts ask me why the west went against the government. If your income had been $2,000, and it went up to $6,000 and then back down to $2,000, would you not think that the government was a wrong-way government? Only one Liberal outside the city of Winnipeg survived the feelings of westerners.

I think I have said enough to illustrate the fact that we have had a wrong-way government because we have had wrong-way ministers. We have had a fire-sale government which in spite of shortages a year and a half ago forced the sale of grain regardless of price, and they come along now and tell us to look at all the bushels they have sold. I know it is hard to explain to non-farmers how the impact of this situation hits the western farmer. If you ran a car lot which was facing another car lot on the other side of the street, and you left an agent in charge while you were away and came back after a short trip to find all your cars were sold, you might say, "What a good boy he is." But if you found he sold all the cars at below cost, you were

broke and the guy across the street was still in business, I am sure you would get rid of that salesman.

This fire-sale attitude is the basic reason for the troubles the government is now facing. This is the basic reason for many people around this world suffering a food shortage. They are short of rice in Southeast Asia, and short of wheat all over the world; yet we sit with relatively nothing to sell because of this policy forcing the farmers to sell, not on an orderly basis according to the Wheat Board but through fire-sale type activity.

We tried to get rid of this situation 35 or 37 years ago when we set up the Canadian Wheat Board. However, this government has hit farmers so hard during the last four years that it will take a generation to remove the monument in their minds which says that the Lift program is a program to take farmers out of production. Now, when the price is up to $3 per bushel, there is no grain to sell. The government has just begun to pay the price of that folly.

My final words to the absent Minister of Agriculture are to keep his back close to the wall and not to let them do to him what they did to Olson. In the last days of the campaign Olson said that the Lift program was the greatest mistake of his life. It was not only the greatest mistake of his life; it was the greatest mistake of every member of the government and everybody else who supported that program, because they betrayed not only the farmers but also the hungry peoples of the world. That is the indictment of this government.

Some hon. Members: Hear, hear!

• (2010)

Mr. Lang: Mr. Chairman, I rise with pleasure following the remarks of the hon. member for Qu'Appelle-Moose Mountain who is back with us in this House after a period of absence. I do so with pleasure because after the recent election campaign the hon. member for Qu'Appelle-Moose Mountain had been saying things far apart from what his leader and other agricultural critics of his party had been saying and they found it necessary to make him the critic for energy, mines and resources.

You may not know this, Mr. Chairman, but during the course of the election campaign the Conservative platform contained a promise that the initial price for wheat should go up by 30 cents a bushel. At that time it was $1.45 a bushel. Shortly thereafter the world price began moving very rapidly, and in order to put funds into the hands of the farmers we raised the price of wheat by 31 cents a bushel compared to the 30 cents a bushel the opposition was advocating. Then they did not know whether they were promising an additional 30 cents a bushel or what. This is part of their policy which allowed them to speak in different tongues in different parts of the country.

I know my own opponent wanted to get one step up, so he said that their 30 cents would be in addition to what the Liberals had done. That set me back a little until the Leader of the Opposition was in town the next day and said that now the Liberals had done exactly what the Conservatives had promised. I should say to hon. members that the initial price at $1.76 meant an elevator price of perhaps in the order of $1.47 or $1.50 depending on where you are, which the Leader of the Opposition said they had promised while my opponent said they would go 30 cents better. That, of course, did not bother the hon. member for Qu'Appelle-Moose Mountain because he had promised a $2 price at the elevator right from the beginning and he was able to stand with that. However, as I say they made him responsible for the field of energy, mines and resources rather than grain. We have to admit that the hon. member for Qu'Appelle-Moose Mountain is the visionary of his party. Of course, everybody knows what a visionary is; in the Tory party a visionary is someone who after something has happened can in fact see it clearly.

Some hon. Members: Hear, hear!

Mr. Lang: I say that particularly in relation to what the hon. member has just said in speaking about the Lift program. He should go back over the remarks of his colleagues in the House at the time the Lift program was announced. Their criticism ranged from the fact that it would not do any good because, with all that summer fallow, the next year as much grain would be grown again and we would be back with the same problem we had in the first place. That is the kind of line they were taking.

The point, of course, is that they talked about our having to sell a lot more grain than we were. They tried to talk about the hon. member for Qu'Appelle-Moose Mountain as their great salesman. It turns out that for the past several years the best year for sales while he was Minister of Agriculture responsible for the Wheat Board has been far surpassed. In fact, I expect within a matter of months to be able to report to the House that we have sold as much in a year as he sold in the best two years put together.

The years in which the hon. member was responsible for the Canadian Wheat Board were years of building elevators in the prairie region. He built more elevators and just put more grain into them. He never really sold as much as was being produced. The farmers were complaining more and more about the problem of accumulated grain. Then along came my colleague the Secretary of State for External Affairs who had some golden years during which grain moved very rapidly out of the country in record volumes—close to 700 million bushels. Indeed, when he was minister responsible for the Canadian Wheat Board he had to ask the Wheat Board questions which the hon. member for Qu'Appelle-Moose Mountain never had to ask, namely, how much was it possible to carry out of the country with the existing handling and transportation system, a system which of course had been inherited in the previous five years from the Conservative government of which the hon. member for Qu'Appelle-Moose Mountain was the key minister in this field. My colleague was told what the limits were and he exported grain in those years when he was responsible at a record level, with the handling and transportation system which we had—a level which was not even conceived of when the hon. member opposite was the minister responsible. That is the fact of the matter with regard to where our grain situation stood.

The hon. member has just made an impassioned speech about how we should be feeding the poor peoples of the world and should have gone on growing grain for them.

Let me ask hon. members whether through 1968-69 and 1969-70, when we had large surpluses of grain in this country, they were treated as assets by our buyers around the world. Not a bit of it. They were treated as reasons for depressing the price. It was not until the United States finally made a large sale of grain to Russia this year—and it probably did not involve as much as we adjusted our inventory by during 1970—that there was a dramatic impact upon the world price and we started to get for our farmers a fair price for grain, a price not below the cost of production.

Some hon. Members: Hear, hear!

Mr. Lang: The facts of the matter are that we had an inventory in this country which was treated by all our farmers as being a significant problem. Indeed, if the hon. member will look back at the speeches of his colleague he will find that they were complaining about the Lift program partly because they said those farmers who saw the surplus problem as a real problem had already done something about it, and that now we were bringing in a program which did not allow for the fact that they had already coped with the problem. That was the kind of criticism they levelled at us. They saw that that kind of supply on hand was in fact a problem; it was a price depressant problem in the world.

We were told that we should go out and sell grain. I said at that time, and we did it, that we would sell grain at record volumes year after year notwithstanding this program. In the very best year while the hon. member for Qu'Appelle-Moose Mountain had responsibility for the Wheat Board we had an export figure of 453 million bushels. When I first asked the Canadian Wheat Board whether it could in fact handle an export of 800 million bushels, I was told it could perhaps handle 700 million bushels. In the year 1970-71 we went beyond 700 million bushels; we reached a figure of 706 million bushels. Last year we exported 824 million bushels. This year, with grain at record prices, we are exporting at new record volumes and can go on into next year exporting again at record volumes, notwithstanding what the hon. member says about supply.

Of course, we know the hon. member said we should have realized the desirability of moving into beef production. He was not here and perhaps has forgotten that with the Lift program we went into a forage incentive program to encourage the cattle industry. When that was over we offered the prairie farmers $40 million at $10 an acre to move grain land into grass because we believed there was a future in beef and that was what we should be producing. We talked about diversification into meat and into barley. I wonder whether the hon. member knows what the word barley means.

An hon. Member: I don't think he does.

Mr. Lang: I am not sure whether hon. members know this, but barley is produced traditionally almost for the purposes of drink; farmers in the prairie area were encouraged to grow low protein barley for the best possible distilling purposes. Occasionally we got into the feed grain barley markets of the world. When barley turned up being high protein it would be fed to cattle, but it was never promoted to any significant degree in foreign markets. Members from the Tory party are rankling at that and they ask: what are the facts?

• (2020)

Here are the facts: in 1957-58, just as the Tories were coming to power, we exported about 80 million bushels of barley. In the subsequent years 70 million, 63 million, 42 million, 48 million and 15 million bushels of barley were exported to world markets. This includes malting barley of the type which was being grown.

We turned our attention to barley in a big way. We said that we should get into the feed grain markets of the world and we asked the Wheat Board to go to work to market that grain. And they did. In the first year of that decision they moved barley exports up to nearly 90 million bushels. In 1970-71 they exported 179 million bushels, and last year they exported over 200 million bushels.

Some hon. Members: Hear, hear!

Mr. Lang: We are told, Mr. Chairman, that in some fashion the Lift program, which was designed to put $70 million into the hands of the prairie farmers—and it did—contributed to their lower income. But the fact is that the farmers' income depends upon the movement of grain into markets, not the piling up of grain in the granaries on the farms. I am surprised that hon. members to this day do not understand that piling grain in granaries does not provide income. In the following years we moved grain into markets beyond the actual production in those years, and we began to encourage farmers to produce barley and wheat and to stay in the rapeseed markets in the world in a full way; and we can now go out, as our new and enthusiastic Minister of Agriculture is doing—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hees: Would the minister permit a question?

Some hon. Members: Oh, oh!

Mr. Lang: Yes, Mr. Chairman.

The Deputy Chairman: Order, please. I would advise members of the committee to listen to the question which the minister has permitted.

Mr. Hees: I should like to ask the minister why, if the Liberal party has done so well in the west, they practically threw them out lock, stock and barrel last October 30.

Mr. Lang: Mr. Chairman, the hon. member for Prince Edward-Hastings has asked a very relevant and important question. Of course, his colleagues have pointed to about 92 identifiable reasons why the west might have done that. I share a seat with my colleague, the Minister of National Defence, who was not affected by that; and I should like to point out that, surely, over these years if the grain policy of this government was identified with anyone, it was identified with me—and my majority rose from 500 to 8,000.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

The Deputy Chairman: Order, please. I am sure hon. members would be interested to hear the minister complete his remarks.

Mr. Lang: Mr. Chairman, I had better not allow any more questions from the hon. member for Prince Edward-Hastings because it ill becomes my modesty to have to answer him in that way.

Some hon. Members: Oh, oh!

Mr. Lang: At the moment our situation in the world is such that the price for feed grain, rapeseed and wheat is at a high level. This is of great importance to the producer because grain is moving at record volume to export markets. We can say to producers: go ahead and fertilize to the limit of your knowledge in terms of your production capacity. So long as they were producing for bins which were already full, they were not doing that and they were costing themselves the bushels which in fact are the cheapest to produce. They can now correct that and they can do it with confidence because they know that our marketing policy, and the facilities that we have made available to the Canadian Wheat Board, ensure that we will go on marketing to the extent of our capacity and transport grain into world markets except in years when conditions change so much that it is impossible to do so.

I hope that for that purpose one day the hon. member will look at the stabilization program, and I hope that by that time we will have been able to put it into effect, because if it comes to pass that our volume of export turns down by 200 million or 300 million bushels from the new record levels, it will be on the conscience of the hon. member's colleagues that there is no stabilization program to put $200 million to $400 million into the pockets of the prairie farmers in that year. I have some confidence we will have been able to correct it before that may happen, but in the meantime let it be on the hon. member's conscience.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, if you have been bored with the committee proceedings to date, I think it has come alive in the last little while. I think the committee owes thanks to the Minister of Justice for having met my attack head-on, because he has repeated to the committee what he was saying across the west most of last year. It is this type of gibberish, that he pours out like a fountain without a tap to control it, that cost so many Liberals their seats.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): The Prime Minister has said that he realizes he has made a great mistake in his attitude toward the west. Because of this I was trying to advise the Minister of Agriculture to beware of what he should do. I will answer the Minister of Justice in his capacity as minister responsible for the Wheat Board by giving him the facts which won the west. And let me point out that I did not have anything like the voice he had; I had to stay down in my little corner of the province. He had a staff in Saskatoon working for a year in advance to get this great majority. But he took that majority for himself personally and cut the throat of any other Liberal candidate there.

Some hon. Members: Hear, hear!

Mr. Paproski: That is a real friend for you.

Mr. Hamilton (Qu'Appelle-Moose Mountain): When I spoke earlier I referred to the Minister of Justice in his capacity as minister responsible for the Wheat Board striking down his colleague, the ex-minister of agriculture, Mr. Olson, who had come out on Canada's behalf with pledges for an all-out production of grain. The minister came along three months later and said "There is too much grain. Cut down all wheat acreage in 1970." That is the monument that the farmers will carry of him as long as they live.

• (2030)

Now, as for that little highschool boy chit-chat about the initial price, it was clear to us a year and a half ago that Russia was in trouble with the winter wheat crop. The right hon. member for Prince Albert spoke up in this House on several occasions and asked the minister in charge of the Wheat Board when was he going to raise the price to take advantage of this great demand for grain. All the minister could come back and say was, "The Americans won't raise the price." Mr. Chairman, when was there a law in this country which said Canadians could not raise the price? Never in the history of parliament has any minister ever stood up and said he had no right to have any say about the future and the prices of our products, that he had to run down to the U.S.A. and ask the people who have led this whole supply-management nonsense for the last 15 years, "Won't you raise the price?"

Do you think the farmers are going to be happy with all these statistics and figures when they sit on their farms with almost empty granaries and when they know that the grain they grew over the last five or six years was dumped on the market in 1971 and 1972 at a price below the cost of production? Now they sit there with empty granaries when grain is selling at $3 a bushel and the minister sits here in this House and says, "What a good boy am I." Mr. Chairman, he is the boy who took over the automobile lot and sold all the cars at half price before the boss came back. The boss in this case is the voter, and he will clean out the Liberals.

With respect to the initial price, our party met in Saskatoon in June last year. We asked the party to accept the fact that prices had to go up and that the farmers should be told and given a little hope. We said we should increase the initial price of all three main grains. As a matter of fact, we announced that officially at the beginning of the election campaign. Then the minister became terrified that he might lose a vote in Saskatoon-Humboldt and he raised the initial prices by the same amount that we advocated. This does not mean one cent more to the farmer, Mr. Chairman; he simply gets some money into his hands earlier.

Now I want to come to the main issue and get to real grips with the minister. During the campaign, Mr. Chairman, not only did I support the raising of the initial price

but I called for a price of $2 at Thunder Bay and I said there would be no trouble about reaching it because the price would go to $2.50 by Christmas. I was wrong; it went up to nearly $3. But you have to give farmers some hope when they are broke, particularly after four years of government under the leadership of the type given by the Minister of Justice. Long before the price rose above $1.75, where this minister was keeping it, I said it should be $2. I won't go back over all that hash. But back in 1953 to 1957 in western Canada we piled up wheat. Then the government changed and in 1961 and 1962 we gave open quotas to the farmers and all the grain they could produce was sold.

Mr. Hees: Those were the golden years.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I asked the farmers to go out and grow all they could because the world needed it. In 1963 when we were negotiating the long-term agreements, which the Secretary of State for External Affairs knows all about because he signed them word for word as I had negotiated them, I asked the farmers, "Please grow all the grain you can and help meet the needs of a hungry world." The farmers cleaned off brushland, brought land back into production, put in seed and fertilizer, cut the crops off and raised average farm income from $2,000 to $6,000.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): It was not pleasant for me, Mr. Chairman, to sit out of parliament later and watch the succeeding government, with its restrictive measures, bring that average income down from $6,000 to $2,000 in the years 1969 and 1970. I don't care how many bushels you sell, it is what is left in your pocket when you have sold it that counts. It is for this that we hold the government guilty.

Now we sit here with a hungry world around us, with race riots all through Southeast Asia because of hunger, with trouble in Pakistan, India and Afghanistan and we cannot help those peoples because we do not have the grain. Russia still wants grain. The wheat farmer in Russia is in trouble again this year. Russia wants more grain this year. Where are we going to get it? I am glad that this debate is taking place. What is the point of the minister saying, "Look at all the bushels I have sold," when the farmers are broke? Why are we voting this money to help the farmers in the Peace River area? It is because they do not have money to cope with a local, one year disaster. It would be the same in any part of the grain area.

Finally, Mr. Chairman, the minister mentioned barley. That is a word he should not have mentioned. We all know about his barley goings on. Barley is a coarse grain that used to be produced for making beer. Then the Americans found a way to produce their own barley to make their own beer, and that market went to pieces. But ever since 1960-61 there has been a rising demand for coarse grains around the world, including barley, not for making beer but for feeding animals. The minister is quite correct when he says that the best future for grain is going to be in the feed grains, not just the bread-grains. I am not arguing that at all; what I am arguing about is this barley business.

Somebody gave orders to the Canadian Wheat Board in April, 1970, when the farmers were rising in protest against Operation Lift all over the three prairie provinces, and told the Wheat Board to break the law, not to follow the processes of orderly marketing but to dump barley onto the world markets. In the succeeding months the Wheat Board dumped millions and millions of bushels of western barley on world markets; in fact, there was not enough to meet all the feed contracts so in 1971 the minister went out and said to the farmers, "Grow all the barley you can." The farmers looked in the newspapers and saw that the price was $1.30 at Thunder Bay. They said that that was pretty good and so they grew 16½ million bushels of barley in 1971. But in 1972, when they went to get the extra above the initial payment, what did they get? They got zero, Mr. Chairman, and there was a loss on the pool of $11 million. This is what we want the minister to explain in committee, not here. There are more angry barley farmers around Saskatchewan than you will find in any other part of the world, and the minister should know that.

Now to deal with diversification. That action was taken by somebody frightened by the fuss farmers were raising about the Lift program. That somebody said, "We have to get money into the farmers' hands. Sell something." The only competition they had to sell against was an American broker down in Duluth who had 20 million bushels of rotten barley in his granaries which he was trying to get rid of for 57 cents or 58 cents a bushel. We sold our barley in competition with rotten barley in a bin in Duluth. Who was this person who interfered and intervened with the Wheat Board? I want to know, and so do a lot of farmers. We want to find out who gave that order. It was not orderly marketing; it was fire-sale marketing. The law says that the Wheat Board is to sell grain at the best possible price for the advantage of the western farmer. But somebody interfered, somebody monkeyed. And somebody has to pay the price. These are the reasons we on this side of the House want some answers from the government.

It is all very fine to vote a $400 grant each to a group of farmers who have been hard hit this year. But that does not cover the gap between conscience and fact. The fact is that the farmers have been betrayed. The farmers have not had their grain sold at above cost. The farmers have not seen the government renew these long-term agreements with the iron curtain countries. The farmers have seen everything that they had hoped and dreamed of in the years 1965 to 1967, when everything was looking up for them, destroyed under the present Minister of Justice who thinks that because he is from Saskatchewan he is the natural crown prince of the Liberal party.

• (2040)

Some hon. Members: Hear, hear!

Mr. Paproski: That is not what David Lewis called him.

Mr. Hamilton (Qu'Appelle-Moose Mountain): These crown princes can always be identified, Mr. Chairman; they have eaten the royal jelly and they know what they

want. Not only should the Minister of Finance look over his shoulder, but so should the Prime Minister because when the crown prince from Saskatchewan moves in, God help the Liberal party!

Mr. Prud'homme: Are you jealous?

An hon. Member: What about your own party?

Mr. Basford: You should know about crown princes.

Mr. Prud'homme: Talk about 1962-63.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, the Liberal party knows that in order to survive as a national party their next leader must not come from Quebec or Ontario. The minister from Saskatchewan knows that very well.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, what we heard here tonight was not only childish chit-chat; it was a man preaching for a call. When all the Liberal delegates come from the west to select their new leader, I suspect they will not call for him. They remember the monument of Lift, and that will be the monument as long as he lives.

Some hon. Members: Hear, hear!

Mr. Walker: Mr. Chairman, may I ask the hon. member a question?

The Deputy Chairman: Order, please. Would the hon. member permit a question?

Mr. Hamilton (Qu'Appelle-Moose Mountain): I am always glad to entertain a question, Mr. Chairman.

Mr. Walker: May I ask the hon. member from which part of the country he feels his next leader should come in order for his party to survive?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman—

The Deputy Chairman: Order, please. Would the hon. member resume his seat. The question as asked is inviting a prediction by the hon. member, and I do not think it is in order.

Mr. Nesdoly: Mr. Chairman, I hope not to indulge in too many recriminations during this debate on production, marketing and livestock feed boards. I should like to remind hon. members on my right that when the farm stabilization act was before this House a year and a half ago it took members from Saskatchewan in the New Democratic Party to stop it. Other members tucked their tails under and ran.

Some hon. Members: Hear, hear!

Mr. Nesdoly: I should like to make some constructive suggestions instead of delving into history which goes back 100 years. The Conservative and Liberal parties have their past glories to live with; we in the New Democratic Party have our future glory to come by.

Mr. Paproski: You have a lot of hope.

Mr. Nesdoly: We have a lot of patience, Mr. Chairman. I should like to point out the necessity of encouraging prairie farmers to produce enough barley and rapeseed to meet market demands at a time when world wheat demand is at record levels. To reduce the supply of other grains may limit the future markets for these alternate crops.

I know that people in the prairie provinces are very concerned that production of some of the other crops will be neglected and they do not want to see this happen. We ought to encourage production of specialty crops such as rapeseed, rye, flax and barley—particularly rapeseed. The federal government should establish an incentives policy for producers of field grains to encourage sufficient acreage to ensure adequate supplies. One step to encourage production of grains other than wheat would be to increase the guaranteed initial payment for barley by at least 15 cents a bushel before seeding in the spring of 1973.

In Saskatchewan we would like to use most of the feed grains we produce to feed our own hogs and cattle, and we would like to develop our own meat packing industry and the secondary industries as well. When we produce enough for export we will gladly ship it to Ontario and Quebec as well as to the overseas markets. If the federal government desires or demands changes in production patterns or a variety of changes for some reason or other, financial incentives should be provided to producers to make the required adjustment.

I should like to say a word or two about the international trade in grains, Mr. Chairman. Since the price range in the International Grains Agreement collapsed in 1971 the world has not had effective international agreements for trade in grains. The present International Wheat Agreement which began in mid-1971 runs to mid-1974 but it does not have any price ranges at all. Producers and consumers of grain, especially wheat, are best served by an effective and strong international agreement concerning price, supply and trading conditions.

I urge the minister responsible for the Wheat Board to work with vigour to develop a climate in which a new and effective agreement may be forged after the present one expires. Things are looking better on the Prairies, Mr. Chairman, and we do not want the things that happened four or five or ten or 15 years ago to happen again. In the west we want to look to the future and make our agricultural economy more stable. The new agreement which, hopefully, will be negotiated by 1974 will cover wheat and also feed grains.

This international agreement on grains should also include national and foreign stockholding policies, maintenance of adequate reserves, a reduction of trade barriers through commitment by exporters and importers, co-ordination of farm programs, maximum and minimum prices for world transactions and adequate food aid.

Now that the war in Viet Nam is over and people are still dying of starvation in Bangladesh, perhaps we should be laying aside a few million bushels to aid these war ravaged countries.

With regard to marketing, Mr. Chairman, I feel that the jurisdiction of the Canadian Wheat Board should be extended to cover the marketing of rapeseed, rye and flax. A recent study committee established by the federal grains group recommended that producers be provided an opportunity to say by plebiscite whether they support the present rapeseed marketing system or an alternative. I support the proposal for a plebiscite, as does my riding, and I urge producers to support the alternative which would give marketing authority over rapeseed to the Canadian Wheat Board.

Rapeseed is produced in my constituency and some is shipped to Vancouver and some to Thunder Bay. Because the futures market in Vancouver is consistently higher than in Thunder Bay, the result is that some points in Saskatchewan have a great differential in rapeseed prices although they are very close together geographically. On October 6, 1972, the price of rapeseed in Glaslyn was 23 cents a bushel more than at Meadow Lake. I was home to Shellbrook last weekend. I talked to many farmers at a hockey match. They told me that in the village of Leask the price of grain was 31 cents more than at Shellbrook. These two villages are 25 miles apart. What is disconcerting is that rapeseed packed into boxcars in Saskatchewan is shipped from Leask through Shellbrook to Prince Albert and on to the west coast, yet the producer of Shellbrook received 31 cents less last week.

• (2050)

An hon. Member: And he will this week, too.

Mr. Nesdoly: We should try to solve this problem, Mr. Chairman. Certainly this anomaly would be liquidated if prices were administered by the Wheat Board and the price of rapeseed was averaged. The only people benefiting now are the boys playing the futures market. There is a lobby in this House of people who are not interested in the welfare of the farmer but in the futures market or grain exchange operations at Winnipeg, or Vancouver, if there is one there.

Consequently, I suggest—and I believe this is part of the policy of the Saskatchewan wheat pool—(a) that the federal government introduce necessary legislation immediately which would give authority to the Canadian Wheat Board to market rapeseed; (b) that a producers' plebiscite be held to determine whether producers support extension of Wheat Board powers to the marketing of rapeseed; and (c) that any permit holder who has produced rapeseed in any one or more of the last three crop years be eligible to vote on this question and that a simple majority of those voting be required in favour before the marketing authority be given to the board. I think this is one step that can be taken immediately. It would be progressive.

Before produce can be marketed, it has to be moved. We hear a lot about occasional grain tie-ups on the west coast or at Thunder Bay. Personally, I favour nationalization of the grain handling system at Vancouver so that it is divorced from other work stoppages at that port. No farmer should be expected to haul his grain more than 25 miles under most circumstances. If the suggested rail lines are abandoned, some farmers will have to haul their grain 50 miles to market. I suggest that the scheduled abandonment of railroad lines be postponed until this entire matter is thoroughly studied to determine its effect on marketing and the movement of grain.

We are debating payments to farmers under farm income maintenance. Because of poor whether conditions and other risks associated with agriculture, we in this House should not begrudge the payment of moneys to farmers who have suffered crop losses. I am certainly in support of them. Perhaps they are not enough.

I hope this House will take some long-term measures in the direction of comprehensive crop insurance programs to ensure that every producer of crops in this country has some kind of insurance so that eventually there will be no need to debate in this House year after year crop losses in one part of Canada or another. This would necessitate co-operation between the federal and provincial governments.

As far as the estimates of production and marketing and the Canadian Livestock Feed Board are concerned, I am in agreement with them and I hope we can soon bring this matter to a vote.

Mr. Hamilton (Swift Current-Maple Creek): Mr. Chairman, I am pleased to take part in this debate on the production, marketing and transportation of our grains. Lately, a lot of fellows have been talking who have not produced too many bushels of wheat or barley. The minister in charge of the Wheat Board, and my friend the hon. member for Qu'Appelle-Moose Mountain, covered a lot of ground in a very few minutes.

There are a few things I would like to say about this world of wheat in which we live. The minister in charge of the Wheat Board is on pretty shaky ground when he starts patting himself on the back for the record exports that Canada is now enjoying, because last year 60 per cent of Canadian wheat exports went to production catastrophe areas around the world. That is a pretty shaky basis on which to build some stability into our grain industry. If anyone knows anything about grain, they know that Canada does not sell grain to Russia, India or Pakistan; those people come here and purchase it.

For five consecutive years western farmers saw farm deliveries of wheat go down, down, down. We ended up with a four-bushel quota with production controls in the form of Operation Lift around our neck. Farmers were ready to rebel. That is when the word came out for the Wheat Board to sell barley. I was on the floor of the Winnipeg exchange the day the Wheat Board offered its barley to the world. The big international traders could not believe what they were hearing. They got their hands on 150 million bushels of barley at a fire-sale price. That deal cost the western farmers $50 million.

The other day we were discussing the purchase of hopper cars. It was ironic that at the very time these estimates were being discussed in committee, American grain for export was being moved through Canada in Canadian cars over Canadian rails to Seattle. I received several calls that day from farmers in Saskatchewan com-

menting on the large number of Canadian cars in Montana and Dakota sitting on sidings. In one case, 52 empty Canadian boxcars had been there for over seven days. I want to read a statement given by a grain farmer to the press in southern Saskatchewan:

> Since the first of December, four or five hundred Canadian boxcars full of American grain have entered Canada at North Portal, Saskatchewan, gone up the Soo line, on to B.C., and then down into the states for export out of Seattle.

The farmer said he is critical of Canadian Pacific Railway for allowing the Americans to use Canadian cars and Canadian rail lines to move grain to coastal terminals when there is difficulty in having Canadian grain moved to the west coast. He said:

> As an example, North Portal has a six-bushel quota on wheat, and has trouble getting enough cars. But U.S. wheat moves right through there in Canadian boxcars.

The farmer then asked what sense there was in providing the railways with 2,000 additional cars so that it could take its own cars out of service and rent them to the Americans. The CPR claim they are up to date on all Wheat Board deliveries to Thunder Bay and the west coast. The point I am making is that there is no shortage of grain cars in Canada over-all, even now when we are in the midst of a record grain movement.

• (2100)

Senior officials of both railroads have given assurances in the past that they could move one billion bushels to export with the equipment they already have, given a degree of co-operation and planning. Our number one grain transportation problem has not been the number of grain cars available; it has been to get the cars through the Rocky Mountains to the Pacific seaboard so that the grain will be available to our customers when they want it and so that Canada could be classed as a dependable supplier. We must have some order of priorities, some long-range plans so that all segments of the grain industry, railroads, shippers, handling companies and, most important of all, producers will be able to see the future with some intelligence.

We on the Prairies are stunned by talk of spending hundreds of millions of dollars on new airports and hundreds of millions more on pipelines into the frozen north when we cannot now depend on getting our produce to the customers to their satisfaction. I was on board a Japanese ship in Vancouver just about a year ago. That vessel had been waiting there for 37 days to take on a cargo of Canadian feed barley. They hadn't taken on a single bushel. According to the captain, the cost of maintaining a vessel there was some $4,000 a day. Thirty-seven days at $4,000 a day—all of which will be paid for in demurrage and higher ocean freight by the western farmers!

Year after year thousands of loaded grain cars are trapped east of the Rocky Mountains because of the Fraser canyon. Last year the Canadian National line to Prince Rupert was blocked for five weeks. The Canadian Pacific track was blocked for four weeks through the Fraser canyon. Winter comes each year; and labour problems will continue to plague us. This $48 million expenditure will not solve our number one grain transportation problem, which is getting our product to the Pacific seaboard. More than 40 per cent of Canada's grain exports go out by way of the Pacific seaboard, yet the seaboard possesses only 10 per cent of Canada's terminal elevator capacity.

It is obvious that the present system has no capacity to stockpile. As a matter of fact, five million to seven million bushels of wheat is about the best they can do at the west coast—about a three-day supply at full loading rate. We are in good shape this year. Nature has been kind to us. The railroads have not been blocked. Vessels are arriving on time. There is no tough or damp grain. And there are no labour problems. According to the Canadian Grains Commission report for the week ending January 24, there were 6,853,000 bushels of milling wheat in seven terminals at the Pacific seaboard. Over a million bushels of that were in Prince Rupert. On the average, this is less than a boatload at each of the Vancouver and Victoria terminals.

Competing with western grain farmers for transportation to the west coast are coal, potash and sulphur. These commodities are handled in solid train and unit train lots through modern bulk handling facilities. There is a capacity for stockpiling for weeks ahead, thereby protecting customers against the consequences of railway stoppages. As the total tonnage handled by the railways continues to build rapidly, the grain export situation becomes more critical with each passing year. Grain, the only commodity under government control, is the one that suffers most.

The government of Canada conducted a three-year study of grain transportation at great cost to the taxpayers. Instead of acting on the report, hon. gentlemen opposite turned this hot potato over to the Canada Grains Council which now estimates it would take another five years to finalize. The expenditure of $48 million on these hopper cars was made for reasons of political expediency. It was announced by the Prime Minister in Winnipeg where it would make the biggest political impact just before the last election.

What we should be doing is using to the maximum the facilities which are already in existence. It is almost incredible that during the three-year transportation study nobody in the federal government ever contacted the bulk handling people in Vancouver—people whose systems contain unused capacity and who are ready, willing and able to help export more grain. The expenditure at the Pacific seaboard of a small portion of the $48 million spent on new grain cars would have increased the throughput of grain at Vancouver by more than a third, more than 100 million bushels a year. It would have allowed us to stockpile against rail stoppages and enabled us to use modern bulk loading facilities to compete with the coal, potash and sulphur moving to export.

A good deal has been said about the Lift program. I shall not say anything more about that. I will say that in 1971 the minister in charge of the Canadian Wheat Board went on record advocating the need for additional grain storage at the west coast. Our good customers, the Japanese, took the unprecedented step of sponsoring a transportation conference in Vancouver as a means of expressing their growing concern. However, the desire of the producers to move more grain to export and the custom-

ers' pleas for better west coast service have both gone unheeded.

We could and we should be selling and exporting more grain. On September 13, 1972, the Kansas City board of trade, talking about the tremendous increase in wheat prices, released the following news item from which I quote:

—but in Canada's case the increases were almost academic because that country was not booking any shipments at the higher prices, due to the fact that it had already sold all it could move overseas until May of next year.

With wheat quoted today at over $3 at the port of Vancouver, it is a tragedy for western farmers that Canada effectively stopped selling wheat some seven months ago. The expenditure of $48 million for 20 miles of grain cars is pretty dramatic stuff for us in western Canada. These cars are highly visible as they move around the Prairies, painted in appropriate colours, bright orange and gold. I can assure you, Mr. Chairman, nothing like it has ever been seen on Canadian rail lines before. The only thing missing is the minister's signature.

Let me draw attention to some of the things the federal government should be doing to help the grain transportation industry. First, we should be moving away from the inner harbour of Vancouver out to Roberts Bank where there is sufficient depth of water to accommodate the new large bulk carriers, giving us lower ocean freight and where we can stockpile and where pollution will not be such a pressing problem.

Some hon. Members: Hear, hear!

Mr. Hamilton (Swift Current-Maple Creek): Second, the government should recognize that the expenditure of a few million dollars on dredging the prairie port of Churchill would revolutionize it. This is probably the finest port in the world as far as the stockpiling of grain is concerned. The grain would keep for ever. The drawback is that Churchill doesn't have much political horsepower, and money spent there is not too visible.

Last year the government made trucking experiments in western Canada, moving grain to inland terminals by truck and thus releasing grain cars for export movement. In my view this was an unqualified success. We should be building up a prairie trucking industry ready to take over if railroad abandonment starts.

An hon. Member: What do you mean by "if"?

Mr. Hamilton (Swift Current-Maple Creek): The lines become unprotected in January, 1975. I charge the government with drawing the wrong conclusions from the trucking experiment. The operation should have been continued. It was never given a fair chance. Now, since the 2,000 new, large grain cars cannot be used effectively on light branch lines, the railroads will have yet another argument in favour of abandonment.

Mr. Lang: Would the hon. member permit a question?

Mr. Hamilton (Swift Current-Maple Creek): There is another proposal I have to advance. It is to bypass the Fraser canyon. It involves an alternate route. It involves 45 miles of line.

[Mr. Hamilton (Swift Current-Maple Creek).]

Mr. Lang: Would the hon. member permit a question?

• (2110)

Mr. Hamilton (Swift Current-Maple Creek): I should like to continue, Mr. Chairman, and then I will answer the hon. member.

The Chairman: I think the tradition is not to interrupt a maiden speech.

Mr. Hamilton (Swift Current-Maple Creek): Mr. Chairman, there is an alternative to the Fraser canyon route, and I think the federal government has a responsibility to act on it. It consists of a rail line some 45 miles long, joining our present CN and CP main lines just west of Kamloops to the British Columbia rail line which goes in a southwesterly direction to Squamish and Vancouver. This line would begin at Ashcroft and go up a hilly valley in a northwesterly direction to Clinton which is situated on the B.C. rail line. The proposed 45-mile loop would be built in a hilly mountain valley, not a mountainous canyon, closed-in type of terrain. At the present time there is already a highway joining these two towns.

Let me once again give the committee the figures relating to the three rail routes to the Pacific. The Prince Rupert line was blocked for five weeks last year, the Fraser canyon route was blocked for four weeks, but the proposed B.C. route was blocked for only 24 hours. Records for past years follow a similar pattern.

Our grain transportation industry has been studied to death, Mr. Chairman. In the last couple of years we have had plenty of task forces. We have had the Menzies report, a three-year transportation study which has now been passed on for another five years of study. We have had protein grading studies, quota system studies, block shipping studies and feed grain movement studies which have pitted eastern farmers against western farmers. The latest development was when the Quebec delegation walked out of the CFA meeting in Ottawa a few days ago. The government has done all these studies at great cost to the taxpayer. They have been done by very competent people who have gone as far as they can. It is now up to the government to act. What we want is some direction.

This government's response to our grain problems has been to build more and bigger bureaucracies. Let us look for a moment at some of the government organizations that the farmers and the transportation industry are expected to blueprint their way through. We have the Canadian Wheat Board, the Canadian Grains Commission, the Canada Grains Council, the grains group in Ottawa, the Canadian (International) Grains Institute, the grains division of the Department of Industry, Trade and Commerce, the Canadian government elevator system, the National Harbours Board elevator system, the Canadian Livestock Feed Board. Under growing federal government bureaucracy we now have the Manitoba Grain Commission, the Saskatchewan Grain Commission and the Alberta Grain Commission. How many more such bodies will we have to support before the government finally accepts its responsibility and moves to bring some order out of chaos?

I am apprehensive, Mr. Chairman, and so are a good many other farmers. I say this because the government

has consistently drawn the wrong conclusions, or no conclusion at all. Our grain industry has been managed by default. Three times during the last ten years we have been taken to the limit of our transportation facilities. In 1963 the Russians bought every bushel of wheat that Canada could export. In 1965 Russia and China again took all the grain we could move to export. In 1972 once again we found a desperate world at our ports and once again we were unable to accommodate the demand. Dr. Boerma, director of the Food and Agriculture Organization, has stated that world wheat stocks are now at their lowest level in 20 years, and during that period the world's population has grown by 50 per cent.

This government's action—or lack of action—is nothing short of criminal. The expenditure of $48 million on hopper cars is very difficult to justify in so far as increasing our exports of grain are concerned. Western Canadian farmers are not being saved by the politics of this government; they are being saved by the politics of hunger, by the food crisis which has made tens of millions destitute. This government must accept the blame for monumental failures in planning and implementing policies.

Mr. Lang: Mr. Chairman, I rise only to put a few facts before hon. members, particularly in view of the remarks made by the hon. member for Swift Current-Maple Creek. When I asked the hon. member in the middle of his speech whether he would permit a question, I certainly did not realize that he was in the process of delivering a maiden speech. Nor did I realize, in point of fact, that there was a rule against interrupting such a thing. However, I do apologize for having done so. What I wanted to ask the hon. member—and perhaps he will take another occasion to tell me the answer to the question—was how he stood on the question whether any branch lines in the prairie region should or should not disappear in the next little while.

The hon. member made reference to the studies that have been made, and to do him credit I think he recognized that there was need to be patient until these studies made of the transportation and handling system had been completed. He criticized us for turning over the matter to the Canada Grains Council. What in fact we did was to turn it over in an effort to get the industry as a whole, and the producers in particular, to give their views as to whether or not we should move in the direction of fewer elevators and longer hauls in view of the savings that are possible.

The hon. member has been associated with the Palliser Wheat Growers Association which took a very strong stand in favour of far fewer delivery points across the prairie region, certainly a much stronger stand than I took in that direction. Indeed, they took a stronger view than that taken by the studies I have referred to, which suggested a certain degree of continued development and consolidation of delivery points. Even that view, however, means it is probable that some of the railway lines now existing will disappear, since grain was hauled along those lines to elevators which now no longer exist. Thus, these particular lines are of no further use for that purpose.

When the hon. member said that hopper cars were apt to be another thin edge of the wedge in regard to rail line abandonment, if he meant anything at all I think he meant that he opposes rail line abandonment. Although the hon. member wants us to do something, he reserves the right to attack us, whatever we do and, in the best Conservative tradition, to attack from all sides in order to get maximum flexibility.

I know the hon. member for Swift Current-Maple Creek very well. I also know that in the ordinary course he attempts to be fair and to be accurate. Therefore I must seriously ask him to put forward at an early opportunity his own views on the question whether the branch lines that now exist throughout the prairies are to remain five years from now or eight years from now. The hon. member says we should move faster than that and not wait five years, as suggested by the Canada Grains Council. I am far too impatient a man to see it take even that long. However, the producer must have the chance to make his views known and to tell us the system he wants.

The studies that we have completed show that if the grain that is now being handled by nearly 5,000 elevators in the prairie region were handled by two-thirds that number, the savings per bushel on all grain handled on the Prairies would be about five cents delivered. If those studies are accurate, that would mean a saving of $50 million on producer deliveries of one billion bushels, which I predict we will see for the first time in our history. In addition, the studies have indicated that—

Mr. Gleave: Would the hon. member permit a question?

Mr. Lang: By all means.

Mr. Gleave: In view of the fact that the National Farmers' Union and the three wheat pools have resigned and withdrawn from the Canada Grains Council, does the minister still regard it as a producers' organization representing grain farmers on the Prairies?

• (2120)

Mr. Lang: Mr. Chairman, I am happy to tell the hon. member that while the three prairie pools have now withdrawn from the Canada Grains Council, which I regret and hope the hon. member regrets as well, there are other producer organizations of that organization. What I should like to point out to him particularly, if he does not mind listening to the answer to his question, is that the three prairie pools which resigned from the Canada Grains Council, and the National Farmers' Union, which resigned over a year ago, are all agreeable to serving on the transportation committee which the Canada Grain Council set up to study this very question. So there will be representation.

Some hon. Members: Hear, hear!

Mr. Lang: The hon. member for Swift Current-Maple Creek also referred to a number of studies including the block shipping study, the protein grading study and feed grain movement study and seemed to imply that these are perhaps governmental studies on the shelf somewhere. I should like the hon. member to note that in each of these cases the recommendations in these studies supported by the producers have been implemented to the full and are in operation.

Some hon. Members: Hear, hear!

Mr. Lang: Of course, the situation on the west coast is one in which we clearly require more storage facilities. We are all agreed on that. There is no doubt that more storage facilities are required there. I do say to the hon. member that it is not clear at all that the simple use of bulk handling facilities in that area is the answer to anything. The existing Saskatchewan wheat pool's terminal there, which is the most modern one, can handle a great deal more grain than it is now handling if it receives that grain clean. So if we can clean the grain on the Prairies, ship it to Vancouver and put it through that facility, we can handle that grain without using bulk handling facilities. I suggest this is something the wheat farmer and the wheat associations must look at very carefully before saying that bulk handling facilities are the answer.

We are told that the Kansas City review of September 13, 1972, said it was too bad that Canada was not selling grain any more because now the price has gone up so much. The Wheat Board stopped selling grain some time before the United States did because it knew the price was going up and it was waiting for it to go up. Indeed, on September 13 when the Kansas City review was saying it was too bad we were not selling grain any more, the price of grain was 30 cents or 40 cents lower than it subsequently rose to, and at that point after it had risen we sold more grain. Indeed, since that date the Canadian Wheat Board has sold 200 million bushels of wheat. That, Mr. Chairman, is the fact.

I really do not know how long we have to go on having the prairie farmers say such things as that we are out of wheat, because as at the last report I have here in my book, the amount of grain in the country three weeks ago was 1,100,000,000 bushels. We are told we have not been selling any grain. We sold 200 million bushels of wheat and we have been selling barley at a rapid rate and at a higher price, and we are continuing to sell. Those are the facts, Mr. Chairman.

We are now hearing criticism about the purchase of 2,000 hopper cars. We saw a need for the purchase of 2,000 hopper cars on the basis of the information the railways gave us. They could not assure us that in any given year, unless everything went absolutely right, they could in fact take more than about 800 million bushels of grain to destinations for export. We saw the possibility of wanting to take a good deal more than that, perhaps as much as 150 million bushels more than that for export. Hopper cars were needed to assure us that we could do that and to give us some leaway in times when markets were readily available.

We are told, again, that those hopper cars can only be operated on certain of the trackage in the prairie region. Of course that is true and it was known to us long ago when we began to look at the prairie region and the railway system there. I am not sure what the hon. member means when he says that somehow this is going to lead to more branch line abandonment. What it will lead to—and for goodness sake let us look at the positive side—is pressure on the railways to bring up their standards for the use of hopper cars on those lines which should remain in the business of grain handling. That, Mr. Chairman, is the positive side of this whole business.

[Mr. Lang.]

Some hon. Members: Hear, hear!

Mr. Lang: Hon. members talk about somebody encouraging the disappearance of farmer's elevators and that this is a problem for the individual farmer. Of course it is, but that is not something which is going to start tomorrow. This is something that has been going on for years as a result of elevator company decisions. They know they have elevator units that can handle 700,000 or one million bushels of grain just as easily as 100,000, yet they have been handling on the average 100,000 to 200,000 bushels of grain with a man having to operate each elevator.

That is why we made the move and that is why the Saskatchewan, Manitoba and Alberta Wheat pools, as well as the United Grain Growers and other elevator companies, have been in the process of closing individual elevators. They had to consolidate grain handling to save the farmers some money. What we are trying to do is get into a position where some of this can be done in a sensible fashion. What we have had is the railways abandoning a line in one area of the Prairies and the elevator companies abandoning elevators in another area, not making very much sense between the two. What we are hoping to do is get them into a position where they all know what they are doing, so that they can save the farmer "X" cents per bushel in hauling grain to the market at a lower cost.

Some hon. Members: Hear, hear!

Mr. Lang: The use of hopper cars will mean efficiency in handling of grain, rapid loading and rapid unloading. The elevator companies are agreeable to using the maximum number at their elevators. That is the kind of thing I believe we have to do for the good of the grain industry. I have been one who has been optimistic about the potential of our agricultural grain area from the very darkest days of 1968 and 1969.

An hon. Member: And the days of Lift?

Mr. Lang: Yes, even from the days of Lift when we had to take one step in an attempt to get the system into shape as quickly as possible. We had to say to the farmer that this was one step needed to get more grain out of the elevators. We had to get wheat out so we could move the barley that could not be handled until we got this grain out of the elevator. That was an essential step. Since then the record of this government has been to give the farmer information about world markets to the extent that we have given it to him on March 1 before he seeds his grain; we have told him what the initial price will be for the year—not in August as has been the tradition for years—because this year, for the third year in a row, we will be giving the farmer that information on or before March 1, as we promised to do as part of the over-all grain policy announced at the beginning of the Lift program in February, 1970. Those are the facts, Mr. Chairman.

Mr. Nystrom: Mr. Chairman, I rise on a point of order. I was wondering whether the minister in charge of the Wheat Board would be willing to answer a question at this time.

The Chairman: That is not a point of order. However, I understand the minister is prepared to answer a question.

Mr. Nystrom: In view of the interest of the minister in charge of the Wheat Board in farm economy, is he planning to make personal representations to the Canadian Transport Commission asking it to impose a moratorium on plans for abandonment of rail lines on the Prairies after 1975? Does he plan on making any personal representation?

Mr. Lang: Mr. Chairman, it is my hope that in the course of the discussions which are now going on, and on the basis of the studies we have done on handling and the transportation system, well before January 1, 1975, there will be a consensus and agreement in respect of which rail lines must be improved and which will not be used. It is my hope that the consensus which emerges from prairie producers in respect of their needs and benefits will in fact be a decision-making device in respect of what will happen before the CTC.

• (2130)

Mr. Neil: Mr. Chairman, I should like to make a few remarks at this time which I feel are pertinent to this debate. I do not intend to become involved in statistics but will as much as possible comment generally and see that my remarks are brief.

The movement of grain on the Prairies has been a very real problem for many years. There has been a great deal of study carried out on the subject. There has been much debate, but very little action. I would suggest that the purchase of hopper cars has been the result of political expediency rather than a decision based on priority. Undoubtedly, at some time in the future hopper cars will become a priority item, but at the moment the railroads have indicated that with the rolling stock existing prior to the purchase of the cars they were able to transport approximately one billion bushels of grain annually to the west coast and Thunder Bay provided they had good weather and adequate terminal facilities.

The hon. member for Swift Current-Maple Creek has suggested a linking up of the CNR and CPR lines from the Kamloops area with the B.C. rail line in the Clinton area, a distance of some 45 miles. This is a rail connection that could be constructed with relative ease and at reasonable cost. This rail link, together with the improvement of facilities at Vancouver and new facilities at Roberts Bank, would save the western farmer many hundreds of thousands of dollars in demurrage. It would mean that there would be adequate supplies of export grains that would be available on site when called for by our customers. These are urgent matters.

There is the urgent matter of the port of Churchill. The port of Churchill is the nearest Atlantic ocean port to the prairie provinces. It eliminates more than 1,000 miles in comparison to the St. Lawrence Seaway route. It represents a reduction in shipping costs of from 10 cents to 15 cents per bushel. An amount of $10 million or $15 million out of the $48 million spent on hopper cars could have been spent in dredging and port rehabilitation. I suggest that such an expenditure should have had a much higher priority than hopper cars.

There is also the matter of rail line abandonment in Saskatchewan which has been delayed until 1975. The proposal of the railroads is to close down approximately 3,000 miles of the 8,500 miles of line. With the abandonment of this trackage, some 800 of the present 2,700 elevators would close down, affecting approximately 400 delivery points. The closing of these delivery points will spell the end of many of our small towns and an end to rural life, a trend which already is taking place.

I am not suggesting that there should be no rail line abandonment. What I am saying is that before any steps are taken to close down lines, the effect on small rural communities located on the lines should be seriously considered. Too often economics seem to have priority over people. Before the Standing Committee on Miscellaneous Estimates we were told that something less than half the trackage in western Canada will be able to handle the new hopper cars. When considering the rail line abandonment it is imperative that we also consider rail line improvement at least into areas of high grain production.

In the past few days we have heard questions posed to the minister in charge of the Wheat Board with regard to problems of grain delivery in various areas of the Prairies. We have also heard that Canadian boxcars have been used to transport United States grain through the Prairies and out to the west coast. If Canadian cars are available to transport United States grain, why are there not cars available to clear out some of the congested delivery points on the Prairies? What are the priorities? Is the transportation of United States grain more important than the transportation of Canadian grain? Is the welfare of the United States producer more important than the welfare of the Canadian producer?

To summarize, may I say that we have reached a difficult period. Decisions must be made in the immediate future. As the hon. member for Swift Current-Maple Creek stated, there has been a multiplicity of studies. We cannot continue having more studies. Priorities must be worked out based on statistics available from those studies and not, as I said before, based on political expediency. Unless we establish such priorities very quickly, and unless once they have been established the government carries them out, the problems will continue to be compounded and we will lose not only the developing markets but also some of our traditional markets to our more aggressive competitors.

Mr. Benjamin: Mr. Chairman, I wish to interject two remarks in this discussion on the supplementary estimates of the Department of Agriculture. I was particularly struck by three things tonight. I never thought I would live to see the day when we would have, as we have now, fourteen cabinet ministers present in this House and many shiny faces in the other rows on the government side. It is a wonderful change. I do not know whether they are paying attention to this particular subject or whether they are interested in subjects which will come up during the remainder of the discussion. As I have said, I never thought I would see the day when they would all be present for this kind of discussion. Had this been the case in 1968, 1969 and 1970 we might have had a much better situation in the agricultural and grain industry than we had in those years.

I listened to the hon. member for Qu'Appelle-Moose Mountain make a speech that was two or three years old. I heard the hon. member for Crowfoot and the hon. member for Saskatoon-Humboldt make the same speech, very much better, two years ago. The hon. member seemed to be attempting to revive the myth about Alvin selling wheat. I noticed the manner in which the Minister of Justice got up and after years of frustration tried to combat that myth. I believe he had some success. However, had the Minister of Justice said the kind of things he said tonight in 1969 and 1970, and had he used some muscle on the railroads what we are debating tonight might not have been necessary.

• (2140)

The hon. member for Qu'Appelle-Moose Mountain was a typical Tory when he took part in the debate, only he is a little more modern than his colleagues who spoke last week. He was marching into 1957 trying to dam the waters that have already gone under the bridge. I appreciated some of the remarks of the Minister of Justice. I even understood and sympathized with his last-ditch defence of Lift. I hope he keeps that up in my constituency. But again, Mr. Chairman, that is water under the bridge.

It is amusing to hear the hon. member for Qu'Appelle-Moose Mountain and the Minister of Justice rise back and forth for four and a half years and say to each other, "I sold more wheat than you did". Which one sold the most wheat? All this has been done at the expense of the wheat growers in the prairie provinces. Both of them talk about maximum production but they say nothing about price or, if they talk about price, they say that we have too much production. Both of them have spoken this way for many years, and while both of them have been in government we have lost tens of thousands of grain growers in the three prairie provinces.

Only the organizational genius of the old-line parties could do such a thing in a country which grows grains naturally. It is amusing to hear them talking about prices. When in mid-September the Tories promised an increase of 25 or 30 cents a bushel, the Minister of Justice pulled their teeth the next day and beat them by a nickel. What both of them forgot was that they were not fooling the farmers. It was the farmers' own money. The Minister of Justice could have announced the price to take effect at the beginning of the crop year on August 1; he could have done it in July. Of course, it made a better announcement coming in late September or October. However, he outbid the Conservatives by a nickel a bushel, using the farmers' own money.

The minister had the fortitude to mention the stabilization bill this evening and I am glad he brought up the subject. If it is his intention and the intention of his government to reintroduce that little item, I would like to refresh his memory. Perhaps he will recall that during the debate on that measure, before it was withdrawn four things were put forward which should have been included in the bill if it was to be acceptable to western grain farmers. One of them, I am happy to note, has been done; that is, having to do with crop insurance.

May I refresh the minister's memory, if he intends to bring that in again, that there are three remaining things

to do or revisions to make in his stabilization plan if it is to have any acceptance in the House or among farm organizations or grain producers in western Canada. The first is grain storage. I hope that by now the minister has given up the idea of repealing the Temporary Wheat Reserves Act. We would welcome some positive amendments to it, but we hope he has given up that idea. We hope that he and his colleagues have now come around to what we put forward a year and a half ago, that the nation as a whole should bear some share of the cost of grain storage, not just on wheat but on all grains.

Second, the plan must be based on net income, not gross income. I do not need to say anything more on that subject. The minister went to the farm organizations and to the provinces, and I hope he has that message by now before he brings in any new stabilization plan. Third, the plan must be based on some kind of guaranteed price which has some relationship to the cost of production, or a combination of guaranteed prices and some control over rising farm costs. Those three things must be included before any stabilization plan becomes acceptable to grain farmers in western Canada.

We have had so-called surpluses in Canada and so-called world shortages, and successive old-line governments have played around with farm prices using the farmers' own money. Farm prices have always fluctuated at the beck and call of the so-called world markets. I submit, Sir, that until a national government is prepared to back the grain industry on prices and not leave them to the whims of world markets, we will continue to have the problems we have had in the past.

It is not good enough for either the hon. member for Qu'Appelle-Moose Mountain or the Minister of Justice to brag about how much grain each of them moved if, first, the grain was sold at an insufficient price or, second, there was no guarantee or protection on those prices for grain producers when production is at a decent level. Surely this is part of what we have to do. We cannot leave individual grain growers at the mercy of what happens on the world markets. It requires the strength and wealth of the entire nation to support agricultural prices and, in this instance, grain prices.

Earlier tonight mention was made of orderly marketing, which I find most amusing coming from members of the Liberal and Tory parties who have talked a good fight on that subject for all these years. I would say to the Minister of Justice that we in this party support, and always have since the inception of our party in 1932, the orderly marketing of all six grains under the Canadian Wheat Board. In fact, there were only five grains in those years. We still support that.

I accept the idea of a plebiscite. I am confident that the overwhelming majority of grain growers in western Canada want the three grains to be under the jurisdiction of the Canadian Wheat Board. I am confident that rapeseed growers are sick and tired of the kind of pricing that has been imposed on them. It is all very well for the minister to lie back and rely on a plebiscite. I wonder, however, if his heart is really in it. What action is he personally taking, and what action is the Canadian Wheat Board and the government taking to provide the kind of positive information to grain growers that will lead them

to unanimously want to include rapeseed under the Canadian Wheat Board?

I am afraid what will be allowed to happen is that fast buck operators from grain exchanges and free enterprises will ride the backs of grain growers and start another propaganda war trying to undermine, undercut and destroy the whole principle of orderly marketing through a public, producer-controlled board. It is not good enough to say that we are all for a plebiscite. It will require some leadership. We submit that it will require leadership from members of all parties in the House if we are to enlarge and enhance the operations of the Canadian Wheat Board for the benefit of the grain growers, and this applies to feed grains as well as to the board's grains.

Unless and until this happens, the kind of things that have been happening to rapeseed prices and to flax and rye prices will be happening, that is, that they will have no relationship to the value and worth of the product. They have only related to what the speculators could make on them, with no relationship to the real value and worth of the product or to what it cost to raise and produce, and little or no relationship to what the farmer needed to have left over for himself. I submit that not until these grains are under the jurisdiction of the Canadian Wheat Board will we get some fair, reasonable and decent pricing on these three grains.

I would like to hear where the Conservative party stands on this. I would like to hear from all the prairie cowboys whether or not they are in favour of flax, rye and rapeseed being under the jurisdiction of the Canadian Wheat Board. I would be interested to know, because I can assure them that whichever way they say they would prefer it, I would be happy to circulate every speech in my riding and in other parts of the Prairies.

• (2150)

We would like to know, are you or are you not in favour of those grains being under the Canadian Wheat Board? We would like to know if the Minister of Justice is in favour or not. And if there are any other Liberals from the three prairie provinces, we would like to know their position. There is one from Winnipeg. We would like to know whether he is in favour or not. An answer from him should be a dandy. We would like the Minister of National Defence to tell us whether or not he is in favour of these three grains being under the Canadian Wheat Board.

The Minister of Agriculture may or may not have expressed himself on this matter, but we would like to hear from him as well. We would like to know whether or not he is in favour of these three grains being under the Canadian Wheat Board. If nothing else, we would like to know his own personal opinion. I give him credit for that, Mr. Chairman; he is not afraid to express his personal opinion. He has given such opinions in the past. Is he for or against these three grains being under the jurisdiction of the Wheat Board? If these three gentlemen express positive personal opinions they will provide some kind of responsible leadership and help the grain growers of western Canada.

I also hope that the minister in charge of the Wheat Board will arrange for a lot of information to be given to grain producers very quickly, to support a plebiscite on the question of bringing these three grains under the Canadian Wheat Board. I hope he is not merely playing around and could not care less whether the plebiscite wins or loses in that respect. I also hope that the minister in charge of the Wheat Board will be present when we get to the vote in the estimates dealing with the Department of Industry, Trade and Commerce because we have some questions to ask him concerning hopper cars. I will not go into that subject very much tonight, although others have raised it.

But when it comes to the matter of rail line abandonment, Mr. Chairman, we for one group expect that the minister and the government will either formally make representations to the Canadian Transport Commission or, if necessary, overrule the commission and, as a minimum, place a five-year moratorium on any further rail line abandonment. Anything less than that will be a betrayal of grain growers and of hundreds of towns and villages in western Canada. Just to illustrate, I mention one line in my constituency which connects the villages and towns on Dilke, Holdfast, Penzance, Liberty, Stalwart, Simpson, and Imperial, some 130 miles of track slated to go if the CPR can get its way. The minister talks about a 5 cents a bushel saving from abandonment. I would like him to tell us whether that 5 cents a bushel saving is just for the CPR and the grain companies.

Mr. Lang: For the farmers.

Mr. Benjamin: If that is for the farmers, I would like the minister to explain what will be done when grain is hauled great distances in trucks carrying 1,000 to 1,500 bushels, along municipal road systems not one mile of which is capable of carrying those loads? What will that mean in land taxes to farmers? I repeat, where does the 5 cents a bushel go? Is it still a 5 cents a bushel saving to farmers if, in addition to hauling their wheat a distance two or three times greater than before, they have to travel that farther distance to buy their groceries and farm implements?

What happens if these towns and villages become ghost towns and villages? Add up the cost if these scores of towns and villages with their streets, sidewalks, churches, schools, curling rinks, elevators, and other community services are abandoned, not to mention the grocery stores and implement dealerships. Is the minister going to ask all those people to get up and walk away from their communities? Surely not.

I want to see a lot more information before the minister can convince me or anybody else on the Colonsay subdivision of the CPR, that its abandonment will mean a saving of 5 cents a bushel. But even if by some stretch of the imagination or statistics-bending that was correct, has anybody added up the social and human costs involved? Are they included in that 5 cents a bushel? What is going to happen to those communities? The debenture debt is not even paid on the sewer, water and road systems. Surely the minimum we must have is for the government either to request the CTC or overrule the CTC, so that there will be a minimum moratorium of five years past 1975 on any rail line abandonment. That is the minimum time that will be needed in order to find out all we need to know before one more mile of track is lifted.

Mr. Horner (Battleford-Kindersley): Mr. Chairman, I really enjoyed what might be called the Saskatchewan debate this evening. I think all the speakers were from that province. It was interesting to see the Minister of Justice rise time and again and make accolades to himself. This is one of the disadvantages of coming back alone to parliament; you don't have anyone else to blow your horn so you must blow it yourself. We heard the debate between the minister in charge of the Wheat Board and the former minister. We are not really able to judge who won tonight. But the same debate was carried on in Saskatchewan last October and I will accept the judgment of the people of that province; they were in the best position to know.

I take exception to the minister's comments about the Conservative party. It is rather discouraging to have the king of the grain bootleggers make criticisms like that. I say that his pet answer as to why Lift was introduced was utter nonsense. He said it was to clean out the system. He decreased the amount of grain in the system by 200 million bushels. He forced that amount of grain to be stored again on the farms for one reason and one reason only, to reduce the amount which the treasury had to pay under the Temporary Wheat Reserves Act. There is no way he will get me to believe anything different.

Perhaps this great salesman would rise at the close of my remarks tomorrow and tell us about the barley payment on last year's crop. And what about the final wheat payment? It was rumoured that it would be paid out on February 1, and then on February 12 which is today. I suppose now it will be paid on Friday. Maybe the politicians over there are still trying to steal a little out of this year's pool to make it look good politically?

May I call it ten o'clock, Mr. Chairman?

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

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

SOCIAL SECURITY—OLD AGE PENSIONS—INTRODUCTION OF LEGISLATION TO PROVIDE INCREASE—CONSULTATION WITH PROVINCES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on January 24 I asked the Minister of National Health and Welfare (Mr. Lalonde) if he intended to present at an early date legislation to provide the promised substantial increase in old age security pensions. The minister replied that he had scheduled yet another dominion-provincial conference and that such a meeting was to be held on February 2. The minister announced that the discussions with his provincial counterparts were "consultations" and that he envisaged no veto power for any or all of the provinces.

[Mr. Benjamin.]

• (2200)

It is difficult to understand, let alone appreciate, what the government intends in this most important sector of the social welfare field. The Speech from the Throne declared, "a reconsideration of Canada's social security system must be conducted jointly by the federal government and the provinces". Later, the same document promises, nevertheless, "legislation will be introduced to improve the economic situation of the old age pensioners". The Speech from the Throne has been adopted, the minister has had a conference, he has promised more than once a substantial increase in the old age pension—but where is the legislation? If it were needed at the time of the drafting of the Speech from the Throne, how much greater is the need now as prices continue to soar and the purchasing power of the old age security cheque shrinks with painful inevitability under this government's inflationary economy.

Two eminent economists, one from the Canada Council on Social Development and one from the Department of Urban Affairs recently indicated that about 50 per cent of Canadians over 65 years of age were living in poverty. Over 50 per cent, Mr. Speaker. What a situation! What a condition in a country with such potential for prosperity as Canada to have one-half the senior citizens having to eke out an existence at or near the poverty line.

It is time to bring on some measure of relief, some measure of justice for those who receive the old age security pension, now possessed of ever-diminishing purchasing power. I assured the minister and the House the other day that if he abandons his immobility on the matter and brings down the legislation we will assist him get it into the hands of the old age pensioners where it has belonged for lo these many months. How wrong it is to think, Mr. Speaker, that just because these people do not qualify for the supplement, do not in fact pass the means test, they are therefore affluent and are living a luxurious life, when indeed many of them are on the very edge of painful poverty.

My colleague from South Shore (Mr. Crouse) was telling me a moment ago about being in a supermarket in Ottawa this morning when he saw an old age pensioner look at a jar of honey, put it in the cart, calculate again what his pension was and then put the jar back on the shelf.

Some hon. Members: Shame!

Mr. Macquarrie: These people are in dire straits. They need help, and they need it now. Mr. Speaker, there is no reason for delay. Surely, on the contrary, there are compelling economic reasons for action.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, in response to the question raised by the hon. member for Hillsborough (Mr. Macquarrie) on January 24, I should point out that on January 11 the Minister of National Health and Welfare (Mr. Lalonde) indicated quite clearly what the government had in mind in respect of increases for old age pensioners. He indicated that consultation was taking place with provincial ministers of health and that further consultations would take place. He made an

unequivocal statement that substantial increases in the old age pension would be forthcoming.

On January 24 the hon. member for Hillsborough indicated that he was in a bit of a quandary on this subject. He did not seem to know why we would consult on the matter when in fact we had already made up our minds that there would be a substantial increase. I should like to point out to him that consultation does not mean that they who are being consulted will make the final decision on what will be done. The fact of the matter is that this kind of consultation means that the Department of National Health and Welfare is concerned with the view of the provincial ministers and would like to take them into account in its deliberations. However, that does not preclude the possibility of achieving the objective of the government's statement to provide substantial increases. It could be increased in terms of the old age pension itself, the OAS, the GIS or a combination of both.

It is quite important to the government to know the views of the provincial ministers of welfare in this respect prior to introducing legislation in this House. The minister indicated that that legislation will be coming down very shortly. I think all members of this House will agree that when that legislation is presented it will do something very worth while for all the old age pensioners in Canada.

Mr. Knowles (Winnipeg North Centre): Bring it down tomorrow.

[*Translation*]

MANPOWER—LOCAL INITIATIVES PROGRAM—MEASURES TO ACCELERATE APPROVAL OF PROJECTS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I raised the question of the insufficient funds made available to the Department of Manpower and Immigration for its Local Initiatives Program by asking the Minister of Finance (Mr. Turner) when additional credits would be made available to the Minister of Manpower and Immigration (Mr. Andras) to enable him to approve a greater number of projects with a view to creating jobs and settling some of the problems facing the Unemployment Insurance Commission.

In his reply the minister stated that he would take the suggestions into account.

During the previous program, namely the 1971-72 program, 38 per cent of the projects submitted were approved and implemented. As a rule, the results were satisfactory.

When this program was renewed for 1972-73, the minister stated that it met the needs of the rural population as well as those of the urban population and that it permitted a direct and rapid intervention in high unemployment regions and often made it possible to create new kinds of employment. The minister also said that this program would permit the implementation of projects which the people themselves consider essential for their collectivity but which could not be implemented before.

The government saw fit to renew this program this year and, as a representative of the people, it was my duty to inform my constituents and to invite them to submit projects.

The Canadian population responded to the government in such a way that over 16,000 projects have been submitted. Unfortunately, for lack of funds, less than one third have been approved to date.

If the government is truly sincere and willing to fight unemployment it should at least double the funds earmarked for this purpose.

In the second place, it is high time for the government to state frankly what criteria are applied for approval of projects. It is increasingly difficult for a member of Parliament to ascertain the true facts in this respect. Moreover, the public is concerned about allegations that patronage-minded Liberals are imposing their views on selection of projects emanating from ridings represented by non-Liberal members. I hope there is no truth in such rumours, but it is time to give the public frank reassurances in this respect.

The minister has already stated that the main consideration for acceptance of a project is the level of unemployment in the locality from which it originates, which is reasonable.

If such is the case, I suggest that it would be equitable for more projects to be approved in Eastern Quebec, some of them in the riding of Bellechasse which has been sadly neglected for many years, long before I became its representative and where there are major economic and social needs to be met.

That is why I am insisting on approval and implementation of a greater number of projects as early as possible, in order to provide employment for a greater number of workers and to reduce the number of people now forced on welfare.

The minister has instructed his officials to send to all hon. members copies of projects submitted and originating from their respective ridings, accompanied by a letter asking for each hon. member's comments, if any are warranted. This is a most generous gesture on the part of the minister. It will enable hon. members to acquaint themselves with each one of the projects and judge whether or not they will meet the needs of the locality.

I wish to call the attention of the minister to another point which is most troubling, that is, to the announcement of the Quebec minister for municipal affairs to the effect that he accepted such and such a program.

This news published in the newspapers lead the public to believe far more projects are adopted than are in fact. If the reader is the least bit careful, he will discover that the good news of the minister is conditional on the projects being accepted at the federal level because the federal government pays.

In the final analysis, it is just a matter of partisan propaganda of which the public has long since had its fill. This does nothing to help create jobs for the unemployed or to implement projects.

So I ask once more that additional credits be voted for this program, that the project examination and approval procedure be accelerated and that consideration be given to recommendations by Manpower Centres and the organizations concerned, which are more qualified than anyone else to inform adequately the officials responsible for

making final decisions. This is urgent; the unemployed cannot wait any longer.

I hope very much that we shall receive a favourable reply and that the projects will be approved in greater numbers and implemented in the best interest of working people.

[*English*]

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the question originally raised by the hon. member for Bellechasse (Mr. Lambert) had to do with the speed of processing LIP applications. The minister has on several occasions this year responded to similar questions. On January 8, as reported at page 40 of *Hansard*, he said the following:

I cannot give a precise date but in all sincerity it will be done just as quickly as it can be done wisely.

That might be said to be the principle upon which we have been proceeding with respect to the processing of LIP applications. This evening the hon. member has raised several other questions including, principally, that of the sufficiency of the fund. It should be pointed out that the regular LIP fund has in fact been exhausted since January 19, and to the extent that the LIP fund has been kept open since that date this has been possible as a result of the transfer of funds from the on-the-job training program and from the business LIP.

The minister suggested to the hon. member in his answer on February 6 that he thought it likely that $10 million would be transferred from the on-the-job program to LIP but, as a matter of fact, only $5 million has been transferred because there was a considerable upswing in applications for on-the-job training during the last week of the application period and it will be possible to put people to work under this program at a faster rate than the minister had anticipated when he answered on February 6.

With respect to the $10 million set aside for business LIP, $7 million has been transferred back to regular LIP. It is anticipated that only $1 million will be required for fund projects approved under the business LIP segment of the program although, of course, these projects will serve as a valuable tool for assessing the viability of the particular program involved.

To bring the House up to date I should like to give the latest available figures on the Local Initiatives Program, taken from the computer as of Friday, February 9. The applications received numbered 15,269; the dollar value of these applications was $487, 121,698. The number of applications approved was 5,732; the dollar value of the applications approved was $162.6 million. Man-months of employment created, 332,732.

Unofficially, as of this time, all available funds have been committed to approved projects. The official figures from the computer will be available tomorrow or Wednesday. It may be the case that there will be some further small transfers of funds. The balance of $2 million from business LIP may be available for regular LIP, or the decision may be made to pay the money back to the training on-the-job program because of great demand in that area.

[Mr. Lambert (Bellechasse).]

The Acting Speaker (Mr. Boulanger): Order. I regret that the time of the hon. member has expired.

SEARCH AND RESCUE—STEPS TO ENSURE ADEQUATE NUMBER OF PLANES AND VESSELS FOR ACCIDENTS OFF EAST COAST

Mr. James A. McGrath (St. John's East): Mr. Speaker, on January 26, as reported at page 683 of *Hansard*, I directed a question to the Minister of National Defence (Mr. Richardson). I asked the minister what steps he was taking to ensure adequate search and rescue capabilities off the east coast of Canada, in view of the serious incident that took place recently when it took ten hours to evacuate the crew of a stranded Canadian trawler only a very short distance from the coast of Newfoundland because there were no helicopters based there. The minister replied that the government was looking at the possibility of decentralizing it—that is, the search and rescue facilities—somewhat and increasing our capability in Newfoundland. That is more or less a direct quotation.

My question was prompted by the grounding of the Newfoundland trawler *Cape Brule* in heavy seas off the south coast of Newfoundland early in January of this year. Because of the heavy seas in the area at the time, the vessel was in great danger of breaking up, placing the lives of the 14 crew members in imminent danger. The nearest search and rescue aircraft are stationed in Nova Scotia and Prince Edward Island, some considerable distance to the west. Consequently, it took ten hours to get the Canadian forces search and rescue helicopter to the scene to evacuate the crew.

This is not the first such incident, Mr. Speaker, and it is unfortunate that the limited time at my disposal does not permit me to go into the others. There was a search and rescue unit based in St. John's up to 1963, when it was moved to Greenwood, Nova Scotia, some 500 miles to the west. The situation has been further aggravated by the departure of the U.S. Coastguard from Argentia, Newfoundland.

The situation concerning the grounding of the *Cape Brule* and the lack of air/sea search and rescue capability in the area was summed up by the St. John's *Evening Telegram* in an editorial on January 18, 1973. The editorial is headed "Ottawa needs a map", and I shall quote part of it:

Has anybody in Canada got a map of Newfoundland? We doubt it, for anybody with such a map and the sense that God gave to a broody hen would see right off that Newfoundland is the obvious place in which to locate air and sea rescue operations. It has a long and dangerous coastline, it is close to the major Atlantic shipping routes, it sits astride the main fishing areas and it has five fully fledged airports, as well as a number of suitable airstrips.

The editorial goes on to say:

It is only too obvious that aircraft could have been on the scene within an hour if Argentia, Gander or St. John's had rescue aircraft ready to move at short notice.

On January 24, 1973, I wrote to the Minister of National Defence outlining the urgency of the situation and the need for immediate remedial action. I realize, of course, that the minister has been preoccupied of late with the Viet Nam situation, but I do not think it is overstating the

case to say that unless the government acts, and acts soon, we are going to be faced with a serious marine disaster.

The Minister of Regional Economic Expansion (Mr. Jamieson) has already announced that four specially designed lifeboats will be built and placed into service by the Department of Transport. Surely the Department of National Defence, which is currently in the process of redefining the role of the Canadian armed forces, has to bear a great deal of the responsibility since it has aircraft at its disposal plus the experience to co-ordinate and carry out successfully an air/sea rescue operation.

• (2220)

My province, which has a coastline of 6,000 miles, is involved in year-round deep sea fishing operations. God knows, fishing is a hazardous occupation at the best of times but is particularly dangerous in the wintertime. The province of Newfoundland, particularly the east coast, should be the logical site for an air/sea rescue unit. Thanks to the United States, there are adequate and excellent base facilities available. An aircraft stationed in eastern Newfoundland would add almost a thousand miles to their capability and would reduce substantially the time it would take to deploy a helicopter to a stricken vessel.

In addition, I think it is also fair to say, for the record, that the province of Newfoundland has been short-changed in so far as national defence spending is concerned. We do not have a major Canadian forces base in the province of Newfoundland, apart from a very small communications unit stationed at Gander and a very small unit based in Goose Bay, Labrador, which is there mainly to assist the huge U.S. base located there.

I believe this would be an excellent opportunity for the government to correct that situation and to provide the province of Newfoundland with an air/sea search and rescue unit which would serve to protect the many thousands of Canadian fishermen who fish off the coast of Newfoundland and, more particularly—I underline this because I think it is urgent this winter when we are experiencing severe ice conditions—it would serve in my view to avert a very major marine disaster. I believe it is incumbent upon the government to act immediately because of the seriousness of the situation.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): First of all, Mr. Speaker, I should like to compliment the hon. member for bringing forward this subject of search and rescue as it pertains to the Canadian armed forces, because they have had an excellent record over the years. In this very serious task we do run into many difficulties.

The hon. member for St. John's East (Mr. McGrath) has expressed his very real concern on the subject of search and rescue to the minister in private discussions, by letter, by question in the House and during this debate tonight. I wish to advise him that the minister also has a very real interest in the search and rescue capability of the department.

I believe the hon. member is aware that the Department of National Defence is, by cabinet direction, responsible for providing search and rescue facilities capable of responding to air distress incidents in accordance with Canada's international responsibilities as agreed with the International Civil Aviation Association and also in terms of our own domestic requirements. Providing resources to deal with marine distress incidents is primarily the responsibility of the ministry of transport. I understand that department will shortly be commissioning four new lifeboats, as the hon. member mentioned, for use in the Newfoundland area.

I know the hon. member does appreciate, however, that when there is a distress call, be it air or marine, the search and rescue facilities of the Canadian forces are immediately alerted and provide whatever assistance is possible. The Canadian forces do, through the rescue co-ordination centres, provide co-ordinating services for both air and marine incidents.

In the specific rescue operation involving the motor vessel *Cape Brule* to which the hon. member has referred, I should like to point out that from the first indication that the ship was in distress until a search and rescue aircraft was over the *Cape Brule,* was 5½ hours, not 10 hours as the hon. member indicated in his question on January 26.

Furthermore, from the time it became apparent that a helicopter was required to effect a rescue of the crew members until the search and rescue helicopter was taking the first survivors from the *Cape Brule,* was 4 hours and 21 minutes. Finally, Mr. Speaker, the hon. member does have the minister's assurance that he is looking at the possibility of some decentralization of the search and rescue capability.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Tuesday, February 13, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

ROYAL VISIT

TABLING OF CORRESPONDENCE BETWEEN PRIME MINISTER AND PREMIER OF ALBERTA

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in agreement with the premier of Alberta I should like to table under Standing Order 41(2) correspondence between myself and Mr. Lougheed concerning the royal visit in Alberta in July.

* * *

PRIVILEGE

MR. PAPROSKI—ALLEGED INACCURATE ANSWER TO QUESTION ON POLAR BEARS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I rise on a question of privilege. My question of privilege refers to an answer that I received, as recorded on page 4893 of *Hansard* of April 5, 1971, to my question No. 1,184 on the slaughter of polar bears. The minister's assistant replied: "No polar bears were shot in 1971". Figures released yesterday at the Northwest Territories Council revealed that 2,735 polar bears in the eastern Arctic in a six-year period, an average of 450 bears a year, were slaughtered.

Obviously the information supplied by the government was incorrect and deliberately evasive. I bring this to the attention of the House because it indicates the lack of respect with which this House has been treated, and I request a complete investigation by the responsible minister. I find, Sir, that this is a clear case of contempt of parliament by the minister or his officials to cover up a situation that is focusing the attention of conservationists and nature lovers—

Mr. Speaker: Order, please, I have to interrupt the hon. member. He knows that the rules require that according to the Standing Orders, notice must be given to the Chair of a question of privilege. No notice has been given so the matter cannot be considered. The hon. member cannot rise on a question of privilege in these circumstances. Perhaps he would like to give notice of a question of privilege for tomorrow and the House will hear him then.

EXTERNAL AFFAIRS

ANNOUNCEMENT OF RELEASE OF MARC CAYER FROM IMPRISONMENT IN NORTH VIET NAM

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, yesterday the right hon. member for Prince Albert (Mr. Diefenbaker) asked me a question about the time of release of two Canadians who are prisoners in Viet Nam. I am very pleased to inform the House that Mr. Marc Cayer who has been held in Viet Nam for five years was released in the custody of the Canadian representative in Hanoi at 1000 hours local time today, Tuesday, February 13, 1973. The initial report indicates that Mr. Cayer is well and in good spirits and that he is looking forward to rejoining his family in Canada. Mr. Cayer's father was informed of his son's release early this morning by officials of my department.

Arrangements are being made for Mr. Cayer's quick return to Canada, taking into account his condition after his long captivity and the possible need for medical consultation.

Some hon. Members: Hear, hear!

* * *

FINANCE

STATEMENT BY MINISTER ON DEVALUATION OF UNITED STATES DOLLAR

Hon. John N. Turner (Minister of Finance): Mr. Speaker, at 10.30 last evening the Secretary of the United States Treasury announced that the United States dollar would be devalued by 10 per cent. He announced further that new trade legislation would be proposed to the Congress shortly and that the interest equalization tax and capital controls would be phased out and terminated at the latest by the end of 1974. Secretary Shultz kept me posted on developments in the situation in the course of yesterday and informed me of his proposals shortly before announcing them last evening.

This action should help to restore balance to the United States international payments position. Such a restoration is a prerequisite to progress in the basic reforms of the monetary and trading system now in train. To the extent that countries whose currencies appear to have been undervalued now adjust in response to the United States action, there will be a better equilibrium in the world economy. Such a development will be beneficial from the world point of view and is welcome to Canada.

We are, of course, pleased that no measures have been taken to restrict trade. We welcome the United States undertaking to present early a comprehensive trade bill to

Congress, directed to the reduction of tariffs and other restrictions, and to the expansion of trade generally.

The Canadian dollar has been floating. The market has been determining its value in relation to all other currencies. Canada is now running a current account deficit with the world and also with the United States. The changes announced by the United States do not alter the fundamental position of our currency in relation to theirs. We shall continue to float for the time being.

There is bound to be considerable activity in exchange markets in the wake of the United States devaluation. We shall be watching developments carefully and will continue to operate to maintain orderly conditions in our own exchange markets.

• (1410)

Crises events such as we are now passing through underscore our need to do all we can to maintain the health and competitiveness of our own manufacturing and export industries.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I thank the minister for having sent a copy of his statement to us before the House met. I must say that, having read his statement and heard it now and also having heard and read what the President of the United States has said in this regard, I am afraid I cannot quite share the optimistic note the minister has attempted to strike this afternoon.

We welcome with relief the knowledge that we will not have a prolonged crisis such as the one in the fall of 1971 and that the United States has taken action to devalue its currency. Having said that, I think this action, followed by the statement of the President leaves a number of questions unanswered that the minister has not attempted to answer in his statement.

First of all, with the lifting of the interest equalization tax and capital controls one might ask what will be the *quid pro quo*. In addition, I do not share the optimism of the Minister of Finance in respect of the trade legislation likely to be passed by the United States Congress. The President has made it clear that for all things that go down others must go up. Therefore the bill is not going to be merely a measure for the reduction of trade barriers in the United States. We in Canada have our own problems with the United States, and I do not think we can say that what the President said yesterday and this morning will provide a permanent solution.

There are other factors that must be taken into consideration in respect of the future of the Bretton Woods agreement. Will the continued floating of the Canadian dollar and the floating by other countries of their currencies mean that this may be the rule rather than the exception under the Bretton Woods agreement? Are we going to have continuing uncertainty? There is a long-range problem here. Until we resolve the international monetary situation this uncertainty will persist, and we might well have another crisis within six months. We must also look at our trade relations with the United States.

As I have said, we welcome the apparent ease with which devaluation of the United States dollar took place at this time and the fact that there has been no major disturbance so far of the equilibrium of Canada's dollar.

[Mr. Turner (Ottawa-Carleton).]

Mr. Max Saltsman (Waterloo): Mr. Speaker, the action announced last night at 10.30 has a strange appearance. While it is being called a devaluation of the United States dollar, it seems that what in fact the United States has done is to bump up the currencies of other countries. It is pretty hard to say that the reserve currency is being devaluated.

I think we can be very thankful that Canada floated its currency at the time it did. We in this party have always advocated that position and I think the wisdom of it is being demonstrated. Had our currency not been floated, I believe we would be in serious trouble as a result of the events that have transpired during the last day. The alternative would have been worse. Therefore, to the extent that the currency situation has been resolved in this way we are very happy. The alternative proposed by the United States was the imposition of an import tariff on goods entering that country. This would, of course, have affected Canada as well as the other countries which were largely responsible for her problems. As a result of having this relative position in respect of currency exchanges and with our own currency floating, we will not be affected to the same extent.

However, a number of questions arise from the minister's statement, and I think he should give us very quickly an explanation of his intentions. There was an ominous ring to the concluding words of one sentence in the minister's statement, that we shall continue to float our dollar "for the time being". As the minister came to the words "for the time being", there was a significant pause. Does this mean that the minister has made some arrangement with the United States that we will go back to a fixed exchange rate? It is important for us to know what the intention of the government is. If such an arrangement has been made, I think we should oppose it. On the contrary. I think other countries should emulate the example we have set by floating their currencies. In this way I think adjustments would be far more gradual and there would not be a tendency to work the world into a monetary crisis position.

While the government says there has been a free float of the Canadian dollar, it should have also added that there is a little bit of a dirty float involved, and the governor of the Bank of Canada has had his finger on it for a long time.

On the whole we are very glad to see that the monetary situation has been resolved, but we also think a more comprehensive statement on the government's future policies needs to be given to this House. We look to the minister to make such a statement quickly because some real questions were raised in his statement that have not been answered.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I feel that the announcement which has just been made is very important for us.

Yesterday, the United States, undoubtedly after having taken the advice of the authorities of the International Monetary Fund, have decided to devaluate their dollar by 10 per cent. From a practical point of view, the price of gold has been increased, but since this can be done only

with the consent of the American Congress, which could be delayed, the American government has decided to devaluate its dollar immediately. In short, this means that the American dollar will be worth only 90 cents, since its value will be 10 cents lower.

Practically speaking, the price of goods purchased by the Americans abroad will increase. Thus, the ton of paper for which the United States paid $100 in Canada will from now on cost $110 in devaluated U.S. dollars. Consequently, the Americans having to pay more for their imports—for instance, paper from Canada—will purchase less of this product in Canada which will result in a slowdown of our production and a higher rate of unemployment in Canada.

This devaluation will enable the United States to export their unemployment abroad, being unable to export products. Will Canada be spared? First of all, we must bear in mind that this monetary crisis stems from the fact that the United States have a deficit in their commercial balance of payments with the rest of the world, particularly with Japan and the members of the Common Market.

During 1971, the deficit of the American trade balance amounted to about $2 billion. In 1972, despite price controls and other measures taken by the American government, the deficit rose to $4 billion.

This means the United States were buying $4 billion more in products abroad than they exported to other countries. This results in a flow and overabundance of American dollars, in the form of letters of credit, credit notes and other accounting entries.

Countries in possession of these titles are not using them for purchases in the United States because they are in a position to fend for themselves. Therefore, the United States find that they cannot pay for their purchases abroad because of insufficient imports.

It must be remembered that the golden rule in international trade consists in balancing imports and exports, perhaps not in each country but generally on the world market. In so far as Canada is concerned, our current accounts with the United States show a $120 million deficit for the third quarter. On a world basis, we had a deficit of more than $400 million in the same period.

To the question will Canada be exempted from the consequences of devaluation, the answer seems to be no. If the United States simply decided to apply an excise tax on their imports, Canada could have negotiated at least a partial exemption. In view of the devaluation of the American dollar, it will be almost technically impossible to spare our country the consequences of this devaluation.

What are the results of this devaluation, Mr. Speaker? In my opinion, we will feel them in the months to come. As the United States are dominating international trade, the changes in the exchange rate might result in increased prices for imported products and through the interdependence of prices we will end up on the whole with higher prices in Canada.

• (1420)

[*English*]

FLOODS

HIGH WATER LEVELS IN GREAT LAKES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I rise to seek the unanimous consent of the House to move a motion pursuant to Standing Order 43. The matter of urgent and pressing necessity has arisen because of the fact that the forecast of higher water levels in the Great Lakes water system presents a very real threat to the lives, homes and property of Canadians living along or near the shoreline and to dikes already severely damaged by storms and the present disastrously high water levels. I move, seconded by the hon. member for Lambton-Kent (Mr. Holmes):

That the appropriate officials of the Department of the Environment be instructed to seek ways and means to finance and begin an emergency reconstruction on the said shorelines and dikes and report back to parliament through the minister forthwith.

Mr. Speaker: The hon. member proposes a motion under the terms of Standing Order 43 which requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent and the hon. member's motion cannot be put at this time.

* * *

DRUGS

INCREASE IN HEROIN ADDICTION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I ask leave under the terms of Standing Order 43 to move a motion on a matter of urgent and pressing necessity, namely, the sharp increase in heroin addiction in this country. I move, seconded by the hon. member for Scarborough West (Mr. Harney):

That this House instruct the Minister of National Health and Welfare to table forthwith two documents presented to the cabinet on March 20, 1972, and April 10, 1972, warning the government that the use of heroin is rising rapidly among young Canadians and that the cabinet should act promptly, and that these documents be referred to the Standing Committee on Health, Welfare and Social Affairs for study and report.

Mr. Speaker: Is there unanimous consent to the motion proposed by the hon. member?

Some hon. Members: Agreed.

Some hon. Members: No.

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

West Coast Oil Spill

[*Translation*]

FINANCE

DEVALUATION OF UNITED STATES DOLLAR—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to Standing Order 43, I solicit unanimous consent of the House to propose a motion in a case of urgent and pressing necessity for all Canadians.

As a result of the decision taken by the United States government to devaluate their dollar, which will seriously affect the Canadian economy, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That a special debate take place in the House as early as possible in order to discuss imperative measures for the protection of Canadian production and to avoid major economic problems, such as beset Canadians when the United States dollar was last devaluated.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimity and the hon. member's motion under Standing Order 43 cannot therefore be put to the House at this time.

* * *

[*English*]

POLLUTION

WEST COAST OIL SPILL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise, pursuant to Standing Order 43, on a matter of most urgent and pressing necessity arising from the recent west coast oil spill. The district office of the Department of Transport now reports the estimated cost of the clean-up to be $325,000. The amount now held in court is $20,000. No legal proceedings have been commenced to effect seizure of the vessel. In view of the fact the Canadian taxpayer does not appear to be secured against this loss, I move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That the matter of securing the loss suffered by the Canadian taxpayer in this oil spill be referred to the Standing Committee on Transport and Communications for study and report.

Mr. Speaker: Is there unanimous consent for the motion proposed by the hon. member?

Some hon. Members: Agreed.

Some hon. Members: No.

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

[Mr. Speaker.]

MAIN ESTIMATES, 1973-74

EXTERNAL AFFAIRS AND NATIONAL DEFENCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Doug Rowland (Selkirk): Mr. Speaker, under the provisions of Standing Order 43 I would ask leave of the House to introduce a motion of urgent and pressing necessity. The need for rapid action on the subject matter of the motion is obvious, and I believe it should be possible for it to be passed without debate. I therefore move, seconded by the hon. member for Greenwood (Mr. Brewin):

That the estimates of the Departments of External Affairs and National Defence be referred, immediately upon being tabled, to the Standing Committee on External Affairs and National Defence so as to permit immediate consideration of Canada's truce supervisory role in Viet Nam and the matter of the NORAD agreement which is due to expire May 12.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Selkirk. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The hon. member's motion cannot be put at this time.

* * *

CRIMINAL CODE

AMENDMENT TO REMOVE SECTIONS CONCERNING ABORTION

Mr. Stuart Leggatt (New Westminster) moved for leave to introduce Bill C-142, to amend the Criminal Code (abortion).

Some hon. Members: Explain.

Mr. Leggatt: Mr. Speaker, the purpose of this bill is simply to implement the recommendations of the Royal Commission on the Status of Women by removing the subject of abortion from the Criminal Code, implementing recommendations Nos. 126 and 127 of that report.

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the said bill?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the said bill?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Perhaps the views of the House might be recorded on the request for first reading. Mr. Leggatt, seconded by Mr. Knowles (Winnipeg North Centre) moves that the said bill be now read a first time and be printed. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Apparently there is a division of opinion. In the circumstances the motion will have to be put. Is the House ready for the question?

Some hon. Members: Question.

Mr. Speaker: Mr. Leggatt, seconded by Mr. Knowles (Winnipeg North Centre), moves that the said bill be now read a first time and be printed. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

• (1510)

And immediately before the recording of the division:

Mr. MacEachen: Mr. Speaker, I am rising on a point of order. While I realize that—

An hon. Member: You can't.

Mr. Speaker: Order, please. The President of the Privy Council cannot rise on a point of order at this stage, or even on a question of privilege, unless there is unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is obviously not unanimous consent.

Some hon. Members: Oh, oh!

Mr. Speaker: The question is on the motion of Mr. Leggatt, seconded by Mr. Knowles (Winnipeg North Centre), for leave to introduce a bill entitled: "An act to amend the Criminal Code (abortion)".

The House divided on the motion (Mr. Leggatt) which was agreed to on the following division:

(Division No. 10)

YEAS

Messrs.

Alexander
Allmand
Andras
Andre
Arrol
Atkey
Baker
Balfour
Barnett
Basford
Bawden
Beattie
(Hamilton Mountain)
Béchard
Bégin (Miss)
Benjamin
Blais
Blaker
Blouin
Boulanger
Breau
Brewin
Broadbent
Buchanan
Caccia
Cafik
Campbell
Caron
Clark
(Rocky Mountain)
Clermont
Comtois
Corbin
Corriveau
Cossitt
Côté
Crouse
Cullen
Cyr
Danforth
Danson
Darling
De Bané
Demers
Dick
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ellis
Ethier
Fairweather
Faulkner
Firth
Fleming
Forrestall
Foster
Frank
Fraser
Gauthier
(Ottawa East)
Gendron
Gilbert
Gillespie
Gleave
Goyer
Grafftey
Gray
Grier
Guilbault
Haidasz
Haliburton
Hamilton
(Qu'Appelle-Moose Mountain)
Harding
Hargrave
Harney
Hees
Hellyer
Herbert
Hopkins
Howard
Howie
Hymmen
Isabelle
Jamieson
Jelinek
Jerome
Kempling
Knight
Knowles
(Winnipeg North Centre)
Lachance
Lajoie
Lalonde
Lang
Langlois
Laniel
La Salle
Lawrence
Leblanc
(Laurier)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
Lundrigan
MacDonald
(Cardigan)
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacDonald (Miss)
(Kingston and The Islands)
MacEachen
MacGuigan
MacInnis (Mrs.)
Mackasey
MacKay
Macquarrie
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Mather
McCain
McCleave
McKinley
McRae
Mitges
Morin (Mrs.)
Munro
(Hamilton East)
Neale
(Vancouver East)
Nesdoly
Nielsen
Nowlan
Nystrom
O'Connor
Olaussen
Olivier
Ouellet
Pelletier
(Hochelaga)
Pelletier
(Sherbrooke)
Penner
Peters
Portelance
Poulin
Prud'homme
Railton
Reid
Reilly
Richardson
Ritchie
Roche
Rodriguez
Rompkey
Rooney
Rose
Rowland
Roy
(Timmins)
Roy
(Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith
(Northumberland-Miramichi)
Smith
(Saint-Jean)
Stanbury
Stanfield
Stewart
(Okanagan-Kootenay)
Stewart
(Cochrane)
Stollery
Symes
Taylor
Thomas
(Maisonneuve-Rosemont)
Towers
Trudeau
Trudel
Turner
(London East)
Turner
(Ottawa-Carleton)
Walker
Watson
Whelan
Whicher
Wise
Yanakis—179.

NAYS

Messrs.

Allard
Beaudoin
Bell
Blenkarn
Boisvert
Caouette
(Charlevoix)
Carter
Clarke
(Vancouver Quadra)
Diefenbaker
Dinsdale
Dionne
Epp
Gauthier
(Roberval)
Godin
Hales
Hamilton
(Swift Current-Maple Creek)

Members' Election Expense Returns

Messrs:

Higson	Latulippe	Paproski
Holmes	Madill	Patterson
Horner (Crowfoot)	Masniuk	Rondeau
Horner (Battleford-Kindersley)	Matte	Rynard
Hurlburt	Mazankowski	Schellenberger
Knowles (Norfolk-Haldimand)	McGrath	Schumacher
Kuntz	McKenzie	Scott
Lambert (Bellechasse)	McKinnon	Skoreyko
Lambert (Edmonton West)	Muir	Stackhouse
Laprise	Munro (Esquimalt-Saanich)	Stevens
	Murta	Tétrault
	Neil (Moose Jaw)	Thomas (Moncton)
	Nesbitt	Wagner
	O'Sullivan	Whittaker
		Woolliams
		Yewchuk—56.

• (1520)

Mr. Speaker: I declare the motion carried.

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

Mr. Speaker: When shall the said bill be read a second time?

Some hon. Members: Now.

Some hon. Members: No.

Mr. Speaker: Order, please. May we have order, please. There is no point in hon. members shouting at one another across the chamber. This achieves nothing at all. I suggest to hon. members that we allow this bill to stand. I suppose there is no point in suggesting that, by leave, it be read a second time now, so it will be at the next sitting of the House.

* * *

BROADCASTING ACT

PROVISION TO MAKE EDUCATIONAL FILMS AVAILABLE TO SCHOOL BOARDS FREE OF CHARGE

Mr. Dan McKenzie (Winnipeg South Centre) moved for leave to introduce Bill C-143, to amend the Broadcasting Act.

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

* * *

• (1530)

PRIVILEGE

FILING OF ELECTION EXPENSE RETURNS BY CERTAIN MEMBERS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise on a question of privilege based on a press report which was just brought to my attention a few moments ago. It is written by a *Citizen* staff writer, Dennis Foley, and concerns the filing of returns on election expenses and my legal right and that of other hon. members named in the article to sit in the House because of failure to file election expense returns.

Under the provisions of the Canada Elections Act, as all members know, election expense returns are required to be filed within certain time limits. The information for the article must have come from the Chief Electoral Officer. In my case the return was filed several weeks in advance of the time required, and in fact published several weeks in advance in a newspaper in my riding.

The article is ill-founded. The Chief Electoral Officer, not only in my case but I suggest in the case of the other hon. members referred to, should communicate with his returning officers. This might not be possible in my case as the returning officer has been on vacation since shortly after October 30.

Some hon. Members: Oh, oh!

Mr. Nielsen: I submit that it is his responsibility to communicate those expenses to the Chief Electoral Officer. Articles like this should not be allowed to emanate on the basis of misinformation supplied by that office to the press.

Some hon. Members: Hear, hear!

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I rise on the same question of privilege, I should like to associate myself with the statement made by the hon. member for Yukon because I have been given to understand that my name is also included in the list. I have contacted my official agent and he assured me that the returns were all filed on the first or the second day of December and that everything is in order. May I say as well that we endeavoured to get in touch with the returning officer for that area but I believe he is also on vacation.

Some hon. Members: Oh, oh!

An hon. Member: Liberal appointees.

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I should like to associate myself with the statement just made by the hon. member for Yukon. I too filed the returns more than two months ago and as far as I know they were submitted to Mr. Hamel. I spoke to him about half an hour ago and he told me he had received the returns from the returning officer and he did not know how the report got into the Ottawa *Citizen.*

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I rise on the same question of privilege. I also would like to associate myself with the statement of the hon. member for Yukon. My returns were filed on December 13; I filed them personally on that date. I have read in a local newspaper an account of the amounts of money that were spent by the three candidates in the riding, and I certainly do not understand why this sort of thing should happen.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have just been informed that I am on the list also.

Some hon. Members: Oh, oh!

An hon. Member: Explain.

Mr. Brewin: I want to say that my official agent was a former member of the House and he has assured me that the election expenses information was filed in due course and before the expiry of the time within which it was required to be filed.

Mr. Paproski: Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Paproski: —I rise on the question of privilege. I should like to know whether hon. members opposite know where Murray McBride is so he can file his returns also.

ORAL QUESTION PERIOD

FINANCE

DEVALUATION OF UNITED STATES DOLLAR—REPRESENTATIONS CONCERNING LEVEL OF CANADIAN DOLLAR BY U.S. AUTHORITIES—PROPOSED U.S. TRADE INITIATIVES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance and it arises out of the statement he made in the House a while ago. Has the government of Canada received any suggestion or request from the United States authorities that the Canadian dollar should be valued by Canadian authorities above the level of the U.S. dollar, as was apparently suggested by former Secretary of the Treasury Connally at the time of the Smithsonian agreement?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker. On both occasions when I spoke yesterday to the Secretary of the Treasury of the United States, Mr. George Shultz, I advised him of our intention to keep the Canadian dollar floating.

Mr. Stanfield: Mr. Speaker, I have a supplementary question arising from the feeling of pleasure the Minister of Finance expressed that the United States had taken no trade initiatives so far. Has the minister received any assurance from the United States government as to the nature of the trade initiatives that the United States proposes to take? I ask this question particularly in view of the statement attributed to the President that tough trade legislation is needed and that "only by being able to go up" in some trade categories "will they be able to get others to come down". Can the minister give us any assurance that the United States does not propose to take any initiative comparable to that which was taken the last time?

Mr. Turner (Ottawa-Carleton): We do not know, of course, the content of the legislation which the President will be bringing before Congress but Mr. Shultz, the Secretary of the Treasury, is well aware of the representations I and my colleague, the Minister of Industry, Trade and Commerce, have made to the effect that the current trade position of the United States is not attributable to Canada in that at the moment we run a current account deficit both with the United States and with the world.

Mr. Stanfield: I only hope that the optimism of the minister turns out to be justified, although there seems to be little ground in the present statement for complacency about the matter. I should like to ask the minister whether there was any significance in the rather pregnant pause, which was noticed by the hon. member for Waterloo, following the statement he made that he would maintain the float and before uttering the words "for the time being", was it simply the minister's intention to announce the government's continuing policy in this regard?

Mr. Turner (Ottawa-Carleton): I want to assure the hon. gentleman that when it comes to pauses I am not in his league.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): The position of the Canadian government remains the same, namely, that we will continue to float the dollar until there is some evidence of a return of stability in the international monetary situation. We feel that that terminal date at the moment is at least a new international monetary agreement now being negotiated by the group of twenty.

Mr. Stanfield: Mr. Speaker, I want to make it very clear to the Minister of Finance that I do not expect him to be able to compete with me as an orator.

Some hon. Members: Hear, hear!

DEVALUATION OF UNITED STATES DOLLAR—REPRESENTATIONS BY CANADA ON REMOVAL OF DISC PROGRAM AND OTHER TRADE BARRIERS

Mr. Max Saltsman (Waterloo): Mr. Speaker, my supplementary question is for the Minister of Finance. The minister indicated that he had had discussions with the United States government regarding currency realignment and the removal of certain barriers to trade. Has he asked the U.S. government to remove some of their barriers to trade such as the DISC program?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think that matter has been under advisement by my colleague, the Minister of Industry, Trade and Commerce. We have made representations to the United States that we support any effort they can make toward moving toward more liberal trading arrangements in the world and a more liberal monetary arrangement. That, of course, would exclude any type of export subsidy or investment subsidy represented by the DISC legislation.

• (1540)

Mr. Saltsman: In the light of what is happening with currency realignment, is it the intention of the minister to alter his budget proposals to take those changes into account?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that is a little hard for me to explain because the hon. member would not know what the proposals were in the first instance and so I could not explain how I would alter them.

DEVALUATION OF UNITED STATES DOLLAR—REPRESENTATIONS BY UNITED STATES CONCERNING FLOATING OF CANADIAN DOLLAR

Mr. James Gillies (Don Valley): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. Have there been any representations whatsoever from the United States government about the nature of our float?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think the United States understands that we intervene in the market through the exchange fund in order to maintain an orderly market, and that during the period since the Smithsonian Agreement we have intervened through the exchange fund on either side of the market in order to maintain an orderly progression of the dollar.

Mr. Gillies: Is it the position of the government that an orderly market means that the Canadian dollar shall be relatively at par with the American dollar?

Mr. Turner (Ottawa-Carleton): No. It means that the Canadian dollar will respond to market forces but those forces must adjust in an orderly manner, and to achieve that orderly manner the exchange fund will intervene.

DEVALUATION OF UNITED STATES DOLLAR—SUGGESTED RESUMPTION OF TRADE DISCUSSIONS IN LIGHT OF PROPOSED U.S. LEGISLATION

Hon. Paul Hellyer (Trinity): Mr. Speaker, I wish to direct a supplementary question to the Minister of Industry, Trade and Commerce. In view of Secretary Shultz's statement that the proposed U.S. trade legislation, in addition to those positive aspects mentioned by the Minister of Finance in his statement to the House this afternoon, would provide safeguards against the disruption of particular markets and production from rapid changes in foreign trade, and protect the United States external position from large and persistent deficits, will the minister take the initiative in resuming Canada-U.S. trade discussions in order to state Canada's position and reconcile differences before the legislation is presented to the U.S. Congress?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have repeatedly stated to the House that we are after multilateral solutions. We have been in contact with the United States on these matters and, as my colleague has stated, I welcome the statement of the secretary that he lays great stress on the legislative groundwork for broad and outward looking trade negotiations. If that is the particular stance of the United States government with respect to its trade bill, it is a stance that we welcome.

[Mr. Saltsman.]

Mr. Hellyer: In view of the fact that the total statement of Secretary Shultz contains certain aspects which are not nearly as liberal or outgoing as those referred to by the two ministers this afternoon, will the minister undertake to prepare contingency legislation to protect the jobs of Canadians engaged in manufacturing and offset the effects of any United States legislation incorporating any of the protectionist aspects of the Hartke bill?

Mr. Gillespie: Mr. Speaker, as the Minister of Finance has made clear on a number of occasions, the May budget measures were aimed specifically at assisting the competitiveness of Canadian industry and offsetting the effects of DISC and other protective measures.

RESERVE FUND HOLDINGS OF UNITED STATES DOLLARS—POSSIBILITY OF GUARANTEED EXCHANGE RATE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, on June 27 last I asked the Minister of Finance whether, with the monetary problems we then faced and international monetary exchange problems throughout the world, we had any guaranteed exchange rate with the United States government in view of our increasing appreciation of a decreasing asset, namely, our large holdings of U.S. dollars. In view of the fact that we have continued to increase our holdings of American dollars and the fact that they went down 10 per cent overnight and Canadians lost $430 million with the swipe of a pen, I ask the Minister of Finance whether he has a policy to seek a guaranteed rate for our holdings of American dollars, or do we intend to start to unload them at once?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I hope you will give me some latitude in replying to this question because the hon. member has gone into some detail and I think the answer has to be specific in order to set aside the preamble with which he prefaced his question.

The Canadian dollar value of Canada's international reserves, including its holdings of U.S. dollars, varies according to the relationship that exists from day to day in the exchange market between the Canadian dollar and the U.S. dollar. Following the announcement of the change in the parity of the U.S. dollar, its value in terms of Canadian dollars declined by three-eighths of one per cent in the market this morning. I am advised that there has been no significant change in the exchange market during the last few hours. In other words, what the hon. gentleman has suggested to the House is not true.

If I may add to that, Mr. Speaker, because I am not responsible for the complexity of the question, and because the sensitivity of international markets makes it important that I answer fully, the 10 per cent change in the value of the U.S. dollar which became effective today will have the effect of increasing the value of the non-U.S. dollar assets included in Canada's holdings of international reserves, the value of which is expressed in U.S. dollars. These assets consist of gold, special drawing rights, working balances in several foreign currencies, and Canada's reserve position in the International Monetary Fund.

Therefore the concern the hon. member expresses in his question is without foundation.

Mr. Nowlan: Mr. Speaker, I appreciate in part the answer I have received from the minister, but in view of the fact that we have continually increased our holdings of American dollars, to the tune of over $4.3 billion, does the minister have a policy, or does he intend to discuss with his counterpart in the United States some plan to attempt to obtain a guarantee from the Americans of the value of those holdings, as they have done with other countries in the past, or are we going to pursue an active policy of diversifying our holdings?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, if the efforts to which Canada is a party, and which we support, result in our obtaining a new international currency, whether that be new international special drawing rights or not, then that type diversification will be possible, but the factual basis of the hon. gentleman's question is not valid at the moment.

Mr. Speaker: Order, please. I suggest to hon. members that we might go to another subject now and return to this matter later because it is obviously one of concern to many members who want to ask supplementaries. For the moment we will go to the next subject and recognize the hon. member for York South.

* * *

INCOME TAX

RECONSIDERATION OF ADDITIONAL ALLOWANCES TO CORPORATIONS IN LIGHT OF 1972 PROFITS

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Finance on another topic. It arises out of the report of a survey of corporate profits for 1972. In view of the fact this survey shows an increase in corporate profits of 20 per cent in 1972 over 1971, an increase of 21 per cent in chemicals, 46 per cent in food processing and so on, is the minister reconsidering the additional concessions to what I have called the corporate welfare bums that he suggested last May?

Hon. John N. Turner (Minister of Finance): To begin with, Mr. Speaker, the percentage increase depends on the base against which the hon. member is comparing that increase, and that base was not particularly reflective of a strong year. If I might remind him of the remarks of his colleague, the hon. member for Waterloo, the current situation in monetary and trade terms, with its emphasis on the competitiveness of the world situation in the next five to ten years, underlines the necessity for Canadian manufacturing to remain competitive, to protect our markets abroad in these uncertain times, to protect our share of the market in Canada, and to protect Canadian jobs. That is the reason for those measures, Mr. Speaker.

Mr. Lewis: Mr. Speaker, in view of the historical evidence that that kind of concession to corporations, manufacturing and others, does not produce the results the minister complacently suggested it produces, and in view of the very substantial increase in the profits of the manufacturing and processing industries, can he assure the House that that kind of concession will now result in more jobs rather than fewer jobs as has been historically the case?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman is being inconsistent because he has been concerned in the House, and rightly so, with the effect of DISC on our own investment and industry in Canada. DISC is merely a lower tax rate, and one of the aspects of the tax rate I introduced last May was to make our tax rate competitive with the American tax rate as reflected in DISC.

Mr. Lewis: Mr. Speaker, I wish to ask one further supplementary question. The minister is perhaps innocently confusing two things. I am asking the minister whether the fast write-off, which is an entirely different business from the tax rate and which gives the corporations an opportunity to defer taxes and get what in effect is an interest-free loan for many years, if not forever, is being reconsidered by him in view of the profit situation?

• (1550)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the capital cost allowance is, as the hon. gentleman says, a deferral of tax in terms of increasing cash flow. That does not in any way minimize the tax payable. However, I think this whole subject is a matter for debate.

REQUEST FOR CLARIFICATION OF PRIME MINISTERS' REFERENCE TO JOB CREATING PROVISIONS OF MAY, 1972 BUDGET

Mr. John Lundrigan (Gander-Twillingate): A supplementary question to the Minister of Finance, Mr. Speaker. Since, the Prime Minister made a statement on Sunday evening that the May, 1972 budget contained provisions for the corporate tax adjustment and also had provisions to ensure that the adjustment would result in job creation, I wonder if the minister can tell the House what provisions were referred to by the Prime Minister?

Hon. John N. Turner (Minister of Finance): Well, Mr. Speaker, of course that question should properly be referred to the Prime Minister, but I can suggest to the hon. gentleman that we put 250,000 new jobs into this country in the year 1972—

Mr. Hees: Compared to 330,000 the year before.

Mr. Turner (Ottawa-Carleton): —compared to 200,000 the year before, an increase of 25 per cent over 1970.

Mr. Hees: Three hundred and thirty thousand.

Mr. Lundrigan: To the hon. Prime Minister—George!

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lundrigan: A supplementary to the right hon. the Prime Minister, Mr. Speaker. In view of the fact that on May 9, 1972, in answer to a question from the hon. member for York South the Minister of Finance indicated

that the government would not consider any monitoring provisions to ensure job creation, I wonder if the Prime Minister can tell the House what he meant when he indicated that there were provisions in the May, 1972 budget to ensure that the corporate tax adjustments would result in job creation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I want to understand the question well. I understand it to refer to a statement by the minister on monetary provisions. Well—

An hon. Member: Monitoring.

Mr. Trudeau: On monetary provisions—

Some hon. Members: No, no! Monitoring.

Mr. Trudeau: I am sorry, I have not understood the question.

Mr. Lundrigan: Mr. Speaker, my Anglo-Saxon accent is confusing the hon. bilingual Prime Minister. I should like to ask him what provisions he was referring to on Sunday evening when he said that there were provisions in the May, 1972 budget to ensure that the corporate tax adjustment would result in job creation in view of the fact that on May 9 the Minister of Finance indicated that he would not consider any monitoring provisions to ensure job creation.

Mr. Trudeau: Well, Mr. Speaker, I really would have to refer to the speech by the minister on budget night in which he introduced these measures for tax reductions for corporations and in which he indicated the firm wish of the government that this would result in the creation of jobs or in lower prices and not increased profits by the companies. I think the words are paraphrased, but the essence is about right. The result has been the figures the Minister of Finance just quoted, for indeed a great number of jobs were created this year—much more than previous years.

Mr. Speaker: Order, please. We have been essentially on the same subject since the beginning of the question period. A number of hon. members are anxious to ask their questions so I think we should try to move on. We have not yet finished the first round of questions and the hon. member for Shefford is waiting for his chance. The hon. member for Gander-Twillingate.

Mr. Lundrigan: Mr. Speaker, my supplementary is very brief. Can the Prime Minister indicate whether the Minister of Finance has informed him that between May 1972 to September 1972 jobs in the manufacturing industry—employment in that sector of the economy—were reduced by 1.6 per cent?

Mr. Hees: Did you know that, Pierre?

Mr. Speaker: While the matter is being pondered the Chair will recognize the hon. member for Shefford.

[Mr. Lundrigan.]

[*Translation*]

GOVERNMENT PUBLICATIONS

WRONG COLOURS USED TO IDENTIFY CERTAIN POLITICAL PARTIES IN PRESS RELEASE OF DEPARTMENT OF ENERGY, MINES AND RESOURCES

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources.

Following the publication yesterday of a news release by his department, could the minister tell us how it is that the department, in the reference map dealing with the results of the October 30, 1972 federal election, used the wrong colours to identify the New Democratic Party and the Social Credit Party of Canada, since green has stood for the Social Credit party since 1935 on that map, and mauve for the New Democratic Party. Could the minister explain why a mistake was made in the colours of those two parties?

Mr. Speaker: Order. I think that this question could be put on the order paper. The hon. member should be satisfied with a written answer. If there is any urgency, which does not seem obvious, perhaps the hon. member could give notice that he would like to bring this matter up at the time of adjournment.

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

* * *

[*English*]

GRAIN

POSSIBLE INTRODUCTION OF INCOME STABILIZATION MEASURE

Mr. Harry Kuntz (Battle River): Mr. Speaker, my question is directed to the minister responsible for the Wheat Board. Is the government going to introduce a new grain stabilization bill and if so, when?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, discussions about the issue of the stabilization bill have been going on, but we do not have the specific time and date for its reintroduction.

Mr. Kuntz: A supplementary question. Has the minister had any negotiations with the provinces and, also, will the cost of inflation be a factor taken into consideration?

* * *

CRIMINAL CODE

POSSIBLE REMOVAL OF SECTIONS ON ABORTION—GOVERNMENT POLICY

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Solicitor General. In view of the confused circumstances surrounding the vote just taken on the abortion question, and in view of the possible public misunderstanding of how some of us voted—for example, I voted yes, to allow the debate—

Some hon. Members: Order, order!

Mr. Speaker: Order, please. The hon. member knows that he cannot reflect on a vote. He should ask the question directly.

Mr. Roche: In view of the circumstances, Mr. Speaker, may I ask this question: what is the government's policy on the removal of abortion from the Criminal Code?

An hon. Member: If there is a policy.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, that is not a matter under my responsibility.

Mr. Roche: A supplementary to whatever minister is responsible—the Minister of Justice, perhaps. What is the government's policy on the removal of abortion? Subsequently, is there going—

Mr. Speaker: Order, please. I suggest that a member having a question as general as this should give notice by way of a request for a statement on motions, unless the minister can respond briefly. The minister might be able to respond briefly to the hon. member's question.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it is not our intention to introduce any bill like the one to which first reading was just given, and we do not intend to support that bill.

Mr. Bell: You supported it.

POSSIBLE REMOVAL OF SECTIONS ON ABORTION—REQUEST FOR DESIGNATED DAY FOR DEBATE

Mr. J. M. Forrestall (Dartmouth-Halifax East): A supplementary question to the right hon. Prime Minister. Is it his intention, within the next two or three weeks, to bring on the long awaited one-day debate on this very vital question?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure the government House leader, in consultation with the other House leaders, would be agreeable to allowing one of the opposition days to be used for this purpose.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

DESIGNATION OF SHERBROOKE AND EASTERN TOWNSHIPS AS SPECIAL AREA—STATUS OF NEGOTIATIONS

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, I would like to direct a question to the Minister of Regional Economic Expansion.

Following the publication of the Quebec Planning and Development Bureau white paper on the socio-economic situation in the Eastern Townships, could the minister tell us at what stages are the federal-provincial negotiations regarding the possibility of designating Sherbrooke and the Eastern Townships as a special area?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, the particular matter to which the hon. member refers is one that has been under discussion between the government of Canada and the province of Quebec. We are carrying on these discussions with the hope of concluding some kind of firm agreement with regard to either a continuation of, or expansion of, special areas or variations in them within a short time.

[*Translation*]

Mr. Pelletier (Sherbrooke): Mr. Speaker, I should like to put a supplementary question to the minister. Can he tell us when he expects the end of the negotiations and the announcement of an agreement between the two governments?

[*English*]

Mr. Jamieson: Mr. Speaker, I would hope that the next set of meetings which are set for about ten days from now would conclude the negotiating portion of the discussions, and that we could then move into what I might describe as ministerial level meetings with an announcement by the end of March or sometime in that neighbourhood.

* * *

• (1600)

FISHERIES

POSSIBLE ATTENDANCE OF MINISTER AT MEETING OF HERRING ADVISORY COMMITTEE IN VANCOUVER—REQUEST FOR STATEMENT ON DISPOSAL OF DOGFISH

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, in the absence of the Minister of Fisheries, who I understand is attending an FAO conference of fishing nations, may I direct this question to the acting minister or parliamentary secretary. May I ask if the Minister of Fisheries is attending the meeting of the Herring advisory committee this week in Vancouver, as requested by the United Fishermen's and Allied Workers Union, and whether he will be indicating to that committee that his department is making arrangements for the market disposal of dogfish caught by fishermen for predatory control in connection with establishing a herring catch quota?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, may I take the question as notice and provide the hon. member with an answer at a later date.

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CANADIAN CULTURE

ADJUSTMENT OF BROADCASTING RULES TO ALLOCATE TIME TO MULTICULTURAL PROGRAMS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, may I direct my question to the minister responsible for multiculturalism. Following the meeting with one of the cultural groups of this country yesterday, can the minister inform the House whether it is his intention to take steps

to ensure that the Canadian content rule applying to the broadcasting media can be adjusted in such a way as to allow a certain percentage of time to be devoted to multicultural programs?

Hon. Stanley Haidasz (Minister of State): Mr. Speaker, I am awaiting the report of the officials of the CBC on their multicultural programs.

MULTICULTURALISM—REQUEST FOR FUNDS TO ASSIST PROVINCES ON THIRD LANGUAGE TRAINING

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, may I direct my supplementary question to the Minister of Finance. Could the minister inform the House whether, in preparing his budget, he has considered the advisability of increasing substantial budget allocations for multicultural purposes in order that the federal government can assist the provinces in various aspects of third language training schools?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will certainly take that as a strong representation from the hon. member.

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COMMUNICATIONS

NATIONAL POLICY—POSSIBLE MERGER OF REGULATORY FUNCTIONS OF CRTC, CTC AND DOT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, may I direct a supplementary question to the Minister of Communications. It has to do with the field of broadcasting and communications. In view of the speech he made the other night in which he suggested that proposals would be laid before parliament involving a green paper on the question of broadcasting and communications, could he be more precise and indicate to the House just when we may expect that so-called green paper and if the rationalization of federal legislative and regulatory provisions to do with telecommunications and broadcasting will involve the merger of the CRTC, CTC and DOT regulatory functions?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): The date of publication, Mr. Speaker, is now set for the second or third week in March. Unfortunately, it will be necessary for the hon. member, who is deeply interested in matters pertaining to communications to wait until that date to find out what the proposals of the government will be.

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[*English*]

MAIN ESTIMATES

INQUIRY AS TO DATE OF TABLING

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is addressed to the President of the Treasury Board. Would he tell us whether he is to table the main estimates tomorrow or on Thursday?

Hon. C. M. Drury (President of the Treasury Board): On neither day, Mr. Speaker.

Mr. Lambert (Edmonton West): Is it to be on Friday, then?

* * *

EXTERNAL AFFAIRS

VISIT OF FRENCH WARSHIPS TO VANCOUVER—ATTITUDE OF CANADA TOWARDS NUCLEAR TESTING BY FRANCE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Is the government of Canada, through Canadian Forces salutes and so on, participating in the official welcome to several French ships of war visiting Vancouver today? If so, does this welcome indicate a more cooperative attitude on the part of Canada, if that is possible, towards nuclear testing in the south Pacific?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am sorry but I cannot answer the first part of the question; I really do not know whether we are participating. Our relations with the French government, as I am quite sure hon. members would wish, are on a normal and happy basis. We hope they will take our advice not to hold tests in the Pacific.

VISIT OF FRENCH WARSHIPS TO VANCOUVER—RELATIONSHIP TO NUCLEAR TESTS

Mr. Mark Rose (Fraser Valley West): A supplementary question, Mr. Speaker. Has the government of Canada any information as to whether this particular flotilla visiting Vancouver today is on its way to participate in nuclear tests in the south Pacific, or, at the very least, to prevent the peaceful passage of vessels on the high seas, in connection with those tests?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, I have no information of that kind.

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INDIAN AFFAIRS

PROTECTION OF RIGHTS AND PROPERTY OF NATIVE PEOPLE AFFECTED BY PROPOSED NELSON RIVER HYDRO-ELECTRIC PROJECT

Mr. Keith Taylor (Churchill): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. In view of the recent decision by the government of Manitoba to proceed with further development of the Nelson River Hydro-Electric Project and the diversion of the Churchill River in Northern Manitoba, despite the objections of residents of the area, will the minister advise the House when some action will be taken

to protect the rights and property of native peoples who will be affected by such projects?

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, may I take that question as notice.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

MONTREAL—CONTINUATION OF INVESTMENT AND INCENTIVE PROGRAM

Mr. Henry Latulippe (Compton): Mr. Speaker, may I direct a question to the Minister of Regional Economic Expansion?

Would the minister tell us whether the industrial investment incentive programs will be continued in the city of Montreal and whether Montreal will receive a priority over other areas in the province of Quebec?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, as to the first question, whether the incentive program will be continued for the so-called Montreal region, that is one of the matters now under active consideration. As to the other question, whether one region will be preferred over another, the answer is that no region of Canada will be preferred over any other so far as the programs of my department are concerned.

[*Translation*]

Mr. Latulippe: Mr. Speaker, on a supplementary, would the minister tell us whether he recognizes that in the area distribution and establishment of the incentive programs, it had been decided that the basic purpose was the decentralization of industry for the benefit of underdeveloped areas? What steps does the minister intend to take to this effect?

[*English*]

Mr. Jamieson: Mr. Speaker, I think the hon. member must have been reading some of my speeches. I could agree on the premise on which his question is based. I think there are those who recognize that in and around the Montreal region there are several depressed areas. We are anxious to do what we can about those, as well.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST THAT MEMBERS BE CONSULTED BEFORE PROJECTS APPROVED

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration. In view of the fact that a LIP grant, being Project No. K 1286 has been awarded to Daniel Burns of Golden Lake, in view of the fact that this project is for the production of a 35 or 40 minute videotape to assist adults from certain towns to adjust to city life, and in view of the fact that all the applicants but one are United States citizens who have deserted the cities of the United States to live in a hippie commune and, as local citizens—

Mr. Speaker: Order, please. The hon. member is now making a speech. He ought to ask his question. We are running short of time. If all hon. members take two or three minutes to ask a question, it will not be very helpful.

Mr. Dick: Mr. Speaker, I thought I had only used 20 seconds. I am coming to my question. Would the minister undertake to consult with local Members of Parliament, the hon. member for Frontenac, Lennox and Adddington and the hon. member for Renfrew North-Nipissing East, and would he reconsider the spending of the latter two-thirds of the $17,600 and perhaps hold the Canadian taxpayers' money for Canadians.

Mr. Speaker: Order, please. I suggest to the hon. member that that is a representation rather than a question. If there is urgency about the matter he can give notice to the Chair, for the purpose of considering it at the time of adjournment.

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POST OFFICE

POSSIBLE RESTORATION OF SIX DAY A WEEK DELIVERY

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. In view of the continuing deterioration in the postal service and the statement in the Speech from the Throne that the government plans urgent remedial action, would the hon. gentleman inform the House when he will be restoring the six day a week delivery as a step in this direction?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, if the labour agreement is ratified within the next few days, I believe we can expect much better postal service in the coming weeks. I do not feel that we can say at this time that the postal service is deteriorating. I believe instead that it is improving.

[*English*]

Mr. Dinsdale: A supplementary question, Mr. Speaker. Is the Postmaster General aware that his own Post Office Department has been unable to reach media deadlines because of the slow-down in service?

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DRUGS

ALLEGED INCREASE IN USE OF HEROIN—GOVERNMENT ACTION TO COUNTERACT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the announcement made by the minister yesterday that the final report of the Le Dain Commission on the non-medical use of drugs will not be com-

pleted for several months, does the minister intend to take action to counteract the increasing use of heroin, as was suggested over the weekend?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, many steps have been taken during the last year in this regard and many more steps will be taken.

Mr. Nystrom: A supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. I see the hon. member for Renfrew North-Nipissing East is rising on a question of privilege.

• (1610)

Mr. Hopkins: On a point of order, Mr. Speaker. Since the hon. member for Lanark-Renfrew-Carleton referred to me by name, or at least named my constituency, I should like to say that I have communicated with all the high schools in the area, and they are against it. The statement which appeared in the press was inaccurate, and cannot be substantiated and therefore—

Mr. Speaker: Order. The hon. member will appreciate that that is not a question of privilege.

RECOMMENDATION TO ESTABLISH INSTITUTE ON ALCOHOLISM AND DRUG ADDICTION—GOVERNMENT ACTION

Mr. Lorne Nystrom (Yorkton-Melville): In view of the fact that a recommendation was made to the Minister of National Health and Welfare in November, 1971, calling for the establishment of a national institute on alcoholism and drug addiction, and in the light of the delay surrounding the Le Dain Commission may I ask whether it is the intention of the minister to proceed to establish such an institute?

Hon. Marc Lalonde (Minister of National Health and Welfare): With regard to such a proposal it is the intention of my department to await the report of the Le Dain commission.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

MAILING OF T-4 SLIPS TO THE UNEMPLOYED

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Can he tell us why some unemployed are receiving T-4's for income tax purposes even before they have received unemployment benefits?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): I am not aware of the incident to which the hon. member refers. I guess one department is a great deal more efficient than the other. But it seems, somehow, to be altogether backwards.

[Mr. Nystrom.]

REQUEST FOR STATEMENT ON CATEGORIES OF PERSONS PAYING PREMIUMS BUT EXCLUDED FROM BENEFITS

Mr. W. B. Nesbitt (Oxford): Will the minister make a statement on motions as soon as possible setting out the categories of persons who are obliged to pay into this unemployment insurance fund but who are prohibited from drawing unemployment insurance benefits? I ask this supplementary because of the widespread confusion and uncertainty caused by a recent administrative decision.

Hon. Robert K. Andras (Minister of Manpower and Immigration): I must be able to clear this up very quickly, Mr. Speaker. The sponsors of local initiatives projects, by ruling of the taxation department, are not eligible to receive unemployment benefits and should not therefore be paying into the fund.

Mr. Nesbitt: Can the minister tell us whether there are any other categories of persons who have been paying into the fund for years who may also be excluded?

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT—POSSIBLE SHIFT IN EMPHASIS FROM JOB TRAINING TO STIMULATING ECONOMY TO CREATE JOBS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I address this question to the Minister of Finance. In the light of the present high level of unemployment, does the minister now share the view that job vacancies are close to a minimum keeping in mind that the Canadian work force amounts to some eight million people?

Hon. John N. Turner (Minister of Finance): That is a debating point, Mr. Speaker, and I should like to deal with it next Monday night.

Mr. Alexander: In the light of the fact that less than half the graduates from job training programs were able to find work for which they had been trained, is the government thinking of shifting the emphasis from questionable job training programs, and instead, placing the emphasis on stimulating the economy in order to create jobs.

Mr. Turner (Ottawa-Carleton): I should like to check the hon. member's facts before answering that question.

* * *

POLLUTION

THREAT TO MARINE RESOURCES OF ATLANTIC FROM CONTAMINATION BY OIL AND PLASTICS—REQUEST FOR STATEMENT OF GOVERNMENT POSITION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to address a question to the Acting Minister of the Environment or to his parliamentary secretary. In view of the alarming evidence released in the United States yesterday indicating that there is substantial plastic and oil pollution affecting plankton off the east and

south coasts of the United States threatening the whole ecological process, threatening the survival of marine resources, I would ask the acting minister or his parliamentary secretary whether the Canadian government has looked into the consequences of this situation and whether a statement can be made on the subject.

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): I should like to take that question as notice, also, and provide an answer at a later date.

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EXTERNAL AFFAIRS

LAW OF THE SEA CONFERENCE—DATE OF MEETING—NEGOTIATIONS WITH FRANCE ON CLAIMS TO CONTINENTAL SHELF OFF ST. PIERRE AND MIQUELON

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the fact that the forthcoming Law of the Sea Conference will be the most vital and far-reaching conference from the point of view of economics, national sovereignty, pollution control and resource development in which Canada will participate within the next 100 years, would the Secretary of State inform the House whether a firm date has yet been set for this conference and will he seek to make a statement on motions concerning the result of our negotiations with France over their undersea ownership claims to the continental shelf surrounding St. Pierre and Miquelon, and also dealing with the results of our negotiations with the United States to determine the ownership of George's Bank—

Mr. Speaker: Order, please.

Hon. Mitchell Sharp (Secretary of State for External Affairs): In answer to the first question, there is to be an organizational meeting of the conference in New York in late November or early December, 1973. This is a firm date. The first substantive session will be held in Santiago, Chile, in April and May, 1974. That is the present schedule. As to the further questions, Mr. Speaker, I would suggest that when the estimates of the department are referred to the standing committee an opportunity will arise to examine those other matters.

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NORTHERN AFFAIRS

NORTHWEST TERRITORIES—ALLEGED PROROGATION OF COUNCIL BY COMMISSIONER—REQUEST FOR STATEMENT ON GOVERNMENTAL REFORM

Mr. Erik Nielsen (Yukon): A question to the Prime Minister, Mr. Speaker. In view of reports that the Council of the Northwest Territories was prorogued while in session by a federal civil servant, the commissioner who administers the territory under the direction of the Governor in Council, and that prorogation took place without the wish of the Council or in the absence of consultation with the Council, would the right hon. gentleman direct the commissioner to reconvene the Council in order to ascertain the wishes of the elected representatives of the people, and ensure that his government follows a policy which will not allow a federal employee to override the wishes of the elected representatives of the people of that territory in future?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): I will gladly undertake to look into the facts. They are, indeed, important if as stated by the hon. member. I had no knowledge of them until the question was asked. I might just add that perhaps the request of the hon. member might set a dangerous precedent if its effect were to withdraw from the head of the territory or, indeed, from the head of the state, the prerogative he has to grant a prorogation or not.

Mr. Nielsen: The prorogation was, according to reports, declared unilaterally by the federal civil servant, the commissioner. My supplementary question is this: when will the government bring in its policy with respect to governmental reform not only in the Northwest Territories but, as well, in the Yukon for which the people in the two territories have been crying out for so long?

Mr. Trudeau: This is a matter of policy in connection with which the Minister of Northern Affairs has made statements at various times and there is nothing to add at this time.

* * *

EXTERNAL AFFAIRS

POSSIBILITY OF NEGOTIATING WITH UNITED STATES FOR AMNESTY FOR DRAFT DODGERS

Mr. Barry Mather (Surrey-White Rock): My question is for the Secretary of State for External Affairs, Mr. Speaker. It has to do with the presence in our country of a large number of young Americans who are here because they decided not to participate in the Viet Nam carnage. Many of these people would like to return to their homeland. Is consideration being given to initiating discussions with a view to encouraging the United States government to allow these young Americans in Canada who wish to return to do so under terms of amnesty, particularly having in mind the unemployment situation in Canada?

Hon. Mitchell Sharp (Secretary of State for External Affairs): We did not consult with the United States when these young people came to Canada. They came under Canadian law, but we did not consult as to any changes or as to the law itself. And we do not intend to consult about their return.

Some hon. Members: Hear, hear!

Oral Questions

[*Translation*]

OFFICIAL LANGUAGES ACT

APPLICATION OF LAW WITHIN FEDERAL DEPARTMENTS AND AGENCIES

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I should like to direct a question to the government on which it can rest assured that it will never be troubled by the official opposition, particularly its French-speaking members. It has to do with the report of the Commissioner of Official Languages and I should like to direct my question to the Secretary of State in charge of a great number of bilingualism programs.

Does the Secretary of State intend to remedy the various situations that the commissionner has diagnosed in his report in order to ensure as soon as possible that the Official Languages Act is observed in all departments and government agencies?

[*English*]

Hon. Hugh Faulkner (Secretary of State): I do not think I can add very much to what I said yesterday. Part of the report of the Official Languages Commissioner does touch upon my responsibility as Secretary of State. I told the House yesterday that I have been studying it personally, the department was looking at it, and I recommended it to all of us.

[*Translation*]

IMPLEMENTATION OF RECOMMENDATIONS OF COMMISSIONER WITHIN DEPARTMENT OF TRANSPORT

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I should like to direct a supplementary to the Minister of Transport.

Since the commissioner makes several recommendations for better implementation of the bilingualism policy in the Department of Transport and some government agencies such as Air Canada, would the hon. minister be prepared to give instructions so that the recommendations of the commissioner will be implemented in the current fiscal year?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I was informed that Mr. Spicer wanted to see me. I will be very pleased to receive him to discuss the report with him and bring about the corrections he suggests.

* * *

• (1620)

[*English*]

TRANSPORT

WEST COAST MARINE PILOTS—POSSIBLE STRIKE CAUSING CLOSURE OF PORTS

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of Transport. In view of the fact that the west coast marine pilots could go out on strike this Thursday, which would effectively shut down west coast ports again, would the minister indicate what steps he or his officials have taken to try to prevent another stoppage of throughput at west coast ports which would be so damaging to Canadian industries on the west coast?

[Mr. Sharp.]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the pilotage authority has been negotiating with the pilots for months now. I think that a conciliator was called in. The Minister of Labour could give the hon. member information on that. Apparently they have not yet come to an agreement. Is there going to be an agreement? I am not sure; but fortunately they do have certain rights under the law and I am not the one who is going to deprive the pilots of those rights.

WEST COAST MARINE PILOTS—POSSIBLE INTERVENTION OF MINISTER OF LABOUR TO AVERT STRIKE

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. May I ask the Minister of Labour whether he intends to follow the example of his predecessor and intervene in this dispute in order to avert a strike which would close down the port of Vancouver?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, as the Minister of Transport has already mentioned, our officers have intervened and tried to be as helpful as possible in order to obtain a settlement. I realize how serious the matter is. If I were to conclude that ministerial intervention would help to resolve the situation, then it would be given serious consideration.

Mr. Speaker: Before calling orders of the day the Chair will recognize the hon. member for Grey-Simcoe.

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EXTERNAL AFFAIRS

REQUEST FOR WITHDRAWAL OF INVITATION TO PRESIDENT AMIN OF UGANDA TO VISIT CANADA

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the right hon. Prime Minister and deals with the invitation extended to the dictator of Uganda by the government of Canada to visit this country in August of this year. In view of the inhuman and inhumane policies of President Amin in his treatment of non-blacks in Uganda, would the Prime Minister consider withdrawing this government's invitation to President Amin?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is this government's view that it should not intervene in the affairs of other Commonwealth nations. Of course, the Commonwealth nations collectively can express their displeasure, but there is no provision for expelling a member of the Commonwealth. It has happened that countries have withdrawn, but we do not intend to direct the Commonwealth in a way that would involve the censure of one government by another government.

Mr. Speaker: Orders of the day.

Mr. MacEachen: Mr. Speaker, might I raise a point of order affecting the members of this House. Before the order designated for consideration today having to do with the appropriation bill is called, I wonder whether we could agree to deal with order No. 21 to send the annual report of the Department of Indian Affairs and Northern Development to the committee. I understand agreement has been reached and that this can be done now without debate.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

MOTION TO REFER ANNUAL REPORT TO STANDING COMMITTEE

Hon. Allan J. MacEachen (for the Minister of Indian Affairs and Northern Development), moved:

That the annual report of the Department of Indian Affairs and Northern Development for the year ended March 31, 1972, tabled January 22, 1973, be referred to the Standing Committee on Indian Affairs and Northern Development.

Mr. Firth: Mr. Speaker, I should just like to express my agreement with this action, since it is a matter that is very important to me. I am very happy that this action has been taken.

Motion agreed to.

* * *

SUPPLY

APPROPRIATION ACT No. 1, 1973

The House resumed, from Monday, February 12, consideration in committee of Bill C-141, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973—Mr. Drury—Mr. McCleave in the chair.

The Chairman: Order. House again in committee of the whole on Bill C-141, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973. When the committee rose last evening votes 15a and 40a of the schedule relating to agriculture were under consideration.

On clause 2—*Schedule.*

Mr. Horner (Battleford-Kindersley): Mr. Chairman, I should first like to clarify for the members on the government side, both NDP and Liberals, what Conservative policy is regarding the marketing of rapeseed. I am really quite surprised they do not know immediately what our policy would be. Since we believe that the individual is intelligent and should be allowed to make up his own

mind on these matters, and since we do not believe in rule by experts, as do the NDP and the Liberals, naturally this is a decision that the rapeseed growers will have to determine for themselves, and we would welcome a plebiscite on the matter.

Mr. Gleave: Why didn't you vote for it last year?

Mr. Horner (Battleford-Kindersley): Personally, I would be inclined to let the Wheat Board handle it provided the Wheat Board could be changed somewhat; I shall develop that point a little later. Otherwise, I would caution farmers not to enter such an arrangement on a permanent basis. I know that a lot of people in Winnipeg would be happy to see the Wheat Board handle rapeseed, especially those who do very well on barley.

I was quite surprised to hear the Minister of Justice, the minister in charge of the Wheat Board, accuse the NDP yesterday of having the philosophy that the experts ought to tell the producers what to do. I was pleased to hear him say that because, having taken a look at all the reports he has received from the experts and read some of the conclusions in those reports, it is reassuring to know that the minister himself does not do everything the experts tell him to do.

I am concerned with some of the conclusions the experts have drawn in regard to matters of grain handling, trucking and transportation. A lot of these reports were prepared at tremendous expense to the taxpayer, and some of them are dated in 1970. They reached the Parliamentary Library last Wednesday. Apparently it is all right for the minister to have them two and a half years ago but M.P.'s have to wait for them.

I have just gone over the reports quickly, so if I happen to make a mistake I think I should be forgiven by the minister. It is of interest to note that the criteria used by these experts do not relate to any social repercussions there may be in western Canada, and in this regard I think the people of western Canada should be alerted. From listening to many of the minister's speeches recently, it appears to me he is leaning toward a change in the grain hauling system at the 70 inland terminals, something that upsets me very much.

A lot of people have come to the conclusion that the grain industry is labour-intensive and there must be a cut in the number of people employed in that industry. I suppose they have in mind sending them into government programs and projects which would retrain them for something else. We are already losing one seat in Saskatchewan and another in Manitoba, and we now have a report that recommends a reduction in the number of people employed in this particular industry.

One of the factors not considered in these studies was the tremendous contribution made by a lot of the grain growers to rural life in small towns in Saskatchewan. I think the minister is in real danger of being unaware of the realities of life because he stepped straight from school into the cabinet and perhaps cannot appreciate what is involved here. It has been said that the grain handling system was subject to inflation. I do not know what is not subject to inflation these days. One report says that the over-all cost of marketing grain today is 42.9 cents a bushel, and that if we adopted the inland terminal

proposals the cost would be 38.7 cents. They are asking us to look at a savings of three cents. I think the Minister of Justice made reference to this in a speech delivered in Regina a short time ago when he said people should look seriously at how much money this adds up to if they handle a billion bushels a year. For a saving of three cents a bushel, we are asked to continue and accelerate the depopulation of rural Saskatchewan, Manitoba and Alberta.

• (1630)

According to the reports farmers will be asked to use trucks to move this grain to these inland terminals at a cost of approximately 3.8 cent per bushel, and I suspect it would be considerably more. We are also asking the rural municipalities, after the taxpayers have already paid for a rail system which was given very costly land, to build the roads to handle this grain movement. The cost of maintaining these roads is another factor I do not see mentioned in the reports.

Another sad mistake in the reports is the assumption that we are going to continually ship wheat. It has been assumed that we are not going to increase sales of barley and take part in the sale of utility wheat in the Pacific area, in Asia and other points. These utility grades of wheat and barley would perhaps not have to be cleaned, and this would reduce the three cents per bushel saving.

I do not know where this Minister of Finance gets his experts, but he has taken a typical socialist approach by going to the most educated person he can find for his advice. It does not matter whether that person has done nothing more than read a book, the socialist idea is to go to the best educated—experience is not considered. Stage one of this socialistic program is to ask the most educated person to consider the problem and come up with solutions. Once you have the solutions, stage two is to inform the poor and ignorant people what is right and good. I understand the second stage in respect of these reports is to take place next month in Calgary and Saskatoon when this government will try to get the people to see the wisdom of their conclusions.

The Minister of Justice, the hon. member for Saskatoon-Humboldt, said after the election that everything the government did was right but the people did not understand. Apparently Information Canada and all the other facilities the government has at its disposal failed to educate the people. This whole thing is rather like a hard sell advertising program. You have to get people to want something, and then they will be happy with it when you give it to them.

In so far as these inland terminals are concerned, I am concerned that we will have to pay for them. If this program is put into effect we will suffer. This same sort of thing was done by the Liberal government in 1953. I recall reading a feasibility report on the Saskatchewan dam. It indicated that in straight dollars and cents the dam was not feasible. The writers of this report did not take into consideration the people who live in that province, the recreational facilities provided and that sort of thing. Since that time we were fortunate enough to have a different kind of government and we were able to get this dam for Saskatchewan.

[Mr. Horner (Battleford-Kindersley).]

Another thing the experts have not looked at in respect of this savings of three cents a bushel is the amount of grain farmers are able to haul directly from the combine to the elevator. In my own operation I think I haul 20 per cent of what I produce directly to the elevators. I have not had to put it in a bin as I have always hauled direct to the elevator without having to store the grain. If this system is brought in it will result in farmers having to build storage space on the farm for another 200 million or 300 million bushels. I do not know what we will be able to do with the saving of three cents a bushel, but the five or six things I have mentioned suggest that we should go very slowly on any kind of crash program.

The reports suggest that the railways will save 5.7 cents per bushel as has been indicated. I do not know what it is with this man, but perhaps like a lot of us, he grew up in the 30's and did not have a toy train to play with when growing up. He seems to be obsessed with railways. He buys hopper cars when we have not got the money and do not need them. The railways might save 5.7 cents a bushel but the farmers will have to pay out 4 cents a bushel for trucking and probably another 4 cents in other costs.

I fail to understand the railways' position in respect of feeder lines. If they do not have feeder lines to bring the grain out to the main line they will not have anything to haul. This is not to say I think all the lines should be maintained. Obviously, some lines are not really needed, but this is the sort of thing upon which we will have to take action very slowly, while taking into consideration the people living in those areas. Surely, the decisions should not be made entirely by people in Winnipeg and Ottawa.

Let me mention briefly the west coast situation, about which nothing has been done. In the very near future handling through the west coast could double and the bottleneck now at the west would intensify. The idea regarding hopper cars was good if the facilities on the west coast were improved, but they have not been improved. Today, we have rail cars backed up 20 miles. We still have problems there which we have always had but they are getting bigger. The Minister of Justice said yesterday that grain was moving very rapidly. I suggest to him that average car unloadings at the west coast amount to less than 600 cars a day. I do not think that is any record.

Let us consider what some of our competitors are doing. Are they giving hopper cars to the railways and then sitting down with cap in hand trying to negotiate some method of maintenance or some method of repayment? Are they hoping that the railways will buy the cars in a year? I doubt that that is the case. In Kuena, Australia, new facilities are being built which will be paid for through a per bushel handling charge. They are going to provide storage for 31 million bushels at a cost of $41 million. That is close to what it cost to administer the Lift program. This was money the farmers never saw which could have been used to provide a 30 million bushel facility at the west coast.

I suggest the $48 million for hopper cars might well have been used to improve facilities on the west coast, if in fact that was all the minister was able to wheedle out of the cabinet. The capacity at this dock in Kuena, Australia,

is 5,000 bushels an hour, twice as great as any facility we have for loading ships in Vancouver. They are also building a port which will be able to handle ships capable of carrying 100,000 tons of grain. If there are ships in the next few years capable of loading 100,000 tons of grain they will have to load out of Seattle. We could save 10 cents a bushel on the cost difference between moving freight to large ships as compared with the small ships we are using today, yet we have a Minister of Justice surrounding himself with one group of experts after another trying to save money at the expense of increasing farm and labour costs.

The same situation exists in the United States where they are building facilities at Seattle and Tacoma. If we get into another situation like that of 1969-70 we pretty well know which country will be left with grain. I am concerned about the minister's attitude. Every time he is asked a question pertaining to anything in the west, he says he is discussing it with farm organizations and will be talking it over with his experts, after which a decision will be forthcoming. I think the minister has forgotten what happened last October 30. We had an election under our democratic process. As a result, people like myself were elected, and I like to think I represent some of the farmers who do not belong to any organization. I am a member of the Saskatchewan Wheat Pool. I have been a member for 25 years and I haul all my grain there. I am a member of the Palliser Wheat Growers' Association. I was elected by the farmers and producers of the Battleford-Kindersley constituency and I am here to represent them. The mere fact that some expert or organization suggests something to me does not cut much ice if I do not think it is right for the farmers in my area.

Was the Standing Committee on Agriculture named just for the sake of naming it? We should be studying a feed grain policy for Canada. It is no wonder this legislation does not have much success in the House. Decisions should be made by the committee, and these matters should not be brought into the House for decision until after a committee has studied them. We are very suspicious of the FAIR formula that the Canada Grains Council is promoting at the present time. This formula does nothing for the western producer and is not in any way related to the cost of production. It is simply that if a surplus of barley or feed grain should arise again on the prairies, the eastern feeders will be allowed to benefit from it. Of course, if we had had a government at all during 1969-70 there would not have been the bootlegging going on in respect of cheap feed in any event.

• (1640)

I should like to make a few remarks about the Canadian Wheat Board. It is strange that yesterday, in answer to some questions the Minister of Justice who is responsible for the Wheat Board said "that it was the Wheat Board's decision to raise quotas more rapidly than I would have liked in the fall and early winter that gave rise to the possibility of congestion." It is strange that when the Wheat Board does something correct, then the minister agrees with the decision but when there is an unpopular decision he implies that he cannot understand the board making such a decision.

There was a period of two or three years when the quotas worked well. All of a sudden there was an election in the country and we had a quota of six or eight bushels. The elevator agents said that they could not handle that amount of grain for months and months. A person in the Wheat Board yesterday informed me that the policy is that the quotas are raised when there is 30 per cent space available in the blocks. I suggest that on September 1 last year there certainly was not 30 per cent space in any of the blocks, and yet the quotas were raised to six bushels. I suggest that the minister should get together with the Wheat Board because there would seem to be disagreement concerning when quotas should rise in the first place.

I think the Wheat Board is a wonderful thing. The other day the minister was quick to answer when someone asked about the Wheat Board selling grain to Eastern feeders at 10 cents below the world market price. He suggested the hon. member was against the Wheat Board. The Wheat Board is supposed to help the farmer. Someone is needed on the board who knows what is going on, rather than someone who does not know what the agenda is and cannot ask the proper questions. There is a need for someone on the Wheat Board who is elected by the farmers. In this way we could be assured that the board would operate in the way the farmers want it to operate. If this were the case, I would be in favour of the Wheat Board handling rapeseed. But that is not the case. The Wheat Board is hallowed ground. One cannot criticize it because then the members of the New Democratic Party and their friends jump up and say that those who criticize it are against it.

Then, there is the matter of the way in which boxcars are allocated. Yesterday the minister evaded a question on this topic. It seems to me the producer is the only one who should decide where the cars go. The grain is supposed to be obtained from the producer and sold for the greatest amount of money possible. That is not what happens. For the last three months of the year, boxcars are allocated to those elevators with less than 25 per cent vacant space. For the other months another formula is used. If it is a good formula for three months, I think it should also be a good formula for 12 months.

The Chairman: I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Danforth: Mr. Chairman, when this parliament began we hoped we had entered a new era in respect of agriculture because we had promoted to the high office of the Minister of Agriculture of this country a member from a neighbouring riding to mine in southwestern Ontario. I supported this move because I felt that this hon. member coming from that area would have a real grasp of the problems of the farmers in that area and now would be in a position to do something about the situation. Having said that, I should like to say that we need more than just words to solve the problems in that area and indeed in all areas of eastern Canada and British Columbia. Words alone will not suffice. We would like to see a little more action from this government than we had from the preceding government and the succession of Ministers of Agriculture. Each minister had pet projects, pet theories and pet principles which he foisted on the agriculture

industry of Canada, with the result that we have had one of the most chaotic situations. One result has been that there has been no long-term progressive policy for any particular group in agriculture.

I shall reflect on some of the things that have happened in our area. The federal government has brought in a policy to promote the re-establishment of the Ontario sugar beet industry. This is laudible. We need alternative crops to some of the other crops which no longer are feasible to produce. However, when we think back to the year 1968, we remember that the government at that time was trying so hard to get the farmers engaged in the sugar beet industry out of that industry. They pleaded with them not to produce, and asked the sugar refinery of that area to purchase the equipment from the farmers in order that the equipment would not be a liability. In other words, the industry was defunct. Now this government plans to invest millions of dollars to re-establish a new industry. This is not as devious as it sounds because in that era, 1962 through 1966, the actual economic returns to the growers of sugar beets were not comparable to the returns in respect of other companion crops, so the farmers in that area turned from the production of sugar beets to crops which could be harvested with greater facility or with a greater return per acre.

At that time the industry was not assisted. Now, when the world price for sugar is higher and there could be a measure of profit in the production of sugar beets, the government has the idea that perhaps we should have an industry down in that area. If a farmer wishes to become involved in the production of sugar beets his costs are immense. No farmer will become involved in this type of investment unless he has a long-term guarantee of some sort that he will have a domestic market for the product at a profit to him. No longer will he abide by the catch-as-catch-can promotion of a crop which is on again and off again. He wants to see a long-term program with some stability. We certainly have not had such a program from this government.

Every time an election comes along it seems to be a golden year for the producer in Canada. Prior to the 1968 election in my area, one million dollars was given to the sugar beet farmers. Prior to the last election there were payments to the wheat growers, the hog producers and other growers in different areas. It just happened that these promotions took place and that payments were made some weeks prior to the calling of the election in order to influence some of the farmers in their thinking. This, however, creates havoc in respect of the commodity groups.

We have established a special committee to study the high prices of food in this country, but let us look at the record of what has happened in the last three years. We are importing butter into this country. Four or five years ago we had tremendous surpluses of stocks, but the government set up a national dairy committee to look after this, to reduce the surplus stocks. They did this to such a degree that they reduced a great many of our producers to poverty and they had to move off the farms. They regulated production to a sufficient degree to meet domestic requirements, they hoped, but when an invariable factor such as bad weather upset the whole proposition, the government has had to make the decision to import dairy products into Canada. We cannot import these at a low, basic price; we have to import them at the world market price which is very often greater than the prices charged here in Canada.

[Mr. Danforth.]

• (1650)

Let me say a few words about other commodities. I can recall the time last spring when in my area there was tremendous frost damage which, in most instances, completely wiped out the entire crop of the peach growers. Some of the growers suffered grievously. They suffered a crop loss of perhaps $10,000 to $100,000. They appealed to this government for some help. They wanted direct financial aid, but the government procrastinated. What the government said was what we will do is wait until we see what kind of harvest you have, and then we will act accordingly. The peach growers in the area knew there was not going to be any harvest and that the government was not going to take any action, which is what the government ended up by doing. The government said they would back the farmers at the bank for loans at current rates of interest. Most of those growers who had any credit at all could have taken the same action, which perhaps they did. This is what the government did in this instance.

The government does not have a constant policy. When the hog producers were in trouble a year ago and asked for some help, they got it immediately. They received $5 per pig up to 200 pigs, which gave them $1,000 a farm. Those farmers were helped, and justifiably so, but the same help was not given to other producers. Why do we help one group and not another group? Why is it that when the consumers of Canada are paying the highest price for milk, we fine producers for producing milk? There is something wrong with the system and with the over-all policy. The minister said this morning—and I agree with him—that there is a farmer leaving a farm every two hours, or eleven farmers leaving farms every 24 hours and going to the city where, in some instances, they become welfare recipients. There is something wrong when we lose farmers at that rate.

Do you know, that at present we have more civil servants in Canada than there are farmers in the country? There is something wrong when we cannot support an industry but yet can support a bureaucracy. We must have a policy which will put incentive back into farming. Farming is no longer a has-been industry. It is a very specialized industry which requires extremely long-term financing and capital financing which is comparable to industrial financing. We are not dealing with farmers whose outlays run from $15,000 to $25,000, although certainly there are some of those today who run very successful farms. But in most cases we are dealing with farmers with investments anywhere from $150,000 to one million dollars or perhaps $1.5 million. These are large farming interests. Do not tell me that they are corporate farms. Some of them are family farms according to any criteria you want to apply. They are the people who are getting hurt. They want to know what the government's policies are, where we are going and what we are doing.

Just to add to the confusion that we are experiencing today, we heard testimony from two key ministers of the

government. One is the Minister of Consumer and Corporate Affairs who is responsible for the setting up of a special committee of the House to study the trends in food prices and to determine ways and means whereby the consumer would not have to pay exorbitant prices. In other words, they would put a lid on the prices so far as possible. If they could not peg the prices, perhaps they could stop prices from rising so quickly. The minister studied this matter because consumers across the nation were demanding that such action be taken. Consumers felt that in some instances they were paying exorbitant prices for food, which indeed they were. So the government set up a special committee to look into food prices.

Then, we have another minister, the Minister of Agriculture, saying that the committee will not achieve anything and that he can tell us what the result will be after the hearings are over. He believes the price of food will continue to rise. He said in speeches—and I think I quote him fairly—that farmers were not receiving enough for their produce. In many instances, I agree with that statement. On the other hand, he said that consumers in this country are receiving a bargain in food. This is what is upsetting members of the food prices committee. You cannot have it both ways. You cannot have two ministers of the government stating directly opposite views if we are to accomplish anything, because all that does is to create confusion. I, and I think most members of the House from all parties who have any connection with the agriculture industry, want to see the family farm and those engaged in farming obtaining a return for their investment and labour comparable to that of other segments of the economy. The minister said that farmers want a fair shake, and I agree with this. There is no argument there. That is what the farmers of this country want. They want to be able to promote and develop a business on a sound footing which will provide a living for themselves comparable to that of others with equal investment.

We are dealing with the prices of food, and this leads me right into something else concerning farmers. We are studying the price of food, and that is the concern of producers, distributors, wholesalers and retailers. I think we should study the price of food as a concern of the government. I would point out the taxes which farmers have to pay now, since the new tax system destroys many of the tax benefits which farmers have been able to utilize through the years and which made it possible to pass on a farm from one generation to the next. This policy will destroy many farmers in the country. These additional expenses must be passed on to the consumer because there is nobody else to pay them.

Then, there are government regulations regarding packaging and distribution, and there are tariffs and taxes. I think we should study what government interference has actually done to the cost of food in Canada today. But we will never be able to do that because the people concerned will not be called in front of the committee. However, we will be digging to see how much the retailers make, how much the wholesalers make, and we will be dealing with how much the producers did not make. Anyone who has had anything to do with agriculture could have told you that this was what would happen before we ever sat on the committee. So, I think we should take a new tack.

The Chairman: I regret to interrupt the hon. member, but it being five o'clock, it is my duty to rise, report progress and request leave to consider the bill again later this day.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Assiniboia (Mr. Knight)—Agriculture—Increase in Price of Fertilizer—Inquiry as to action; the hon. member for Annapolis Valley (Mr. Nowlan)—Agriculture—Feed Grain—Suggested assistance respecting protein supplement; the hon. member for Meadow Lake (Mr. Nesdoly)—Grain—Provision of railway cars to points with large supplies of non board grains.

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

• (1700)

[*Translation*]

PRIVATE MEMBERS' PUBLIC BILLS

BANK OF CANADA ACT

AMENDMENTS RESPECTING LONG-TERM LOANS OF FEDERAL AND PROVINCIAL GOVERNMENTS

On the order: Public Bills:

January 15, 1973—Second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill C-14, An Act to amend the Bank of Canada Act.—Mr. Caouette (Témiscamingue.)

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, at the request of the hon. member for Témiscamingue, and with the unanimous consent of the House, I should like to move second reading of Bill C-14, seconded by the hon. member for Bellechasse (Mr. Lambert).

Mr. Deputy Speaker: Does the House agree to allow the hon. member for Shefford to move second reading of the bill on behalf of the hon. member for Témiscamingue?

Some hon. Members: Agreed.

Mr. Rondeau: Mr. Speaker, I think that Bill C-14 is one of the most important bills ever introduced in the House because it would improve the whole financial structure

not only of the federal government but also of all the provinces which are stagnating.

The bill under consideration would amend the Bank of Canada Act, so that that institution could be permitted to make long term loans to the federal government or provincial governments at an interest rate which would not exceed administration costs.

Mr. Speaker, the Bank of Canada is an institution which should first be useful to all Canadians and then to the federal government and provincial governments. That is why amendments to the Bank of Canada Act are advocated by the Créditistes.

The bill under consideration would repeal section 18(1)(i) of the existing act which now reads as follows:

The Bank may ... make loans or advances for periods not exceeding six months to the Government of Canada or the government of any province on the pledge or hypothecation of readily marketable securities issued or guaranteed by Canada or any province.

Mr. Speaker, we suggest to put the Bank of Canada at the service of the provinces and the federal government to prevent this institution from becoming a mere shadow. To this end, we propose three changes to section 18(1)(i) of the Bank of Canada Act in order to change the duration of loans from this bank to the federal government or to a provincial government.

Instead of lending money for periods not exceeding six months, as prescribed in the existing act, the Bank of Canada could make long term loans, for periods up to 60 years, stated in our amendment.

Mr. Speaker, it is absolutely ridiculous to see the Bank of Canada proposing loans to the central government or to the provinces for a period not exceeding six months. In fact, the governments cannot, in such a short period, make long term investments and avail themselves of the benefits that the Bank of Canada should offer to these various governments.

The second amendment concerns guarantees to be supplied by federal and provincial governments. At present, the bank requires as security readily negotiable transferable stocks and shares because loans are for short terms.

The amendment we are proposing calls for real credit of Canada or of any province to guarantee loans granted by the bank. This would enable the Bank of Canada to make loans to the federal government on the real worth of Canada, and to provinces on their real credit and their physical potential and not exclusively on short term guarantees or transferable securities. The Bank of Canada could thus truly carry out its function as a Canadian financial institution serving central and provincial governments.

The third change we propose for the present Bank of Canada Act concerns the interest rate. Instead of being subjected to exorbitant interest rates that can only worsen their financial position, the borrowers, be they the federal government or the provinces, could obtain loans at a rate of interest not exceeding the cost of administration, as is the case with loans granted to developing countries.

Mr. Speaker, considering that the rate of interest of the Bank of Canada has increased from 6¼ to 9 per cent within a few years, one must come to the conclusion that the Bank of Canada in fact has restrained the Canadian economy and induced the rise of interest rates in all financial fields. The Bank of Canada was the direct cause of inflationary interest rates affecting housing, agriculture and production, whereas it should be what the Social Credit party wants it to be, that is a financial institution ensuring an adequate economic balance, viable competition and reasonable prices.

Now, at the present time, the Bank of Canada is not assuming its proper role, and so the members of the Social Credit party are proposing an amendment to the Bank of Canada Act that will have that institution serve the purposes that were intended for it on its inception in 1935.

• (1710)

For example during the last 19 years of federal government administration, 17 budgets have shown a deficit while Canada had only two budget surpluses. The federal government showed up a total deficit of $6,361,000,000 which means a deficit of $300 per Canadian. In 1955, Canada had a deficit of $151 million, in 1965 a deficit of $38 million, in 1967 a deficit of $442 million, in 1969 a deficit of $566 million and in 1972, $600 million. Strangely enough, in all the governments that have followed one another in the House since 1955, all the budgets have shown a deficit. Mr. Speaker, this information can be found in the Public Accounts of Canada for the fiscal year 1970-71 especially in the booklet entitled "How your tax dollar is spent 1972-73" and in the budget papers tabled by the Minister of Finance (Mr. Turner) on May 8, 1972.

Thus, with the amendments we propose to bring to the Bank of Canada Act today, the federal government could balance its budget and say once and for all that the deficits experienced in the federal administration is a thing of the past because the federal government would be really, financially speaking, a supreme power and the provinces could take the responsibilities inherent in their own jurisdiction. Unfortunately, we are the witnesses of sempiternal federal-provincial conferences that always end up in quibbles over tax sharing.

The federal government is responsible for financial matters in Canada while the provincial governments have jurisdiction over highways and education. But if the federal government does not put the Bank of Canada at the service of provinces to enable them to develop, to grow without being reduced to beggary, without being compelled to go and beg in New York or elsewhere, things will be taking a bad turn.

Mr. Speaker, thanks to the amendments we are introducing today, the Bank of Canada could play its part; the federal government and particularly the provinces will not have to lie at the mercy of foreign countries.

We could thus finance our public debt, which has gone up from $17,951,491,464 in 1955 to $45 billion in 1972 and which will increase by a few billions when the estimates are brought forward next Monday. The federal government alone will therefore have a debt of about $50 billion.

Mr. Speaker, thanks to the amendments I am introducing under this bill, the Bank of Canada could redeem obligations which are now on the market and pay their

holders. In 1973, we could save in interest alone on the public debt more than $2.260 million, 90 per cent of which are not paid out to Canadians but to foreigners. The Bank of Canada could redeem obligations and the money which would be paid to their holders could be used to operate the Canadian economy, to help private enterprise which is being slaughtered by usurious interest rates.

Mr. Speaker, this would enable us to save, 365 days a year, $6,191,780 in interest per day on the Canadian public debt alone.

In addition to that, with the amendments proposed, the Bank of Canada could do the same with regard to the provinces. Indeed, when we look at the debts of provincial and territorial public administrations to 31 March 1970, we notice this:

Short-term bank loans	$ 47,384,000
Bills payable	734,073,000
Loans and advances	527,181,000
Treasury bills	127,949,000
Savings bonds	190,021,000
Bonds	10,885,052,000
Notes	56,387,000
Deposits and other liabilities	854,780,000

Thus, the liabilities of the provincial governments total $13,422,827,000. This is not the whole story. The provincial governments have also endorsed debts from some provincial agencies. Such debts have been entered into by municipalities, school boards or Crown corporations such as the Quebec Hydro.

On March 31, 1970, provincial endorsements for these various publics organizations amounted to $10,475,101,000. These figures are taken from annual report No. 68-209 on the provincial administration finances published in June 1972. The cost of the federal debt is $2.260 billion; the cost of provincial debts is $1,195,300,000 and the total cost of the debt, in Canada, is $3,455,300,000, excluding the interest paid to municipal and school organizations as well as to Crown corporations.

Now, these amendments to the Bank of Canada Act would actually enable this Canadian finance institution to play its role of financial organization and would also enable the Canadian government to act as a sovereign government through its own money, its own bank, its own credit, along with the provincial governments which would have Bank of Canada branches available so as to finance themselves within their physical possibilities because the Social Credit theory is that anything that is physically possible should be financially possible. And this can be achieved only by using the Bank of Canada which is the foremost Canadian financial institution and which would be given back its true role. Today it is a ghost institution which was created in 1935 by the then prime minister when, with a view to obtaining the votes of the western Creditistes, he promised in a speech pronounced in Saskatoon in 1934 to create a national bank to serve the interests of the federal government and of the provinces. But, until now the Bank of Canada has been a ghost institution which has not yet played its role because since 1935 the interest rates have increased, the debts have increased while Canadians and their governments have sunk into ever deeper financial slavery towards foreign financial institutions.

This is why, Mr. Speaker, some international caucuses are now considering a world monetary reform. Today, at the international level, we have reached a dead-end. Over the years, people enjoyed poking fun at the Social Credit party. Now, I think the time has come to put aside the old gadgets and the outdated financial formulas that led us nowhere except to debts, taxes and loans bearing usurious interest rates. Such formulas have reduced the Canadian people to such a state of financial slavery that we cannot see the day when we get out of it. We must turn aside from the beaten tracks and adopt modern and scientific financial solutions placing the Bank of Canada in authority above the other financial organizations, above those financial companies which now control the provincial governments and the federal government and which, as they administer the debts of the whole country, in fact create Canada's monetary policy.

• (1720)

Mr. Speaker, if the Bank of Canada were restored to its real function, Parliament would again become what it should be, a sovereign Parliament possessing a sovereign currency, which does not need foreign countries for monetary purposes but does need them for trade. Unfortunately we are now slaves and beggars in regard to foreign countries. Créditistes do have a solution and I ask those who claim that we never produced a valid, serious and concrete solution to this problem to consider Bill C-14 brought forward in this House by the hon. member for Témiscamingue (Mr. Caouette) and now before us, which does offer such a financial solution, opening the gates to economic prosperity and financial independence of Canadians, of the federal government and of provincial governments.

Mr. Jacques-L. Trudel (Montreal-Bourassa): Mr. Speaker, I listened attentively to the hon. member for Shefford's outline of a theory which is going to solve all current problems. Whereas some twenty countries signed an agreement last year and are still seeking a solution, he claims that the Créditistes have found a magic formula, embodied in Bill C-14. Now, none of those countries has found such a solution, such a magic formula.

Mr. Latulippe: That is not the concern of other countries. It is ours.

Mr. Trudel: I also noticed that the hon. member did not mention the 1949 agreement, still in force in 1972.

I see, Mr. Speaker, that several Créditistes want to speak at the same time. Actually, they would have been better advised to settle the matter earlier, instead of interrupting me while I have the floor. I not only did not prevent the hon. member from speaking, but I listened attentively to what he had to say. Now, I would ask them to kindly listen to me for a few minutes and allow me a few remarks about the magic formula which has just been expounded to us.

They said they wanted to help the provinces. I think all hon. members agree on that. But before wanting to help some thought should be given to the plans already existing and to which the provinces have participated. The hon. member for Shefford (Mr. Rondeau) took great care not to mention them and merely advocated instead the

adoption of an extraordinary formula liable to solve all the problems.

The hon. member for Shefford has read some figures—I should not say read because he seems to know them by heart—but he has forgotten many others and I would like to quote some of them.

There is certainly a sharing problem in Canada. Now an objective must be attained and there I might meet the hon. member. There is always the taxpayer who pays the bill. Of course the municipal and provincial governments have certain responsibilities as well as the federal government.

I think that if Bill C-14 could solve all our socio-economic problems I would be the first to support it. But, as I pointed out earlier, they do not even want us to discuss a problem for which they seem to have a ready made solution.

I want to talk about the sharing of public funds. We must check to see if the sharing is fair, if the provinces or the municipalities were really given the means they need to attain their objectives while taking ours into account at the same time.

I have before me a table which I would like to quote and which is a good example of provincial tax sharing, with detailed figures which do not provide all the answers, I agree, and do not set forth all the social and economic problems.

Now, in addition to the transfer payments to the provinces, I should like to quote some figures relating to the federal area. After tax sharing with the provinces, the federal government only has 40 per cent of the tax basis. Provinces and municipalities receive 59.6 per cent. I do not think anybody said during the debate on the estimates that we have the money, but that all the same it is impossible to do more than our means allow us to.

Reference was made to administration costs, to a magic solution, and it was added that the Bank of Canada, since 1935, has not played its role properly. However, we were told things today which are just the opposite of what the member of Shefford has just said: Canada is in a better position than almost any other country because its economy has been controlled, because the dollar was allowed to find its own value. Other countries which did not do so have not found themelves in the same situation. We have done it within our structures.

Moreover, we should at least admit that the Bank of Canada has allowed us to control the economy, to prevent exorbitant interest rates, as somebody said earlier, and to improve the lot of the people.

It was said a moment ago that we have a solution to all problems. I would suggest to the hon. member that he and the hon. member for Témiscamingue (Mr. Caouette), who are businessmen, sometimes need capital. I never saw either of them resort to the formula they are supporting because they too conform to the rules of the game, and I am not blaming them for it because everyone does it.

I should say, however, that there are banks today in Montreal, for instance, that lend money free of interest. I never saw a Creditiste lend money free of interest or at the cost of administration.

The Bank of Canada must operate within the limits of recognized structures. But it is claimed that this is not appropriate and that we should resort instead to some magic solution. It is suggested that the Bank of Canada, which lends money for periods of six months only, should make loans for periods of 60 years. This we have done with the provinces, lending them money interest-free and moreover, provinces and municipalities have obtained millions of dollars from the government and these debts were forgiven or at most recovered at 75 per cent of their value in some cases. This has not been mentioned, but this is done in respect of the provinces now but it is never mentioned. I have here a few copies of joint agreements between the provinces and the federal government. I will just name them because it would take too much time to quote the figures. Anyway, these agreements allow the provinces to manage their moneys and those which are transferred from the federal government.

The Canada Pension Plan was not accepted as such by some provinces and it was amended in order to allow the province of Quebec to use the payments made as contributions to which the provinces have direct access and which amount to hundreds of millions of dollars. That plan was established in co-operation with the provinces that wanted it, while the province of Quebec will have its own scheme. Under this arrangement, hundreds of millions of dollars are made available to the provinces which can use them where needed.

• (1730)

There are also family allowances, Mr. Speaker. These are not loans. I wish to emphasize that youth need loans; the federal government has provided youth, at a certain time with some financial means.

Family allowances, Mr. Speaker, amount to over $600 million; this is money transferred directly to individuals so the provinces do not have to pay themselves allowances to the families which really need them.

Little has been said about the old age security, Mr. Speaker. Pensions amount to nearly $2 billion. There are 1,700,000 people eligible for old age security and among those, almost one million receive the guaranteed income supplement, Mr. Speaker. It is a matter of funds which do not go through the Bank of Canada but are collected as income tax and transferred to the provinces which can draft their budget to satisfy the people, realistically if not always fully.

There is also the Canada Assistance Plan under which the government disburses 50 per cent for programs launched by the provinces. We do not mention this too often here, but 50 per cent is quite a lot and it is at the disposal of the provinces. It is not necessary for them to collect taxes representing half the capital. Half of what is being paid out by the federal government can be used for other purposes.

Mr. Speaker, all this constitutes a form of assistance to provines, without the services of the Bank of Canada. There are several others. There has been the matter of interest rates which I talked about earlier. Budgets have been mentioned and the hon. member for Témiscamingue has used a somewhat different formula on television. He spoke about a $18 billion budget. On several occasions he

has asked the House how much it would cost to establish the price.

Now, I see that efforts are even being made to prevent Canada from participating in the development of other countries. I have heard it said in the House by several Creditiste members. There is no mention of our programs which are adopted by the House.

The hon. member for Témiscamingue said something about $18 billion, which is more than the entire federal budget. He had found a magic formula and he wanted to create global control at the provincial and municipal levels.

We have a different formula. We say to the provinces: "You must identify your real needs and then we will meet to discuss them." I think, Mr. Speaker, that the few programs to which I referred really show that there is a possibility of agreement to meet our real needs with the assistance of the provinces and municipalities.

I do not think that Bill C-14 is the magic formula praised by member for Shefford, but in my opinion we must ask ourselves if the Bank of Canada is effectively carrying out its duties. I wish to point out, Mr. Speaker, that it is. In connection with the trade balance, it has done so well that some economists—I saw few who had structured such a plan—told us: "What formula have you used to compete with your southern neighbours?"

As far as their trade balance is concerned, they are faced with a real problem. As for us, we have at least succeeded in planning our needs, taking in consideration our population and our resources. We have undertaken a tax distribution for all those in need, be they provinces, municipalities or individuals within our structures.

I wish to point out, Mr. Speaker, following those few comments, that I cannot see how Bill C-14 can solve all our tax and monetary problems, while 20 countries whose representatives have now been meeting for days and nights, have not succeeded in doing so.

Mr. Henry Latulippe (Compton): Mr. Speaker, I am always pleased to discuss economic questions of such a scope.

Mr. Speaker, I shall discuss Bill C-14 which has been moved on behalf of the hon. member for Témiscamingue (Mr. Caouette).

Mr. Speaker, this bill has an exceptional scope. I we passed it—which would require some sort of social and logical reasoning on the part of hon. members—it would be possible and easy to change the structures of the debts which now oppress us.

Indeed, we are riddled with debts of all sorts. Canada has a debt of $45 billion; the provinces $45 billion to $50 billion, which is more than the federal government. Individuals are also endebted with the result that almost all the debts of all Canadians exceed $125 billion.

Mr. Speaker, there is only about $4 billion in legal currency in Canada. The national debt exceeds $125 billion.

The net result is, Mr. Speaker, that Canadians are overindebted; they are in a situation where they are incapable of paying just the interest on the debts. There is only about $4 billion in legal currency in Canada and the national debt reaches $125 billion. The difference between $4 billion and $125 billion is a matter of accounting and that accounting is done by institutions other than the Bank of Canada. This is exactly what the Creditistes want to give the Bank of Canada, the creation of accounting. Interest is added to the figures; this accounting should belong to the bank of Canadians which should protect individuals instead of protecting only financial institutions.

Our national bank now exists only to favour the large financial institutions and everytime it issues new credits or legal currency it loans that money to chartered banks which turn one dollar in legal currency into eight dollars in accounting currency. Then the Creditistes rise and say that it is wrong to operate this bank at the expense of taxpayers, putting them in debt.

The hon. member who spoke earlier said in his remarks that Canada is a prosperous country, that it pays family allowances, old age security pensions, etc. It does, but after having collected money from the taxpayers.

And when they do not draw enough money from taxpayers, they take out loans and sell bonds. Loans and bonds end up in the public debt which now reaches $45 billion. We shall have a $2 billion deficit by the end of this year. In the next estimates, we shall see a deficit of $2 billion. By the end of 1973, the deficit shall amount to about $3 billion.

As the hon. member for Shefford (Mr. Rondeau) put it earlier, out of 20 years of administration, 17 were deficit years. And with 1973, we shall have had 18 years of deficit.

Conservatives and Liberals are equally responsible for these deficits and it is not logical, Mr. Speaker, to run a country accumulating debts for which the taxpayers bear the burden.

Why do we have to pay family allowances and old age pensions to people who for the majority need those welfare or relief payments? Why do so many people have to live on public assistance? How come a man of 65 has not been able during his life to save enough money to take care of his old days? How is it that people are so destitute? The majority of older persons are beggars and cannot look after themselves because they are penniless. If our system is so efficient, why is it that we take everything away from Canadians? How is it that all these people have to rely on public charity?

• (1740)

When the government wants to help them, under the present system, it can but increase taxes. Money is taken from those who do not have enough and given to others who have nothing at all, and those who do not have enough money at present get into a more and more desperate situation. Indeed, life is very difficult for those Canadians who do not work for large businesses, because taxes are so high that we can no longer operate in such a way.

Under the present system, almost all businessmen, except those who operate their businesses with millions, will soon be unable to make ends meet. All their money goes for taxes of all kinds.

The provinces, Mr. Speaker, will not be able to operate for very long, under the present system, because they have gone deeply into debt; they are no longer able to tax citizens because taxes now exceed incomes. People have to put up their homes for taxes in several municipalities, because a number of citizens can no longer pay their municipal and school taxes.

It is time for us, Mr. Speaker, to intervene through the Bank of Canada, which could issue credits to finance public property. There remains to identify the kinds of property which are to be financed. One must differentiate between public property and private property and indeed between the public and private sectors. What the Créditistes are asking for is not the direct payment of family allowances or the direct payment of old age pensions but rather the financing of the public sector, of the provinces—the province of Quebec as all other provinces—so that they can start on their own projects.

In the province of Quebec, Premier Bourassa wants to go ahead with the James Bay project. It is unfair, Mr. Speaker, to allow the Quebec premier and indeed all the other provincial premiers to crawl before the financial magnates of other countries for loans that they could obtain against the same property the Bank of Canada would accept as security. What we are really asking for is that the Bank of Canada grant credits against the same values accepted by other countries. When the United States lend money or grant credits to the Quebec premier they grant credits against the par value, the actual value of Quebecers. The Bank of Canada could do the same.

Mr. Speaker, we could lend money free of interest to the provinces at the administrative cost because it does not cost any more to register $1 billion in a book than to register $1. Indeed one does not need to exert more energy to do so. Therefore, with the same values we could finance our provinces, our own institutions and thus get out of this chaotic situation.

Never, under the present system, will we pull out of our depression. The more we apply the system, the deeper we sink in, the more we get bogged down, and the more Canadians worry because the national, provincial and municipal debts grow daily. Our taxes, of all sorts, also increase constantly.

Day after day, Mr. Speaker, new citizens are being ransomed, and new families have to rely on social welfare and public charity. The country can no longer operate without almost 50 per cent of the people living off public charity. If that is called good administration I really do not understand what good administration is. And the situation certainly cannot improve when 50 per cent of the people live off welfare. This situation will surely not pull Canada out of the hole. That is certainly not how we will help the provinces to develop.

Every time we want to do something under the present system, we have to go into debt. Every time we want to do something in the present system we are forced into debt and have to pay interests, to pay off more than we borrow. That is one of the reasons, everybody is deprived.

When we have to impose taxes, we must ask ourselves where Canadians will get the money to pay them. In fact, they have to borrow that money and to pay it back. And governments then grab part of the money borrowed by Canadians who find themselves in a position where they are unable to repay their debts, and this no doubt explains all the bankruptcies we witness today. Never in our history have we seen so many bankruptcies. And I will show you later on how much the government lost in terms of the 12 per cent tax or in terms of personal income tax as result of bankruptcy. That amount is fantastic and the government itself is on the verge of bankruptcy because it is no longer in a position to borrow money.

Therefore, if we want to do anything useful we have to change the system and that is the purpose of Bill C-14 which would allow the Bank of Canada to make loans to provinces as we do for foreign countries.

We have nothing against assistance to underdeveloped countries, notwithstanding what the hon. member said earlier. We are far from being against this aid, but if we can make loans to foreign countries without interest, and for periods of 60 to 70 years, we can do the same for Canada and for any province. We would then act as real businessmen, able to obtain credit on the basis of our country's resources. Our currency would be based on the actual values we own, not to create money at random but simply to do the same thing we do for foreign countries. Those credits would be issued by the Bank of Canada which would create credits according to its wishes and the guarantees we could offer; this would enable us to develop our country.

As long as there is manpower, engineers and construction materials to build with, there should be no problem. Every time we want to do something, we run up against a shortage of capital. Few people fear a shortage of materials to build houses, or a shortage of footwear, but everyone worries about finding the "scrap of paper" needed to buy those shoes or build those houses. When it is possible to develop something in this country, it should also be possible to finance the undertaking.

Mr. Speaker, I shall leave it to others to express their views on this point, to agree or disagree with us. We know we will never be gladly supported by all hon. members because they have obviously not understood the workings of our economy. They have failed to understand that it would be logical and healthy to make our own financial means available to the people of Canada to allow them to develop and, at the same time, to stop getting deeper in debt.

Before concluding my remarks, I will say that it is illogical that a government should get in debt with itself. The $45 billion debt of Canada is one that the government has incurred wit itself. It is quite difficult to do so, but that is what is done in the present system, something of which a great many members, citizens or businessmen are unaware. One makes debts with oneself and finds it logical.

[*English*]

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, I have always enjoyed the oratorical prowess of hon. members to my extreme right. When I first entered federal politics just a few months ago I had the misfortune, through alphabetical listing, always to follow the Creditiste member. I have never suggested that I have the brilliance

of display and presentation of the members of that party; nevertheless, I have plenty of experience in playing with figures. We can all play this little game of adding up figures and coming up with logical answers. I think today it may be just as well if we put on the record a few facts and statements which will illustrate to the people who take the trouble to read *Hansard* that there are answers to the kinds of presentations that have been put forward by the proposer of the motion.

• (1750)

Bill C-14 would amend the Bank of Canada Act to permit loans and advances to the government of Canada for a period not exceeding 60 years, rather than for a period not exceeding six months as in the present act. It would also amend the Bank of Canada Act to permit such lending on the "real credit of Canada or the provinces." I wonder what that wording is intended to mean. It would also permit the Bank of Canada to make such loans at a rate of interest which does not exceed the cost of administration. We could really have fun with that one, too.

Similar suggestions for amendments have been made in the past and have been rejected by the government. I would quote from *Hansard* for March 15, 1967, when the then minister of finance, now Secretary of State for External Affairs (Mr. Sharp), replied to a similar amendment and chose to quote from a 1964 report of the Royal Commission on Banking and Financing as follows:

> However, the same section of the act enables the bank to act as banker or fiscal agent to the government of any province by agreement. While never used in practice, we believe it should be removed since the bank could not run an effective national monetary policy if it were to be continually under the obligation to put out new issues for the provinces, at least without conflicting with its fiscal responsibilities to its provincial clients. Adequate fiscal and banking advice is available elsewhere, and the embarrassment which would result from the central bank vetoing an unsound provincial financial program rises all too readily to the imagination.

I read that last sentence slowly and I do not think we need go any further in amplifying that particular point. The minister went on to quote another extract from the commission's report as follows:

> We also received a proposal that the Bank of Canada should finance the social capital requirements of the provinces and municipalities either directly or through re-discount facilities, a proposal which would involve major changes in that institution's operating practices and have profound consequences on its ability to promote national objectives. Financing on the scale envisaged could only be supplied by the central bank if price stability were sacrificed, and even on a smaller scale would subject the central bank to intolerable pressures from eleven competing governments. For the latter reason also, we do not believe it necessary or desirable for the central bank to act as an underwriter to these governments, especially in view of the full facilities available in the private sector.

About two years later the Hon. E. J. Benson, also speaking on the same type of proposal, said the following as recorded in *Hansard* for March 18, 1969, at page 6789:

> There was some mention with respect to contributions to the provinces. Indeed, the proposition in the motion was that the Bank of Canada buy up provincial and municipal debentures, presumably by printing more money because that is the only source of funds they have. I think a better solution to this is for the federal government to stay out of the financial markets as much as possible and thus make room for the available limited resources to move to the provinces and municipalities. Indeed, that is what we are trying to do. In fact, that has been our aim for some time and continues to be our aim.

They argued that implementation of the proposals on the scale apparently envisaged by the proponents would pose a serious risk of inflation. They also argued that the involvement of the Bank of Canada in provincial finances, particularly on the limited scale that would be consistent with sound monetary policy, would risk very troublesome conflict of interest problems for the bank. It would, moreover, simply provide an indirect transfer of funds from the federal government to provincial governments, a transfer which could more appropriately be made directly between governments in the context of federal-provincial fiscal relations. Let me quote as follows from the same 1964 report of the Royal Commission on Banking and Finance:

> The Bank of Canada acts as agents for the Minister of Finance in all transactions for the government's securities accounts or the exchange fund. It also has the power to act as fiscal agent for any provincial government and is permitted to invest in provincial government securities, but these powers have not been exercised. In practice the bank would find it extremely difficult to act for provincial governments and deal in their securities because of the virtually insoluble problems of equity among different governments that would inevitably arise. (In view of the relatively small annual increase in the bank's security portfolio, it could make only a limited contribution to provincial financing in any case.) We do not see the same political objection to including provincial securities among those eligible for discount at the Bank of Canada but there would be little advantage in doing so: as a practical matter this would reduce the borrowing costs of provincial governments little if at all.

Although paragraph 18(1)(i) of the Bank of Canada Act, which this proposal wishes to revise, restricts the ability of the Bank of Canada to make loans to the provinces and the federal government, paragraph 18(1)(c) allows the bank to purchase both federal and provincial securities without restriction as to term or rate of interest. Thus there is no legal barrier to the Bank of Canada in fact lending to governments through the purchase of their securities.

Each year the Bank of Canada buys a limited number of Government of Canada securities in line with its responsibilities for a sound monetary policy. The bank currently does not hold any provincial securities and has not done so for many years because of the likely conflict of interest that could arise. There would be great difficulty in allocating the additions to the bank's portfolio of securities among 11 competing governments. This theme is repeated throughout. Furthermore, in a period of monetary restraint the bank might have to sell securities to control the rate of credit expansion. In such circumstances, sales of provincial securities by the bank could interfere with the ability of provinces to finance their cash requirements. Such a conflict can, of course, also arise in the case of the federal government but, unlike the provinces, the federal authorities are directly responsible for monetary policy and economic stabilization.

Mr. Deputy Speaker: Order, please. The hour provided for the consideration of private members' business has now expired. Perhaps the House would permit us to go back into committee of the whole before the Chair calls it six o'clock. Is this agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

SUPPLY

SUPPLEMENTARY ESTIMATES (A), 1972-73

The House resumed consideration in committee of Bill C-141, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973—Mr. MacEachen (for Mr. Drury)—Mr. McCleave in the chair.

On clause 2—*Schedule.*

The Chairman: Order, please. It being six o'clock, I do now leave the chair. The committee will resume at eight o'clock.

At six o'clock, the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order, please. When the committee rose at six o'clock we were considering the schedule, particularly votes 15a and 40a relating to the Department of Agriculture.

Mr. Gleave: Mr. Chairman, I rise to touch on two or three points that were raised by the Minister of Justice, who is responsible for the Canadian Wheat Board, and by one or two members on the benches to my right. When I spoke previously on these estimates I made the point that due to the inequities and inefficiencies which existed in respect of the marketing of rapeseed, it would be advisable to bring this grain within the marketing operations of the Canadian Wheat Board.

The minister in charge of the Wheat Board told us he had said they would be ready to reconsider that matter, and that he was in favour of it. However, he said it would be fine except that he did not want to be like those nasty people in the province of Saskatchewan who moved boldly ahead in the field of marketing but, rather, he would be with those who chose to hold a plebescite and give the producers a choice.

I cannot quarrel with him on that sort of approach. As a matter of fact, in the last parliament, the twenty-eighth parliament, I moved a motion to have the Canadian Wheat Board Act do that very thing. I shall not read the motion to the committee, but I am sure the hon. member for Saskatoon-Humboldt remembers that in it I said the possibility of holding a plesbiscite should be put before the rapeseed farmers of the three western provinces. The minister in charge of the Wheat Board and his colleagues voted against that motion; they voted against the possibility of allowing the farmers a real choice.

I listened this afternoon to the hon. member for Battleford-Kindersley. He said they had been asked what their position was, and it was that they would like the farmer to have a choice; they should have a plebescite and vote on the matter. If that is so, I ask why his colleagues in the twenty-eighth parliament did not vote to give the farmers a choice: that is all I asked in this House on behalf of the rapeseed growers of the three western provinces, that they be given the opportunity to make their choice.

The minister in charge of the Canadian Wheat Board knows that. It may be that the hon. member for Battleford-Kindersley does not know it, but his colleagues know it. The hon. member for Lisgar knows it. The hon. member for Lisgar is an honest man and he will admit that I moved that motion in the House. I do not propose to be flim-flammed and bamboozled in this House; I do not propose to put up with just shadows.

Let us be honest with one another and look at the situation and deal with it. When farmers have to haul their rapeseed 50 miles or 60 miles to get it into an elevator in my constituency so they can obtain the Vancouver price of another 25 cents, 30 cents or 40 cents a bushel—and it is that much—such an effort and exercise is unacceptable to me. When they have to sit in their trucks in front of an elevator in North Battleford because they have signed a contract, rather than getting the current market price, it is unacceptable to me. These people are very careful with the farmers. There was a famous man in Saskatchewan by the name of Charles Dunning at the time when the farmers were trying to form the Saskatchewan wheat pool. The farmers were out in the country persuading people to sign wheat pool contracts, and he said, "Oh, for God's sake be careful and read the small print in the contract".

• (2010)

There are ways of doing things and there are ways of not doing things. When I read the statement made by the minister when he argued about the Conservatives having promised 30 cents in the last election, my wish was to correct the record, because to be quite fair and to do justice to the Conservatives I must point out that the minister was in error. I think the Conservatives were promising 25 cents a bushel for wheat.

I agree that when we argue about who sold the most wheat and who made the biggest sale, it is difficult to get excited about it.

Mr. Rose: Yes, get excited.

Mr. Gleave: With friends like this, Mr. Chairman, I do not know who needs enemies. I want to put these ideas before the House, to keep the record straight and to keep us on the road regarding what we are really going to do on behalf of the grain farmer to enable him to stay in business, make a living and contribute to the welfare of this country.

I want to say something else to the minister in charge of the Wheat Board. I notice in press reports that it is probable that within this year we will start negotiations under GATT to obtain new agreements and trading arrangements for the sale of our grains in the markets of the world. I point out to the minister that the last time we

negotiated agreements with the western countries under GATT for the sale of grain, the result for the western farmer was an unmitigated disaster. We came out with the International Grains Arrangement and we locked the western farmer to poverty prices and to minimum delivery opportunities.

I say to the minister and to the government that they should not again try to negotiate trade in western Canadian grains under GATT. There are two or three good reasons for not doing so. One of the major reasons is that a significant amount of our trade has shifted to the eastern countries, to China and the U.S.S.R. which are not members of GATT and do not form part of the western trading bloc. We should try, instead, to conduct a trade discussion within the United Nations which would bring us within the total ambit of world trade in grain.

I do not know whether the government has any such intention, but I would ask the minister in charge of the Wheat Board or the Minister of Agriculture to tell the House what their intentions are regarding trade for the farming community in western Canada in the immediate future. They owe it to the House to tell us what their plans are and how they see the present situation. The western farmer will be listening when they do.

When we negotiated the International Wheat Agreement through the United Nations we were negotiating with the people with whom we were trading, the people who were buying our product and who were competing with us in world markets. Under GATT we are negotiating with the western nations, but we do not trade with them to the extent that we once did. Furthermore, we know from the announcements which were made yesterday and the day before that the United States is continuing its restrictive attitude toward trade into that country from Canada and Japan which it developed a year ago. It is at Canada and Japan that the United States is aiming its more severe restrictions. We must protect our grain and livestock industries in western Canada by seeking alternatives. This is probably true to a greater extent in grain than it is in livestock, but our agricultural industry is now starting to look to the Pacific rim countries even for the sale of meat.

I do not mind repeating myself because I think this is very important. I hope that in the very near future we will hear from the two men who are responsible to this parliament for the government's policies on agricultural products. I should like to see them stand in their place and state what their policy is.

The other matter on which we need a clear statement of policy very soon is transportation. It has remained in limbo long enough. I hear hon. members to my right saying that we should use the interior terminals, but others say that we should not.

Mr. Lang: What do you say?

Mr. Gleave: Let me say to the minister in charge of the Wheat Board that I am quite willing to put my opinion on the line. The minister has not put his on the line.

Mr. Lang: After you.

Mr. Gleave: That is a fine situation for a minister of the Crown, responsible for the Wheat Board, to tell the opposition to state their position after which he will state his. Mr. Chairman, he is hiding behind the Canada Grains Council which is the spokesman for the Liberal party on grain transportation. The people who know a fair amount about handling grain in terms of elevators are the co-operative elevator companies.

• (2020)

I will say this to the minister, that the United Grain Growers, the Saskatchewan wheat pool, the Alberta wheat pool and the Manitoba pool are now developing the type of elevator that we need to handle the large volumes of grain in these areas. But I know that we are waiting for the decision of the railroads. Mr. Chairman, I do not know if there is anyone big enough in this country to tell the CPR and the CNR what kind of transportation system we should have in western Canada or that we should have there. Their offices are in Montreal, in eastern Canada. But if there were such a person, he could tell the railroads that what is needed is a roadbed to carry the grain.

I think the minister would have been well advised to build roadbed as well as to buy rolling stock. That is just a wild guess, but at present we do not have adequate roadbed to carry effectively a maximum grain load on 50 per cent of our trackage. If the minister will not maintain roadbed himself, he had better negotiate with the railways to maintain it. Surely he knows that grain can be moved cheaper per ton-mile on rail than on the highway.

I should not be giving all this advice to the minister, considering all the high-priced help he has behind him. But, Mr. Chairman, somebody has to say something for the western farmer. Somebody has to say something for the farmers sitting at points such as Kinley, Perdue, Whitco and Assiniboia. We have to ask the people who are responsible what they are doing and, further, when they are going to do it. If there is anything I can do to promote something for the people who live and produce agricultural products in Saskatchewan, I will certainly do it. Perhaps some day the minister in charge of the Wheat Board will rise and tell us what his program is, instead of saying it is referred to the Canada Grains Council, that bottleneck into which ideas come, stagnate, and from which they take a great deal of time to escape. Those are the main things I wanted to say.

The Deputy Chairman: Order. I regret having to interrupt the hon. member, but the time allotted to him has expired.

Mr. Whelan: Mr. Chairman, I will not take up too much of the committee's time but there are things I should say about some of the comments made during the debate yesterday and today.

It was suggested that the feed grain policy should be discussed in the Standing Committee on Agriculture. That is probably a good idea; but if there is one thing that has been discussed more than anything else since I became a Member of Parliament, it is a fair feed grain policy for Canada. Certainly we have had enough suggestions by parliamentarians, farm organizations, farm leaders and provincial governments to have enough information

which we can use to pick out a fair feed grain policy that will suit this nation. If we do not have enough information now we will never have it.

Reference was made to the subject of transportation and how the Canadian Wheat Board should tackle it. It may be wrong to look at the past, but I can remember that when I was chairman of the agricultural committee we made some recommendations when we were talking about the transportation of grain in the west. I remember asking the chairman of the Canadian Wheat Board why he was not more concerned about transportation and why he seemed to be more concerned about having to sell wheat. At that time we made certain suggestions. So far as I am concerned they are now being picked up in many ways, but we still have a long way to go.

The suggestion was made that farmers serve in an advisory capacity on the Wheat Board. Personally, I would rather see more real dirt farmers becoming members of the Wheat Board. Long ago the farmer reached the stage where he had to become a businessman. He has to know how to manage his farm and grow the grain. Certainly he should have more say in how it is handled and sold. The suggestion that farmers should be elected to the Wheat Board is a good one. I suggested it myself.

An hon. Member: Elected by whom?

Mr. Whelan: By farmers through their own organizations, in a democratic fashion. Today the hon. member for Kent-Essex made some comments about there being no action from the Minister of Agriculture in his first three months in office. Mr. Chairman, things have happened so fast that I did not think it was three months, and I had to check the calendar. I find I still have two weeks to go before the first three months are up; but with the insecurity we have in this place, who knows whether there will be another two weeks or not. Anyway, I never made any great promise that I was going to achieve in three months all things on behalf of agriculture.

Before decisions are made I have been trying to speak to farmers and get their opinions. One of the things we were talking about was the re-establishment of the sugar beet industry in a better fashion that would provide stability to the sugar beet producers. The response that I have received from Alberta, Manitoba, Quebec and Ontario has been much more than I expected from this type of approach. I now know why we lost the sugar industry in that part of Canada; there was no security in the sugar beet industry; there was no stability. I believe that farmers should not be asked to place themselves in subjection to a new sugar beet industry without an assurance of security. Security is what people in other parts of society want whether they work for government, industry or for railroads. This is what the farmers want. To get a new national sugar beet policy is not going to be easy. It must be a policy that will last for a long time, one that will provide security for sugar beet producers.

Sometimes I find difficulty in organizing a program for certain commodities that are affected by the variety of provincial programs presently in existence. Sometimes when you compare the agricultural programs of one province with those of another province you would think they were two different countries altogether: they could not be more different if they came from different countries. It is hard for me to understand how a federal minister can be expected to act as an equalizer in some of these problems.

• (2030)

I do not think the criticism that we did not allow enough dairy quotas is justified. Last year the Dairy Commission, after consultation with all the dairy associations and marketing boards in the country, increased the dairy quota by 7½ per cent. Perhaps they should have changed the weather while they were at it, because the cattle did not get enough feed and dairy production decreased by 14½ per cent per county in most areas. Not enough butter to meet our needs was produced and we had to import 20 million pounds. Luckily, it was brought in at a low price and put on the market at the same price as our own in order to provide stability in the industry, so there was no extra cost to the consumer. Indeed, more stability has been provided to the dairy industry than any other sector of the agricultural industry in Canada.

Last year peach growers in my part of the country lost their crops because of a freeze in February. They said they never received a penny of help from this government. It is the general policy that a request for federal aid must come from the province concerned. I have checked into this matter and no request was received from the province of Ontario on behalf of peach growers, though it is claimed that this was the sole livelihood of some of them and, of course, the orchards had to be maintained for the year.

The dilemma of the hog producers in the last year has been mentioned. Mr. Chairman, the legislation is there for the hog growers that will perhaps provide stability for their industry if they want it. I do not think that when they get into difficulty they should come to the government to be bailed out. When you look closely at what they are doing, it is evident that they will create chaos in the marketplace if they continue.

I have said before, Mr. Chairman, and I say again that my main concern is to see that all the people get a square deal—not just the producers of the primary products but also the consumers.

Mr. Knight: Did you say that this morning?

Mr. Whelan: I have stated this in all my speeches. The hon. member for Assiniboia might not think it is possible to ensure a square deal for all the people, but I think it is. In the committee on food prices I stressed that farmers should not be expected to carry the full load of what we call a cheap food policy. We have to guard against this type of thing. No other part of our society has been as productive as our farmers, and all they want is their fair share.

An hon. Member: Are you going to keep out cheap food in order to protect them?

Mr. Whelan: If I had my way there would be no tariffs whatsoever; no food would be allowed into this country unless we needed it.

An hon. Member: You have been telling us in good "Whelanese" that you are running the show.

Mr. Whelan: Just give me a little more time. I can think of ministers who have been here a lot longer than 2½ months; that goes for all parties.

An hon. Member: How about next Monday?

The Deputy Chairman: Order, please.

Mr. Whelan: They never put into force any of these programs that should have been put into force.

The Deputy Chairman: Order, please. The hon. member for Fraser Valley West on a point of order.

Mr. Rose: I hate to deflect the hon. member from his course when he is in full flight—perhaps a little out of control, but nevertheless in full flight. However, he made the statement that if he had his way he would keep all food out of the country unless we needed it, Canada is a net importer of food, and he would not move toward tariffs. I ask the hon. minister how he would achieve this kind of imperviousness to the importation of food if he did not use tariffs.

Mr. Whelan: Many of the countries that we deal with do not import Canadian goods without a permit. Just try to export something to the United States and find out how restrictive they are. This country's policy toward free trade is one of the best. I certainly would not be so restrictive that I would not allow food to be imported if we needed it or if a marketing board got out of control. I do not think our producers want to cause a rip-off; they just want a square deal. We have no intention of allowing a smart operator to bring in cheap products in order to make a fast buck and the consumer not get any benefit.

An hon. Member: You would agree that Canada is sinned against and the rest of the world is a sinner.

Mr. Rose: Mr. Chairman, I certainly agree with the minister. He has spoken explicitly and strongly on this matter—

The Deputy Chairman: Order, please. Before allowing the question I should bring to the attention of hon. members that they should not take advantage of points of order or questions of privilege to ask a question. They should get the consent of the hon. member who has the floor because the time taken up by a question is part of the time allotted to the hon. member who has the floor.

Mr. Rose: On a point of order, Mr. Chairman, I ask permission of the minister, through you, to ask a question. If the minister declines to reply, he has a perfect right to do so. But if he is willing to entertain the question, I would be pleased to hear his reply.

An hon. Member: He answered it. What more do you want?

Mr. Rose: The minister's reply to the question is most satisfactory to members who represent rural or semi-rural ridings, and I congratulate him on it. However, he said, "if I had my way" and I should like to know if he has brought that type of representation to cabinet and, if so, what kind of results has he been getting?

Some hon. Members: Oh, oh!

Mr. Alexander: That was a personal assessment.

Mr. Nielsen: Don't pay any attention to it; just carry on.

Mr. Whelan: I want to tell the hon. member, Mr. Chairman, that I am still talking and he can take it from there. I am still allowed to express my opinion, my suggestions, my philosophy. Anyone who wants to check can find out that I have been most successful in many of the things that I have tried to do. Persistence pays, Mr. Chairman, and even the cabinet may give up on some of these things.

Any effort to bring in cheap food to break the market should be treated the same as any effort to bring in electricians or pipefitters. I have a brother who is an electrician, and one who is a pipefitter. They would not want me to bring in 1,000 electricians tomorrow to cause chaos in the labour market. Anyway, the Minister of Manpower and Immigration would not allow it.

• (2040)

So that was one of the things that I thought would be good for one part of our society and it ought to be good for all parts so far as I am concerned. We hope to provide a decent living standard for all our people so that all can share in the benefits of our society, instead of one part contributing all the time and not receiving anything in return.

An hon. Member: Don't give our gas away.

Mr. Whelan: An hon. member mentioned taxes. The interdepartmental committee is working on the subject of taxes. I just want to make one comment: I am not going to tell them what ought to be done but I do not think hon. members will be all that unhappy, either, with respect to what happens.

Some hon. Members: Oh, oh!

Mr. Whelan: We are still working on these questions. So long as you are persistent, you can be successful.

An hon. Member: If you stick around here long enough.

Mr. Whelan: Hon. members across the aisle are trying to obtain power. They may obtain it if they keep on trying.

Some hon. Members: Oh, oh!

Mr. Whelan: But all this takes a long time.

Some hon. Members: Hear, hear!

Mr. Whelan: Speaking of world trade, Mr. Chairman, all one has to do is check our record in agriculture and in other fields of trade to see how much we have done to improve our trade position. One member pointed out that we ought to be doing more with Pacific rim countries. One of the first salesmen who went to that area—

Mr. Benjamin: Was Alvin Hamilton.

Mr. Whelan: —and he was criticized by some of the very people who are saying that we should be there, was the Prime Minister himself. He went to those countries and

called on their people, and we know that you can pay no higher compliment to these people than by calling on them and saying, "We want to do business with you."

We can sell products there that we have every right to be proud of. We need not worry about the quality of our products, they can stand close scrutiny, because whether we sell grain, meat or anything else, the quality is high. We have nothing to be ashamed of in the sale of our products and this is a great credit to our producers. Notwithstanding the costs that we are subjected to in Canada, we can compete on world markets with any country in the world. We have more and better salesmen on the road than ever before, and they are doing a better job than ever before in selling our products. I am optimistic about our trade in future. People know that when they buy Canadian, they buy well; they buy the best products in the world.

Mr. Benjamin: But Alvin was there first.

Mr. Whelan: May I mention something else, Mr. Chairman. Having done some research and made telephone calls, I wish to report—this may please members from Saskatchewan and Alberta—that the price of fertilizer will not increase. I received a call from one of the largest fertilizer companies—

Mr. Nielsen: That explains the speech.

Mr. Whelan: Let us be careful. This is a large co-operative company, a large fertilizer company. I was told that there would be no increase in the price of fertilizer.

An hon. Member: Not any more; it has already gone up.

Mr. Whelan: There is to be no price increase. The price will be the same as it was last August for all Alberta; it will not change in that area.

An hon. Member: Are there ample supplies?

Mr. Whelan: They have ample supplies. They had problems bringing in phosphates from the coast, from B.C. We have already made representations to the railroads and asked them to help. The company says it has all the phosphates it needs. All the other ingredients are to be found on the prairies in western Canada. Therefore, there is to be no price increase, no matter what anyone else says. This company is to be a price-setter, or pace-setter in the price of this product. At least that is one good bit of news, Mr. Chairman.

Mr. Knight: On a point of order, Mr. Chairman, would the minister entertain a question?

Mr. Whelan: Yes, Mr. Chairman.

Mr. Knight: In the Peace River country the price of fertilizer increased from $34 a ton in 1972 to $46 a ton in 1973. In view of this, can the minister say if the people he has spoken about indicated that they intend to roll-back the price to previous levels?

Mr. Whelan: Mr. Chairman, I can only repeat what the honest gentleman told me, that his prices will not change from what they were last July and August. The prices are on the price-lists which are being prepared. The product is being sold and delivered to our markets every day at that price.

Mr. Knight: Mr. Chairman, I hope the minister will look into this matter carefully, because the price in January went up by at least $10 per ton.

The Deputy Chairman: Order, please. The hon. member knows he cannot take advantage of a question for the purpose of making a statement or comment. It is very difficult for the Chair, especially in committee of the whole when hon. members converse across the floor, to tell whether an hon. member is rising on a point of order or for the purpose of asking a question, because sometimes hon. members seek the floor to make points and arguments rather than to receive replies to questions.

Mr. McCain: Mr. Chairman, it was a pleasure listening to the Minister of Agriculture giving his dissertation tonight. In view of statements reported in the press and attributed to him, I had hoped that we might now be engaged in debate on a most serious topic, that of putting agriculture on the course which it has for so long deserved to follow. I was particularly interested in his remarks relating to hog production. In effect, he told the hog producers not to approach the government again, for "The machinery has been established to enable you to put your own house in order, and it is up to you now."

I think we ought to review the circumstances which resulted in the glut of hogs on the market in Canada. We should examine the situation as it was in years far back, because we will find that it was the incompetence of the government and its grain selling policies that allowed grain to build up inside the granaries and outside. Farmers could only find markets for beef, hogs or poultry. Farmers diversified in the only way they could and produced meat.

As a result of government policy, producers, in programs involving provincial and federal co-operation, encountered a situation which made it possible for them to produce hogs and, in particular, eggs at rates which had not been heard of before. The result was not only disaster for western hog producers but, equally, disaster for eastern hog producers. We have received no assurance today that the situation is to be put right. Actually, we have reason in the east to shudder with fear and trembling in case there will be a repetition of policies which will again permit or encourage the massive production of livestock on the prairies. Until such time as we can back up effectively, with legislation, programs involving self-control or bureaucratic control for agricultural products, we need a total, over-all basic agricultural policy. This we have lacked and this we continue to lack, as was made evident by the minister's speech this evening.

For proof of my statement let me direct the attention of hon. members to catalogue No. 21-202 of the Dominion Bureau of Statistics, to do with farm net income for 1970. It covers the period 1926-1970. It is significant to note that net farm income in 1970 was only slightly better than that for 1946-1950.

An hon. Member: Shame!

Mr. McCain: Mr. Chairman, is that a sign of progressive agricultural policies being followed by the government to your right? I submit that these figures condemn the government and its policies.

Some hon. Members: Hear, hear!

Mr. McCain: On looking at cost figures to be found in the same document one will find the cost of agricultural production has virtually doubled in that same period. The investment the farmer needs to make, if he is to make a living, has doubled. At the same time, the return on investment has remained static. So you might say, Mr. Chairman, that the Department of Agriculture and its policies under Liberal management has been such that the farmer is investing twice as much to reap half as much, because certainly our dollars today are not worth half as much as those of 1946-1950.

• (2050)

It may be all right for the minister to say that the introduction of dairy quotas was one of the most admirable things to happen in Canada. But it will be difficult to convince all of Canada that this is the case. What has been happening in the last ten days with respect to butter? The present policy is that the government buys butter from the creamery producers at 68 cents a pound en bloc. This is a policy which permits the creamery packers, by some means which I cannot describe, to pack butter in prints, transport it to a wholesaler, return it to a store, a total trip of 1,100 miles, and put the printed butter in the store at 70 cents per pound. I have seen the invoices; this is not hearsay. It is a peculiar situation. The Minister of Agriculture may profess a serious interest in dairy quotas and dairy management, but this is certainly a phase in which management is totally lacking. It is allowed to run by itself.

One area of Canada is hurting the other, and hurting it badly, in this situation. It is time we had national poicies and national administration on a basis which would put the industry of dairy production on a footing of equal opportunity. This is not the way things are at the present time.

There is certainly some change apparent in the position the minister has taken today. For years, through the Horticultural Council, eastern agriculture and the fruit and vegetable industry in general have been asking for a "living allowance", so to speak, from their crop production. This has been ignored. We have been told by every individual we have dealt with that it is difficult, if not impossible, to obtain duty concessions. It is difficult to impose duties on products coming in, because we are a partner in GATT. It is all right for the minister to say he will not allow certain food products to enter Canada. He is still restricted by law and I presume he must operate within the limits of that law. He will be obliged to prove to agriculture in Canada that he is sincere and that his attitude is not just one of bluff and bluster.

The hon. gentleman who preceded the minister in office told representatives of the fresh fruit and vegetable industry that Canada and Canadians were entitled to the cheapest food they could get, and that if agriculture in Canada could not compete with outside sources of food it was the responsibility of agriculture to switch its crops and mend its ways because Canada could not protect it. This is a policy which never was acceptable to the agricultural world. It is not acceptable because not only does the farmer feel he is entitled to a fair living, but because he is absolutely convinced, as are most economists, that if Canada does not produce its own food it will in the long run pay through the nose for imported food.

I have heard nothing in this House tonight to lead me to believe it is the intention of the government to lay on a policy whereby Canada can produce the food which it can best produce and from which it should expect to make a decent living. I cannot believe that a government which is so concerned about the price of food to consumers can support the Minister of Agriculture as he tries to get an acceptable price for agriculture so that we can return to the earnings position which we experienced relative to the economy of 25 years ago. This must be the objective of the Minister of Agriculture, to bring farmers back to the point at which they will be at least as well off as they were 25 years ago. As of 1970 they were not.

My mind was boggled by the hundreds of millions of dollars which the hon. gentleman in charge of the Wheat Board was prepared to spend on agriculture. I want to make one thing very clear: if the expenditure of this money is necessary to a healthy agricultural industry and a healthy economy in western Canada, then by all means let it be spent. But I am reminded of an occasion on which I approached the Minister of Agriculture as part of a delegation on behalf of the potato industry. The sum required to more or less stabilize the whole national potato economy would probably have been substantially less than a million dollars. But we were told that the situation was impossible and that no such assistance could be provided, and it was not provided. In consequence the national potato industry, in respect of the 1971 crop, suffered a very severe setback.

The consequences of the inattention of the Department of Agriculture are not always felt immediately, however. Sometimes one has to take the long view. As has been pointed out already in this House, the dumping of wheat on the world market in a premature fashion during the past 2½ years has reduced the potential profit for wheat farmers in the present crop season.

In a similar way, the refusal of the Minister of Agriculture to attend to the 1971 crop in proper time, so that there might have been some profit from it, has caused a reduction in the crop which has denied the potato industry an opportunity to take advantage of world markets and make the profit it might otherwise have made. I am not quarrelling about the price of potatoes in 1972. The price for that crop year is excellent. But as far as the Atlantic area is concerned—I am sure the Minister of Veterans Affairs will confirm my statement—this more acceptable price follows a period in which there was a capital decline for six consecutive years in the potato industry in the Atlantic area. It was in these circumstances we made the approach we did in 1971, asking for the assistance we were later denied. We were told that Canadians should have the cheapest food they could get; the government could not upset a situation in which consumers benefited.

Mr. Chairman, there are certain questions I should like to ask and I hope the Minister of Agriculture will give attention to them. There is one arrangement in particular which I think needs adjustment. While it relates directly to the Minister of Manpower and Immigration, I believe the Minister of Agriculture ought to be interested. The regulations pertaining to on-the-job training as they relate to agriculture are drawn up by the bureaucratic structure of the Minister of Manpower and Immigration so as to require specific dates for applications for help and the period of time in which workers are to be employed. In my view, this practice does not meet the needs of a seasonal operation such as agriculture. The farmer who applies for his manpower training candidate is the man who best knows for which season he needs that worker. He is the man who knows in what period he can best train the applicant for the position.

Several farmers have been denied the opportunity to train a candidate by virtue of the dates which were established and the period during which it was necessary to employ the individual concerned. This objection is particularly applicable in the case of the potato industry where workers are not needed until some time in April. But the date for applications has been fixed for December and employment begins as of March 1. This does not suit the industry. A later starting date should be set. The program should be open-ended as far as dates are concerned.

I asked a question in the committee which dealt with these estimates, and I put it again to the minister because I have received no answer so far. Is it the intention of the government that the grain cars now in service in the west are to constitute only lip service to the transportation program, or is transportation to be considered seriously as a national agricultural problem?

At the time Canada was forming we seemed to learn a few lessons. One of the lessons that the west learned before it came into confederation was that the Crowsnest pass rates for grain must be legislated, that there would be no argument about it. That was a smart move and I admire them for it. But it was also intended that equal protection would be given to eastern agriculture and to all the extremities of Canada that sent products to Canadian markets when confederation was first born.

• (2100)

This is a privilege that has been denied by virtue of the lack of a transportation policy in this country, and certainly agriculture in the east is suffering as a result and suffering severely. Indeed, agriculture in the west is also suffering. It makes no difference whether we are talking about apples from British Columbia or from Nova Scotia, potatoes from New Brunswick or Alberta, or peaches from Ontario: the transportation facilities that are available to transport these products to market are not up to those of 25 years ago. In other words, we have gone backwards. Such a policy must be made available to agriculture if this minister is to alleviate the situation.

Another problem agriculture is facing is that under the tax laws today it is virtually impossible for a father to pass on to his son, or for a son to inherit from his father, a farming enterprise. I have heard no sympathy expressed anywhere in the House for this unfair situation. The cost involved in passing on a farm from father to son or to sons is beyond the capacity of the individual to bear. This is no wonder since our profit opportunities in 1970 were no better than they were in 1945. It is indeed a dire situation.

So far as a feed grains policy is concerned, we have been told some kind of council is going to advise the government and advise agriculture. Plans were placed before the Federation of Agriculture for consideration, but one province in its wisdom chose to back out of this conference and not participate in the proposed arrangement. This is a further symptom of the inadequate transportation policy in Canada today. We have a hodgepodge, step by step emergency-type program with no long-range opportunities given to agriculture and no long-range commitments made by the government.

Let me give the committee another example of the sort of thinking that went into this sugar beet deal. I am not sure whether any part of the Atlantic area is interested in it, but I asked the minister earlier in the House whether he would determine if the soil was fit for beet production in areas where an alternate crop was required and if a beet crop would be acceptable to the farmers concerned. If this sugar beet proposal is to be national policy, then the minister should never have stopped at the Quebec border in discussing sugar beets in his speech tonight.

Until such time as the research facilities of the Department of Agriculture are overhauled, our agricultural production will not be what it should. Some years ago the minister and those in charge of research decided there should be certain stations adopted across Canada which would be used for specialized purposes. Fredericton was chosen for one purpose, Charlottetown for another, Vineland for yet another, and so on. On the surface it looked to be a healthy and efficient sort of program, but what it failed to recognize was that in a country such as ours where there is demand for fodder feed and grains across the nation, research that might be effective for the west was totally ineffective for the east.

If we are to have diversification in agriculture we must have diversification in research in the various areas of Canada, whether it be in livestock, grain, fruit and vegetables or what have you. Wheat, barley and oats which may grow at their best in the west do not necessarily grow at their best in the east and produce an economic crop. Yet at this moment in time we have no effective cereal grains research program in the eastern areas of Canada to produce those varieties we are capable of producing, thus saving the federal government a lot of money by way of freight rate subsidies. Until such time as the cost of grain production reaches the point where we in the east can produce grains competitively with the west—which I think will come eventually with research—we must retain a feed grain transportation policy that puts products in the markets of Canada at an equal price at the point of delivery, regardless of their source.

The minister emphasized one other point tonight that I should like to take up. The charging of the provinces with responsibility for agricultural emergencies is basically a wrong policy. Agriculture should be a national concern. When the farmers of New Brunswick, Prince Edward

Island and Ontario are told that the frost will destroy their crops, it is wrong to expect the province to pick up the tab, or at least half of it. If the potato growers or wheat growers are told that they are worth only $400 to the government of Canada, then we are writing them off. Until such time as the Minister of Agriculture starts to face some of the realities involved in financing and marketing agricultural products, with the necessity for making a profit, he is not doing his job any better than his predecessor, and as far as the farmer is concerned will be replaced at the next election.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Chairman, first I would like to congratulate the Minister of Agriculture (Mr. Whelan) for his appointment. I am convinced that he is a sincere man because I have had the opportunity of sitting with him on the committee on agriculture for several years where he gave proof of his objectivity and sincerety. Now that he is a minister, he holds the reins of power and if he does not succeed in getting Parliament to pass the required measures in order to increase the stability and viability of agriculture, this will once more show that there is a secret power which is acting on our best ministers. Anyway, I hope that in the near future justice will be done in the area of agriculture, both in western and eastern Canada.

• (2110)

Mr. Chairman, with Bill C-141 the government is asking the House to vote supplementary estimates of approximately $16 million required by the Department of Agriculture to close this fiscal year.

As it has been often said, agriculture is the most important industry of our country. Because thousands of people depend on it as their main source of income, this industry, which is at the same time the most vulnerable one, must be able to rely on government support to reach a certain degree of stability. We are not begging for charity, we are asking for fairness considering that the government does interfere in many other areas of the economy with all kinds of grants to ensure the viability and the survival of some industries, which we agree about.

When farmers request assistance from the government, we should not be looked upon as never-satisfied beggars. Indeed, this industry provides thousands of jobs, not on farms only, but also in the areas of transportation, processing, wholesale and retail distribution. Thousands of people are dependent on it. This is the industry where production per worker is most effective.

I was pleased to hear the minister point out that our farmers during the last couple of years have increased individual productivity to a surprising level which exceeds that of any other industry.

However, there are various factors to be considered for the industry to be profitable and to provide for those involved in it incomes at least equal to those of workers in other industries.

Agriculture is a combination of several activities: grain production, dairy production, hog and poultry production. Farming is becoming an increasingly specialized industry and in each field the availability of labour is an important factor. However, there is concern now, particularly in dairy production, about the shortage of labour.

I should like to quote at this stage part of a speech delivered by the second Vice-President of the Dairy Producers Association of the province of Quebec:

> Therefore, working out a policy for farm labour is a matter of great concern for dairy producers. As they are practically up to their ears in work seven days a week, they are of course keenly aware of the problem.

They are more or less like politicians: we also are at it seven days a week—and still we cannot keep up with our work.

I continue to quote:

> Also, programs concerning dairy quality and control are of particular concern to producers.

I stress this point because the bill now before us includes a special chapter on labour.

> Not only does it require a considerable time investment, but dairy production also demands special attention and abilities.

Certainly, the first passer-by that comes around cannot be entrusted with the responsibility of looking after a dairy herd. It is becoming increasingly important for people who are involved in this activity to be qualified so that production costs are reduced as much as possible to allow for a wider profit margin for the producer without overburdening the consumer.

I quote further.

> ... This is essential for the proper management of a herd and the requirements in this connection are increasing.
>
> Now, we can no longer rely on the zeal of the producer, of his sons or of his employees for the basic survival of the dairy industry. Today, the salaries must correspond to the qualifications required from the worker. The working hours should correspond reasonably to those prevailing in other sectors and, consequently, most urgent measures and special programs should be adopted to encourage the training of competent and adequate labour.

In the job training programs, the government should give more specific attention to the training of competent labour able to meet the producers' requirements in the field of the dairy industry.

Further on, the second vice-president added in his remarks:

> ... during the national convention of dairy producers spoke on this question to confirm the current uneasiness of labour ... the former UCC has already fought to have labour protected by unemployment insurance and there was no question of giving up what already exists. In reply to a spokesman for the Ontario producers who were wondering about the advisability of maintaining the current system, the vice-president ... stated that contributions were not paid for nothing and that we should instead try to improve the existing laws.

This is evidence from the manager of a fairly considerable dairy business, and who, at the same time, has become one of the major official of this association. This evidence may be considered as worthwhile and the required measures should be taken to prevent this problem from aggravating so that this industry may survive and continue to provide our Canadian consumers with a sufficient amount of dairy products.

Another important area also connected with agriculture is the operation of maple tree groves. This issue has often been raised in this House. My colleague, the hon. member

for Compton (Mr. Latulippe) mentioned it and as the maple season is coming closer the same problem will arise.

And I quote again:

A high percentage . . .

—Last year—

. . . of those who did not produce any maple sugar . . . explained the fact saying there was a shortage of labour. And of those who did tap their maple trees, many tapped only a few of them for the same reason . . .

Strangely enough, that manpower is very often there, within reach, but paralyzed, frozen by the Unemployment Insurance Act or that on social assistance. What a paradox to speak of a shortage of labour when everyone speaks of a high rate of unemployment. It is also maddening for the serious producer who racks his brains trying to understand what is going on. The unemployed who still have some courage and some pride would be very willing to earn a few dollars but if, all things considered, working does not net them any more, can they be blamed for losing all ambition or interest in seasonal work?

Especially when one has to work waistdeep in snow! I know what I am talking about; for a long time I helped with the production in my own maple-tree groves; I know the work is rather exacting, demanding of your energy and that working conditions are hard. It happens many times that snowshoes are not adequate because snow is too soft to support your weight and you sink in it with snowshoes. Then we have to manage with snowshoes, carrying buckets full of maple sap taking care of not spilling them if you want to have it boiled to obtain maple sugar. If the sap is spilled on the ground, it a complete waste.

• (2120)

There is another field, Mr. Chairman, where much more consideration should be given so that a solution may be found for this problem. In fact, the maple syrup industry is also part of the farming industry and, as I said previously, it is divided into two areas. There is another aspect to be considered which is the weather. I will not discuss this aspect further as the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) who is now behind the curtains—I hope he will participate in the debate later and second me—says it is a matter that concerns the Almighty above and nobody can do anything about it. During the summer of 1972, the weather certainly did not favour the eastern Ontario producers and those of western Quebec in particular. On August 9, the Quebec government was asked—the hon. member for Joliette (Mr. La Salle) indicates he asked also—to prevent a disaster and to stop the producers of this region from getting rid of their herds by assisting them to obtain the necessary fodder for the hibernation of their animals.

It so happened, Mr. Chairman, that favourable answers were given. I do not doubt of the sincerity of ministers, but I wonder how the creation of areas was made. I am at a loss to understand how two or three parishes are forgotten while another is getting assistance, because weather, generally, does not change because of geographical limits.

For instance, I note that in the riding of Lotbinière which I know quite well, some parishes have been designated, including Parisville in the far west of the riding, Deschaillons, Villeroy, Val-Alain, Sainte-Françoise and Fortierville. Then they went as far as Sainte-Agathe in the eastern part, flying over the parishes of Joly, Sainte-Anastasie, Lyster et Dosquet which I know very well.

Mr. Chairman, I delved into the problem to find out the reasons behind those designations. I did not get any satisfactory answer and that is why I raise the issue. I see that the minister is listening with attention because a number of producers have yet to receive the $400 grant. I am making that point so that we will try with goodwill and sincerity not to show at least openly, preference for one region or parish over another.

A third factor, not the least, in agricultural profitability is the famous system of prices, the marketing. The instability of prices is an element that plays to the disadvantage of the producer. A House committee has now been established to find out if price increases would not be the result of people charging excessively for their production. I hope this committee will work seriously and that it will not take into account only the consumers' interests. I have much compassion for the consumers. I understand the workers, the welfare recipients, the elderly, the handicapped who because of their income cannot face the increase in food prices.

On the other hand, producers are also human beings with families and responsiblities and this also adds to their production costs.

For instance, in 1971, our potato producers were affected to a certain extent by extremely low prices and the government had established a program providing for the repurchasing of potatoes, in order to enable the producers to cover at least their expenses if not to make profits. I think that generally the program was carried out equitably but it so happened that some of the dealers did some fiddling about taking advantage of the program; and making profits while the producers were in worse conditions than before.

I would therefore ask the minister to direct his officials to investigate in this area, and make sure that the moneys voted by parliament for the Department of Agriculture will serve their purpose.

Another matter which is exceedingly difficult to discuss in this House, because it concerns all of Canada, is the cost of agricultural production. Our friends from the Prairies will certainly understand the point made by our Eastern producers, and I hope that some day this government will develop a national policy taking into account the needs of both Eastern and Western producers, and that they will find means to enable those in the East to produce at a cost just about equal to that of Western producers.

Meetings are being held. In fact, last week I attended a meeting held by the Canadian Federation of Agriculture, and I was very pleased to notice that all the Canadian regions seem to agree on a solution to this problem. But much to my deception I learned the next day that our Quebec delegates had left the meeting to protest against these participants who had gone back on their positions.

Evidence has shown that in 1971 hog producers in Eastern Canada have produced at a loss and that their production costs were $4.20 per hundred weight higher than Western costs. This is why the government, aware of the losses incurred by the producers and after repeated

representations finally adopted a policy to make up for the hog producers losses.

Still in the same area, there have been shady speculators. I call them so because it is really "shocking" to see that all possible efforts are made in this House in order to try to reconcile—

The Assistant Deputy Chairman: Order. I regret to interrupt the hon. member but the time allotted to him has expired.

[*English*]

Mr. Whicher: Mr. Chairman, most assuredly I will try not to speak too long because I hope these estimates will be passed as quickly as possible. I remind my hon. friends, particularly those in the opposition parties, that one of the votes before us tonight is 15a, in respect of production and marketing grants and contributions of up to $12,600,000. Some of that money will be paid to our friends in Peace River who, unfortunately, have faced a catastrophic situation certainly not of their own making. I would hope that these estimates might be passed quickly so that the Minister of Agriculture could pay this money to these unfortunate people who are victims of circumstances beyond their control.

Because I had an opportunity to visit western Canada in 1969 as a member of the committee on agriculture, I thought perhaps my friends, particularly those from western Canada, would excuse my making these comments because I obviously do not have their great knowledge about western grain farming. In 1969 the committee on agriculture visited the western provinces where hon. members saw the situation which existed. I can tell you it was a sad thing indeed to see what was happening in the west. In most instances the granaries and the drying sheds were full of grain. In many instances the grain was piled on the ground. Quite frankly, the farmers had so much grain that they did not know what to do with it.

• (2130)

I ask my friends from western Canada, most respectfully, to try to be fair for just a minute. I know that politics is politics and I know that you have to paint as bleak a picture as possible of members on the government side of the House. But I ask you to look at this question. What about the difference between now, February of 1973, and the spring or the fall of 1969?

I say to you most respectfully, Mr. Chairman, that the members of the Canadian Wheat Board, under the guidance of the government—because of course the government has something to do with the selling of grain—have accomplished a most remarkable job. It seems to me that the Minister of Justice should not be raked over the coals as he has been day after day in the past few days when he has been accused of not doing the job for western Canada. I say to you that he has done a most remarkable job. I say to you, further, that most certainly the province of Saskatchewan knows it because only last year they named him salesman of the year. Why? Because he sold more grain than any man has ever done in the history of Canada. Surely this is something that not only all Canadians should be proud of, but more particularly my friends who represent farming constituencies in the three western provinces.

Many other things have been done apart from the selling of grain. I agree that there is some justification when some of my friends say that grain was sold at fire-sale prices. But let me point out that it was not sold at fire-sale prices; that grain was sold at world prices. I defy anybody, be he a Liberal or a Tory, to sell grain at a higher price than the price at which the rest of the world is selling it. It is an impossibility. On the other hand, it was sold and it is being sold today in huge amounts. Last year Canada achieved a world record and this year there will be another record, and from what we can see next year there will be another record.

The other night I listened to the hon. member for Qu'Appelle-Moose Mountain who was very successful as the grain salesman of the Conservative party in the Diefenbaker years. I was impressed by the hon. gentleman. It was the first time I had heard him speak. I know that he sold a great deal of grain with the co-operation of the government of that day, but the fact is that he was an amateur compared to our minister today.

Some hon. Members: Hear, hear!

Mr. Whicher: However, he was not correct when he made the accusation the other day that the grain bins in western Canada are empty.

The Assistant Deputy Chairman: Order, please. The hon. member for Dartmouth-Halifax East wishes to rise on a point of order.

Mr. Forrestall: Mr. Chairman, I wonder if the hon. gentleman would entertain a question.

Mr. Whicher: I would be glad to accept a question, but we want to get these estimates through as quickly as possible. I will listen to the hon. member after completing my remarks. The fact is that when the hon. member for Qu'Appelle-Moose Mountain, who was the head salesman for the Conservative party some years ago, says that the granaries in western Canada are empty and that people in southern Asia and in other parts of the world such as India and Pakistan are hungry while Canada has grain to sell to them, he does not know what he is talking about—and you do not have to be a western farmer to recognize that. Only three weeks ago the Minister of Justice said that according to his figures—and surely we have to accept them—there are 1,100,000,000 bushels of grain in western Canada yet to be sold and we are getting this grain to the ports as fast as we can.

However, that is not the only thing that has been done for the grain farmers of western Canada in the last two or three years. I ask my Conservative friends, most of whom are fair and reasonable, why they did not do something about a two-price system for wheat when they were on the government benches. Why did they not have the courage to give to the western farmers something that they deserved? I will tell you exactly how much was provided by the taxpayers of Canada in the past year: it amounted to $57 million which the farmers had never had before. The hon. member for Qu'Appelle-Moose Mountain had the chance to do the same in the 1960s, but he did not do it.

It was our Minister of Justice who sold this program to the government of Canada which provided the western farmers with this large sum of money.

The Assistant Deputy Chairman: Order, please. The hon. member rises on a question of privilege.

Mr. Forrestall: Mr. Chairman, so that the record will be accurate, I would ask that justice should prevail in this committee of the whole and that the hon. member should name the member who was the first member of the House to advocate the sale of wheat from the area on which the hon. member seems to be concentrating tonight.

Mr. Whicher: I did not catch exactly what the hon. member said; but if he said what I thought he did, I would imagine that his party would drop him like a bad habit.

The Assistant Deputy Chairman: Order, please. The hon. member rises on a point of order.

Mr. Forrestall: Mr. Chairman, when the question I pose is called into question in the manner in which it was, I think I should have the right to correct the hon. member. This is within the rules as I understand them. The question I posed to the hon. member was to implore him to include in his remarks to the House the name of the hon. member who was the first person in the House of Commons to advocate the sale of Canadian wheat abroad.

The Assistant Deputy Chairman: Order, please. The hon. member knows that he is raising a point of debate, not a point of order.

Mr. Whicher: Mr. Chairman, I really could not understand what the hon. member said. I tried to be fair about the hon. member. I think he did a wonderful job in selling wheat to Russia, but he sold only half as much as did our minister.

Mr. Forrestall: Why don't you mention Gordon Churchill?

Mr. Whicher: The hon. member did not do half the job in getting the two-price system for western farmers that the present minister did, and he did not do half the job in supplying the much needed railway cars to western Canada that were supplied in the last few months. My friends say that the railway tracks will not take the cars. Quite frankly, it does not matter how much we give, not to western Canada but to Members of Parliament from western Canada; they will ask for more. In any event, I do not want to say anything more on this subject. I heard my hon. friend, the agricultural expert from the New Democratic Party whom I respect greatly—

Mr. Forrestall: Oh, oh!

Mr. Whicher: My hon. friend is a perfect example of why we should have birth control in this country.

An hon. Member: The Tories are split on that issue.

Mr. Forrestall: I rise on a question of privilege, Mr. Chairman.

[Mr. Whicher.]

Mr. Whicher: Mr. Chairman, I am not giving up the floor. If my hon. friend says anything further, even members of his own party will admit that so far as birth control in his instance is concerned, we should make the legislation retroactive.

Mr. Forrestall: You are the best example of it.

The Assistant Deputy Chairman: Order, please. The hon. member for Bruce.

• (2140)

Mr. Whicher: If you say any more, my friend, you had better call out the defence forces whom you try to represent for your party.

My hon. friend in the NDP who represents the farmers asked tonight, "What is your policy for the farmers of western Canada?" Just tonight the Minister of Agriculture spoke, and the Minister of Justice spoke earlier in this debate. Here I refer to our grains policy in western Canada. Our policy is simply this: we are going to sell all the grain we possibly can, for as much as we can, for the farmers of western Canada.

Some hon. Members: Hear, hear!

Mr. Taylor: Mr. Chairman, it is a pleasure for me to speak on this vote dealing with the production and marketing of grains. I feel fortunate in being able to pass on to hon. members opposite some solutions to the grain marketing problems that they have been agonizing over for quite some time. I am particularly happy that some of the members on this side of the House have also suggested one solution to the marketing problem, namely, the utilization of the port of Churchill to its full capacity and potential.

Hon. members know that the port of Churchill has been in existence for a long time. It was one of the main entry routes through Hudson Bay for the early settlers in the Province of Manitoba. Unfortunately, the potential of the area has still not been realized, but it seems the only impediment to the development of the port has been of a political rather than an economic nature.

This evening I am pleased to pass on to hon. members opposite, particularly to the Minister of Agriculture and to the minister responsible for the Wheat Board, some suggestions on how the port might be better utilized. I am not suggesting that the problem is a recent one; it has been in existence for a considerable time. Here I refer to a report made following an expedition in 1904, which says, "Ships will go wherever cargoes can be found. All that is needed to open Hudson Bay for ordinary commercial navigation is a line of rail to carry freight to the port. With the use of iron steamships, the shipping season can extend from July 20 to November 1, and this period might be increased without much risk by a week in the beginning of the season, and perhaps by two weeks at the close." That is another report that has been buried somewhere and no one has paid much attention to it.

The port of Churchill has a storage capacity of some 5 million bushels. That capacity is almost as great as the capacity of the western seaports. However, the capacity is not used adequately, and in order to realize the full poten-

tial of the port some improvements should be made to it. You may ask what is the reason for suggesting greater use of the port of Churchill. I suggest there is a very practical reason for its greater use. Here I quote from a report prepared by the office of the Minister of Agriculture for the crop year 1971-72. It is interesting to note the comparison of costs involved in shipping grains. I refer to page 23 of this report headed, "Estimated average cost of moving Canadian wheat from a mid-prairie point ... during the crop year 1971." The report indicates that in the crop year 1971-72 some 20 million bushels were shipped through the port of Churchill, and some 23 million bushels in the previous year. I believe the estimates show that the approximate amount of grain shipped through the port of Churchill this year was some 25 million bushels.

But, Mr. Chairman, the cost, on an estimated average forwarding cost basis, to ship by the port of Churchill was quoted as 36.652 cents per bushel. The cost of using maritime ports was 59.110 cents per bushel, and the cost of shipping by way of Thunder Bay overseas direct was 44.578 cents per bushel. I suggest that savings of that magnitude certainly justify taking a much closer look at the potential of the port of Churchill.

Briefly, I would like to suggest some of the things that must be done, at a very minimal cost, in order to utilize the port fully and perhaps effect much greater savings that should evolve to the benefit of the wheat growers, producers and shippers in the prairie provinces who have access to the Manitoba seaport of Churchill. First of all, the capital improvements that are required are in the neighbourhood of $15 million. But these improvements should not be undertaken as in the past, on a piecemeal basis or with a shotgun type of action: they should be undertaken as a total development concept.

The first thing that must be done is to deepen the harbour by dredging. I do not like to go back into history but I believe the last dredging of the port was carried out in 1962. Since that time there has been some minor maintenance dredging but nothing of the nature required. The port near the wharf itself must be deepened by another four feet as a minimum, in order to handle the larger ships that are becoming more common to the area. The present depth at the wharf is some 32 feet and, of course, relying on the tides, which can be up to 15 feet in height, it is now necessary that further deepening be done in order that the larger ships can come into the harbour, receive grain with a minimum of delay and return to Europe.

Coupled with this must be the deepening of the turn around basin. When the ships are loaded they must be turned around in the mouth of the Churchill River. In order to maintain the proper depth in the turn around basin it is necessary that constant dredging be done. This has not been the case for some years. The result is that the turn around basin is getting shallower and shallower and certainly is not adequate for the size of ships used in that area in this day and age.

Another item that must be attended to is the provision of grain galleries and wharf facilities which will handle the larger ships. There is not point in deepening the harbour unless the facilities are upgraded to handle the size of ships now in use. And coupled with this is grain storage and cleaning facilities. As I have mentioned, the storage capacity now is some five million bushels but because of the distance and the fact that the port is at the end of the line it is necessary that these facilities be increased and that the service of cleaning grain be added. Mr. Chairman, it is not necessary that the service be added right at the port of Churchill. There is no reason why it could not be included at some point in the rail line leading to Churchill where it would facilitate the rapid movement of grain out of the port.

• (2150)

One reason given for the failure to use the port as much as possible is that the Churchill River runs into the bay and in the late fall slush-ice forms in the river, pushes against the wharf facilities and makes it difficult for the ships to manoeuvre. Various plans have been put forward to overcome this problem, one of which, the tidal barrier, is quite feasible and could be constructed at minimum cost. Another reason which is sometimes put forward is the short season. The grain marketing people have said that they need a longer season in order to justify any increased expenditure at the port. This is not necessarily a physical problem, however.

One of the reasons the season is so short is that the marine insurance companies arbitrarily set the dates for which insurance will be in effect for the ships using the Hudson Bay and the port of Churchill. The season commences July 23, usually, and extends almost to the end of October. The season could be extended to 107 days if the hulls of the ships were reinforced. With the use of icebreakers it is conceivable that the season could be extended to 214 days. Were this the case, the service time for the port could be extended considerably and the volume of grain handled could be increased substantially.

Coupled with improvements to the port, icebreakers must be provided to keep the bay clear and an adequate tug must be provided at the port to ensure that the ships are quickly taken to berth, loaded and returned to the bay. One of the bottlenecks has been caused by the fact that ships often have to wait a long time in the bay before they can get into the wharf to load. Another factor to be considered is that railway facilities should be upgraded to handle the new hopper cars purchased by the government. These cars cannot operate to their full capacity at the present time. The railway to Churchill should be upgraded so that it can support the port in the shipment of grain and other products.

Another difficulty is that the port does not receive the support it should from the government. The National Harbours Board is responsible for the maintenance and improvement of the port, but the Wheat Board and the Minister of Agriculture are responsible for deciding what method is used to ship grain. It requires some extensive re-examination of the problem and the promotion of a number of things, and I sincerely hope that all these will be taken into account.

Mr. Chairman, I do not want to deal with this matter very much longer. However, I would express the hope that hon. members opposite, particularly the minister, will take a good look at the port of Churchill and give serious consideration to providing the capital needed to make it

the port it should be which will enable grain to be moved cheaply and quickly from the prairie provinces.

Some hon. Members: Hear, hear!

Mr. Rose: Mr. Chairman, in the dying moments of the evening I should just like to say that I represent a riding typical of Canada's relationship to agriculture, a riding where agriculture is declining. The hon. member for Bruce, who is always entertaining when he speaks, has long experience both with the government of Ontario and in this House. I remember one occasion when he said that one of his main aims was to help the farmers, but he admitted that the farmers were actually worse off than they had been when he was first elected 20 years ago. Nevertheless, tonight he proposed all sorts of things and asked, "Who sells the most wheat?"

Mr. Chairman, if there is a market for wheat, any government can sell it; it does not have to be the minister from Saskatoon-Humboldt who is the super salesman, or the member for Qu'Appelle-Moose Mountain. World demand sells wheat whether the minister represents one of the old-line parties or the other.

In response to the hon. member for Churchill who spoke on the need for increased use of that port and the need to keep it open for 107 days, I would suggest to him that the Minister of Transport is in enough hot water to keep the port of Churchill ice-free the year around.

Some hon. Members: Hear, hear!

Mr. Rose: Mr. Chairman, there are a number of problems relating to my riding that would bear greater examination than is possible in the 30 or 40 seconds remaining, so with your permission I shall call it ten o'clock.

The Assistant Deputy Chairman: Is it agreed that we call it ten o'clock?

Some hon. Members: Agreed.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

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

AGRICULTURE—INCREASE IN PRICE OF FERTILIZER—INQUIRY AS TO ACTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, on January 15, 1973, I asked the Minister of Agriculture (Mr. Whelan) the following question:

• (2200)

As great concern has been expressed by a number of farm organizations in the past as well as at present over the increase in the price of fertilizer for the farming industry, and as fertilizer plants suggest that the increase results from a lack of potash and other ingredients which are in over-supply in Saskatchewan, can the minister inform us whether there will be action on this matter?

[Mr. Taylor.]

In asking that question I was dealing with a subject that historically has long been of concern to the western producer and, as I am sure the Minister of Agriculture knows, to the eastern producer as well. For example, in the Peace River country the price of certain types of fertilizer—without going into details—was $34 per ton in 1972. By January, 1973, the price had risen to $46 per ton, an increase of $12 per ton. In the month of January alone there were two increases of $5 each in the price of fertilizer.

In addition to that rapid increase in price, the suppliers of fertilizer in the Peace River country claim that there is a shortage of fertilizer to meet the needs of the Canadian market. At the same time some suppliers have been exporting fertilizer. We have had experience with such exports before. The Minister of Agriculture may not be aware of these instances. For example, the Cominco Company of Trail, British Columbia, exported fertilizer to North Dakota, U.S.A. At the same time, Canadian farmers could cross the border and obtain fertilizer at prices lower than those obtaining on the Canadian market. After it was learned that the farmer, as usual, was smart enough to do this, the rules and regulations were changed and the price on the American side of the border went up as well.

What I am trying to get across to the minister is that we need a better answer than the one he gave when he said, as reported at page 277 of *Hansard*:

Mr. Speaker, this has been reported to me. What the hon. member says is true, according to the representations which have been made to me, namely, that because of so-called shortages of nitrogen and potash it is proposed to increase prices. We are investigating this. We are contacting the premier of Saskatchewan to find out if it is true that there is a shortage of potash in Saskatchewan and investigating the other chemical companies that are responsible for the manufacture of nitrogen.

May I point out that in Saskatchewan, as I am sure the minister in charge of the Wheat Board knows, we have more potash than we need or will need for a long, long time. This is something fertilizer suppliers can take into consideration. I appreciate the minister's answer. It is at least better than the sort of answer we used to obtain from the former minister, and I make no bones about it.

This evening perhaps he will take the opportunity to tell these producers in our country that they have no business increasing the price of fertilizer because at the same time the price of fuel oil for farms in Saskatchewan jumped by 2 cents a gallon, adding at least $400 or $500 to production costs for the next year. Tonight perhaps the minister will not only talk on this matter but will outline some proposals for action.

Mr. Deputy Speaker: The Chair recognizes the hon. parliamentary secretary.

Mr. Knight: Mr. Speaker, I see the minister is chicken.

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am pleased to reply to the hon. member for Assiniboia (Mr. Knight) who

expressed concerns which, I can assure him, are shared by the Minister of Agriculture (Mr. Whelan).

In reply to the hon. member's question, the minister has advised that he was closely following the increase in the price of chemical fertilizers. In fact, he is now writing to manufacturers of chemical fertilizers, proposing a meeting in order to be able to examine the subject with them.

I am informed that a shortage of potassium is not the main reason for the increase in those prices. I know that the Supreme Court will soon be hearing a suit related to the quota system used by Saskatchewan for the regulation of the potassium supply, but I do not believe I can make any further remarks in this regard except to say that the officials of the Department of Agriculture are following the matter closely and consider it as an aspect of their inquiry.

Nitrogen and phosphates are the chemical fertilizers most often used by the Prairie farmers. Pre-season purchases of 11-48-0 fertilizer have increased by 25 per cent over last year and there is apparently no surplus of phosphates as was the case in previous years. The price of nitrogen, a by-product of natural gas, has increased for the same reason.

I would like to mention to the hon. member that in order to minimize price increases, farmers should bargain in many places in order to get the best price, buy in bulk where possible and place their order as soon as convenient so as to avoid the spring rush which will be particularly intense this year.

In concluding, Mr. Speaker, I think the matter is serious and we will make every possible effort to enlighten the situation.

[*English*]

AGRICULTURE—FEED GRAIN—SUGGESTED ASSISTANCE RESPECTING PROTEIN SUPPLEMENT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, several days ago I asked the Minister of Agriculture (Mr. Whelan) a question in connection with the feed freight equalization program to provide feed grain to the Atlantic growers at a cost which is in a sensible relationship to the cost of the same feed grain to the western grower. The able Minister of Agriculture is not seated in his place tonight, from which I gather he does not intend to reply to this adjournment debate. But in answer to my question I received the usual answer, that protein additions or additives or concentrates would not necessarily be included in the feed grain assistance program for the ensuing year but that it would be considered.

Mr. Speaker, as I was thinking today of what I might say in this seven-minute debate, one hon. member said to me "Patrick, why do you even have to think about feed grain assistance to Atlantic Canada? Surely the facts are so graphic on your retina of memory that you don't have to worry about facts and figures to try to tell the House tonight how important this program is?" Mr. Speaker, you, who come from one of the greater feed grain areas in Canada, that is, an area which needs feed grain, know better than I how fundamental is the program of feed freight equalization grants, payments, call it what you will, to Atlantic Canada.

When I look at Atlantic Canada and/or the Annapolis Valley I try to picture what would happen if feed freight assistance went out of the window. Mr. Speaker, you might as well then put that part of Atlantic Canada out of the window: it is that fundamental. You can resurrect the old stories of those under steam and sail wondering why we did not coalesce more with the northeastern part of the United States in order to get a viable economy.

Atlantic feed freight assistance has had a better multiplier effect on the economy of Atlantic Canada than any program I can think of. This program has been in existence for 25 to 30 years. Surely the government could learn from this experience. The whole subject is of such importance that not only the Nova Scotia Board of Agriculture but the Maritime Farm Council have passed several resolutions connected with it.

• (2210)

We also wanted included in the feed freight assistance program the question of protein additives or concentrates; we wanted these incorporated into the feed grain assistance act. I do not want to bore the House by reading the resolutions passed by the Nova Scotia Federation of Agriculture or by federations of agriculture in Atlantic Canada in regard to suggested amounts of feed freight assistance, but as a member from Atlantic Canada I am beginning to wonder just where Atlantic Canada fits into the whole program.

The Minister of Agriculture is from Essex and he may be able to grow tomatoes without feed grain additives or protein additives. But if he came from Atlantic Canada he would be standing in my place tonight trying to get the House to take a definitive position on feed grain assistance not only to Atlantic Canada but to la belle provence and the beautiful province of British Columbia as well. The provinces of British Columbia, Quebec and the four Atlantic provinces, especially number one, Nova Scotia, depend on feed grain assistance. The Crownest pass rates have been inscribed into the statute of Canada, but so far we have not been told just where feed freight assistance, feed freight programs, feed freight policy or feed freight statutes fit into the priorities of this government.

As the House knows, I come from the Annapolis Valley. If the poultry producers and hog producers of the Annapolis Valley were deprived of feed grain assistance they would be in dire trouble. The Annapolis Valley is the king producer in Nova Scotia. I realize there are producers in New Brunswick and a more moderate amount in P.E.I., but Kings county, which is the base of the Annapolis Valley, is being castrated by the electoral commission in its attempt to divide the county. Divided or not, they can never deny the necessity for feed grain assistance and the equalization of feed grain rates in Atlantic Canada so that in truth there is a program that eliminates regional economic disparity, a program that would enable the various economic regions of Atlantic Canada to realize their full potential.

In closing, may I say I hope the Minister of Agriculture, who is presently sitting in the front row, will hobble back

to his own seat and tell us definitively whether feed freight assistance in eastern Canada and in British Columbia is as inviolate as are the Crowsnest pass rates to western Canada, thus enabling us to stabilize our agricultural potential.

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the question being debated now is very much like that which was asked by the hon. member for Richmond (Mr. Beaudoin); therefore my answer will be the same. The hon. member will find in the January 4, 1973 issue of *Hansard*, on page 6, the commitment made by the government in the Speech from the Throne:

> The Government supports the principle of an equitable relationship of prices of feed grain to livestock feeders in various areas of Canada. It is the intention of the Government to implement before the next crop year, procedures that will ensure the optimum development of the feed grain and livestock industries within Canada.

I am confident, Mr. Speaker, that we shall fulfil this commitment. We are now having important discussions with various producer groups in order to ensure that they will be heard and that their views will be taken into consideration in seeking a solution. I am sure no hon. member would want decisions taken without consultation.

Mr. Speaker, the rise in production costs does worry me and the fact that this increase stems from a world shortage of feed grains and protein is of little consolation. However, I am happy that, at least this time, the price the consumer of feed grains receives for his products has also increased. Let us hope that the increase in the cost of production, in stock breeding, will be reflected in the profits of the grain and protein producer and help him stabilize his income and ensuring that he can produce even more feed grains next year.

In closing, Mr. Speaker, I would say that everyone is very much aware of the seriousness of the situation and I know that a practical solution will soon be found.

[*English*]

GRAIN—PROVISION OF RAILWAY CARS TO POINTS WITH LARGE SUPPLIES OF NON-BOARD GRAINS

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, I am glad to see that the minister responsible for the Wheat Board is here tonight. On February 7, 1973, I asked a question regarding the movement of grain in western Canada, particularly in Saskatchewan. The reason I asked the question was that reports from Saskatchewan indicate there are about 150 delivery points in that province plugged up with grain. I have received a number of letters from my own constituency; one from Whitkow, Saskatchewan, which indicated that it has had a full elevator since December 11 and the last train passed through the village on November 29. There was a quota for several more bushels of grain but they could not haul any more as the elevator space was filled.

Let me indicate that I do not bring this matter forward tonight for the purpose of publicity, but because farmers in Saskatchewan generally are facing a real problem. I made several phone calls today to spot-check the situation, and in all fairness to the minister I must say that there appears to be no problem in respect of grain movement at various points in my constituency.

They told me at Paradise Hill that grain is moving to about 90 per cent capacity with cars coming in. They are keeping up quite well. A similar statement was made in respect of some of the grain at Canwood, although they have missed the odd car occasionally. A similar statement was made in respect of Spiritwood, Shellbrook, Holbein and Bapaume. However, at about half the points I phoned there appeared to be problems with non-board grains or the oilseed crop which is rapeseed.

There also appears to be difficulty in respect of the movement of barley. I was told that at St. Walburg, for example, there was congestion in respect of barley to the extent of 49,000 bushels, and some 42,000 bushels of rapeseed. They only have 19,000 bushels of wheat on hand. It seems the wheat is moving well but rapeseed and barley are not being moved at all. The agent indicated to me, also, that trains are run whenever the railway feels like operating them. They say this is a real problem.

• (2220)

In respect of Turtleford, Saskatchewan, they say they have been filled up and congested every weekend since October 1972. They have space for only 4,000 bushels, with a capacity of 93,000 bushels. Barley is very congested, as also is rapeseed. They say they have only a four-car spot and they could use an eight-car spot. They tell me that this situation seems very difficult to change. At Meadow Lake, Saskatchewan, it seems that the problem is about the worst in the constituency I represent. Barley is really congested, with one of the pool elevators having 54,000 bushels of grain on hand and the others ranging from 70,000 to 100,000 bushels. Yet I understand there is a crying need for feed grain in certain parts of Canada. They also indicate that there is a lot of rapeseed on hand which has not been moving well for the last couple of months.

Glaslyn, Saskatchewan, has been congested since the start of the 1972 crop year. They state that rapeseed is really congested and just is not moving. When I spoke to them today on the telephone they told me that the movement of barley is bad too. It was indicated that they could use an eight-car spot instead of a four-car spot. Leask is congested right up to the 140,000 bushel capacity. There is congestion in respect of all grains. They say they are located on the line between North Battleford and Prince Albert and never know when the trains are coming.

This would seem to be typical of the situation in other parts of the country. Elevator agents do not know when to expect the trains. I think we are getting into a *de facto* abandonment of railway lines, as I mentioned in the House previously. I am told that shipments sometimes are three weeks behind schedule. I could mention several other points at which there are problems.

As I have said, there has been some good movement of grain in certain parts of the constituency but it appears that rape and barley are causing problems in certain areas and I would appreciate a response from the minister responsible for the Wheat Board as to the reason the situation exists and what steps he is taking to remedy it.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I appreciate the hon. member saying that grain is moving in great volume and also that the congestion does not exist at all delivery points but only at certain ones. Certainly it does exist sometimes at as many as 10 per cent of the delivery points in the prairie region at any particular point in time, although not at the same one for necessarily very long.

The fact is, of course, that the producers have delivered by now—or by the reports, before the first half of the crop year is complete over 500 million bushels of grain will be delivered into elevators and we have been exporting at the rate of 20 million bushels, which is higher than last year's level when we set an all-time record. The grain is moving very rapidly indeed.

The Wheat Board did open quotas fairly rapidly in the early part of the year, basically to assure itself that there would be supplies available to continue marketing and that farmers would not hold back on those supplies. There is an eight-bushel wheat quota. The barley quota is up to 20 bushels. This is in order to ensure that the supplies come in. I indicated in the House the other day that there was here a friendly bit of disagreement between myself and the Wheat Board about the speed with which they opened quotas. They were concerned to see the supplies. I was satisfied that those supplies would be forthcoming. I was more concerned to try to avoid congestion. However, congestion has resulted from that and from the fact that there is a tremendous demand for rapeseed and other products which has required those quotas to be opened fairly rapidly.

Grain is not distributed evenly across the prairie region, so as quotas are opened more or less evenly there are particular points where there are difficulties. In addition, of course, there are logistics difficulties. The Wheat Board must call forward wheat from places where it is and see that cars are there to haul it out when that is needed. Sometimes points are neglected where other grains not immediately needed for some shipments are to be found.

The first priority is to get grain to the ports. Vancouver, for instance, has had a lot of grain on hand, rapeseed included. Rapeseed movement is going very well and there should be rapid alleviation of all these situations. At the moment grain is moving very well for this time of the year, but we will only hit the tremendous volume again after Thunder Bay opens and the eastern movement goes into full swing again.

In short, the Wheat Board, which has been facing many problems, has been trying to ensure that grain which is needed at markets gets there. It has been trying to ensure that grain comes in so that they can sell with confidence in the future. This has led to certain congestion. I hope this can be avoided in the future with a slightly more careful opening of quotas. There are individual lines where rail problems occur, where during the wintertime grain is not taken out because so little moves over the line that it is simply not economical to move grain during the heaviest snow months.

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

At 10.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, February 14, 1973

The House met at 2 p.m.

[*Translation*]

PRIVILEGE

MR. FOX—STATEMENT RESPECTING ELECTIONS EXPENSES

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

On Monday, a newspaper published in the national capital region appeared to be insinuating that some hon. members, myself included, had not met the requirements of the Canada Elections Act through failure to file their statutory return respecting election expenses with the local returning officer.

Mr. Speaker, this article is inaccurate. I filed the statement referred to with the returning officer of my constituency, on December 30 last, and I was accompanied by my official agent.

Furthermore, this return was later published in a newspaper in my constituency. The Chief Electoral Officer, Mr. Jean-Marc Hamel, confirmed to me by telephone that the article was inaccurate.

[*English*]

ROUTINE PROCEEDINGS

GRAIN

WHEAT BOARD ANNUAL REPORT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I rise pursuant to Standing Order 43 to ask leave of the House to move a motion on a matter of urgent and pressing necessity arising out of the announcement today by the Canadian Wheat Board of the disastrously low final payments on wheat and oats and no payment at all on the barley pool. I move, seconded by the hon. member for Lisgar (Mr. Murta):

That the annual report on the Canadian Wheat Board be referred to the Standing Committee on Agriculture and the Wheat Board and the minister be called to appear before the committee.

Some hon. Members: Hear, hear!

Mr. Speaker: The House has heard the motion proposed by the hon. member for Crowfoot (Mr. Horner). Under the terms of Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

MANPOWER

ADDITIONAL FUNDS FOR LOCAL INITIATIVES PROJECTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Roland Godin (Portneuf): Mr. Speaker, pursuant to Standing Order 43, I ask for the unanimous consent of the House to move the following motion concerning a matter of urgent and pressing necessity.

Since the government has granted unlimited credits to the Unemployment Insurance Fund for the maintenance of unemployed Canadians while the Local Initiatives Program, which enables the unemployed to feel useful and to work, has very limited funds, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House should consider as soon as possible the means to be taken to make available to the Minister of Manpower and Immigration sufficient funds to carry out all the projects submitted, so that the unemployed who are now reduced to idleness may make a worthwhile contribution under the Local Initiatives Program.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Portneuf. This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. Therefore the motion cannot be put at this time.

* * *

[*English*]

NORTHERN AFFAIRS

COMMITTEE ON OIL AND GAS PRODUCTION AND CONSERVATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Wally Firth (Northwest Territories): Thank you, Mr. Speaker. I rise under Standing Order 43. Shi guinjick nitsa ginyha she rinetha go, do ya shi gwooddj thuck dava thlee I enjit oonjit que zhit nitsa gin neeya.

I spoke in that fashion, Mr. Speaker, to make the point that I do not believe anyone in the House understood my words, nor do I think there are many people here who

Committee on Oil and Gas Production and Conservation

understand the people of the Northwest Territories and their problems. Therefore, under Standing Order 43 I seek leave of the House to present a motion, seconded by the hon. member for Skeena (Mr. Howard), on an urgent and pressing matter involving our Canadian north and the northern people. I move:

That this House instruct the Ministers of Indian and Northern Affairs, and of Energy, Mines and Resources, to reconsider the appointments to the five-member committee on oil and gas production and conservation in the Canadian north and in off-shore areas, and that the committee be composed in such a way that it could understand the problems of the north and would truly represent the interests of the Canadian north and its native peoples.

• (1410)

Mr. Speaker: The motion proposed by the hon. member for Northwest Territories requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Mr. Carter: Mr. Speaker—

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

Mr. Speaker: I apologize to the hon. member for St. John's West. The hon. member for Northumberland-Durham is rising on a question of privilege.

Mr. Lawrence: Mr. Speaker, I apologize to you for not being able to give you notice of a matter that just came to my attention and, in addition, the minister has just entered the House. Yesterday, before the Special Committee on Food Prices, the Minister of Consumer and Corporate Affairs referred to an unpublished study by the Restrictive Trade Practices Commission which he indicated had looked at the profits of the grocery store chains which in a period of rising costs showed declining profit margins. My point of privilege is that it is my understanding of the rules that if either a minister or a member refers to a report in the House or in a committee of the House that report should be tabled. Therefore my question of privilege is that the report should now be tabled.

Mr. Speaker: Order, please. There are a number of weak aspects to the proposition made by the hon. member. First, even though this matter has just been brought to the hon. member's attention there is still the requirement of the Standing Order that notice must be given. Second, I would think it is perhaps more a point of order than a question of privilege. Third, the hon. member is trying to bring into the House a matter raised in a committee, and that is entirely out of order. Fourth, the fact that a member or a minister has referred to a document in a committee does not require its tabling. It is only when it is quoted and cited that its tabling may be required.

Mr. McGrath: I rise on a point of order, Mr. Speaker. Yesterday the Minister of Consumer and Corporate Affairs, as my colleague from Northumberland-Durham

[Mr. Firth.]

mentioned, referred to and did in fact quote from an unpublished report of the Restrictive Trade Practices Commission. My understanding is that the minister has a responsibility to table that document in the House once he quotes from it either in the House or before a standing committee. Unless the minister has something to hide, I suggest that he should in fact table that document.

Mr. Speaker: The hon. member has reiterated the point of order raised by the hon. member for Northumberland-Durham. The fact remains that although I appreciate it is a point of order which is subject to interpretation and ruling from the Chair, the ruling in respect of the point of order of the hon. member for St. John's East must be the same as the ruling I just made when the matter was raised by the hon. member for Northumberland-Durham, that this is a point which should be taken up in the committee. We cannot bring to the House a procedural debate that took place in a committee. I suggest respectfully to both hon. members—and of course I have no knowledge of what transpired in the committee—that even if an official document were cited, read or quoted from in a committee the rules and practice and the Standing Orders do not require that that document be tabled in the House. There must be a distinction between the proceedings in committees and the discussions, debates and proceedings in the House. It is a well known rule, which I am sure all members appreciate, that we cannot import into the House the debates, discussions and points of order which might legitimately be raised in a committee.

Mr. Lambert (Edmonton West): Then instruct the chairman, Mr. Speaker.

Mr. Speaker: Order, please.

* * *

FISHERIES

HERRING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, pursuant to Standing Order 43 I beg leave of the House to present a motion of urgent and pressing necessity. I refer to the situation in Placentia, St. Mary's and other bays in Newfoundland where the Department of Fisheries has set quotas with respect to the herring fishery, thereby endangering the herring stock and causing a possible depletion, without first ascertaining, through scientific research, a safe sustainable yield of herring catches in these bays. I therefore move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House instruct the Minister of Fisheries to initiate immediately a thorough scientific investigation into the herring stock in Placentia and St. Mary's Bays in Newfoundland with a view to determining the size of the stock and the sustainable yield; and that pending the outcome of the investigation, strict conservation measures be adopted by imposing closing lines in the bays and that large purse seiners be barred from fishing in the areas so designated.

Mr. Speaker: This motion also requires unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There are yeas and nays, and the fact that there are nays indicates that the motion cannot be put at this time.

* * *

[*Translation*]

HOUSE OF COMMONS

DISPLAY OF CANADIAN FLAG—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I ask leave under the terms of Standing Order 43 to move a motion which I hold to be of national urgency. Tomorrow, February 15, will be the eighth anniversary of our Canadian flag. In most legislative bodies throughout the world, the national flag stands in a place of honour.

Knowing the spirit of good citizenship and patriotism of my hon. colleagues, who are all proud to be Canadians, I trust that my motion will get unanimous support without debate.

I move, seconded by the hon. member for Cochrane (Mr. Stewart):

That the Speaker of the House, following the adoption of this motion, be authorized as of February 15, 1973, to display the Canadian Flag in the House of Commons in such location as he chooses.

[*English*]

Mr. Speaker: The House has heard the motion proposed by the hon. member for Gaspé. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: It is difficult for the Chair to determine whether there is unanimous consent. I might say that when some members say "agreed" and others say "d'accord" it is perhaps even more difficult to make out what the consensus of the House is. I want to make sure, if there is unanimous censent, that it is made clear to the Chair. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: I think there is unanimous consent.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Motion agreed to.

• (1420)

[*Translation*]

Mr. Laprise: On a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Abitibi is rising on a point of order.

Cablevision

Mr. Laprise: Mr. Speaker, we gave unanimous consent on the preceding motion and we would like to have the same opportunity when we, in turn, present motions under Standing Order 43.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

ACTIVITIES OF CERTAIN COUNSELLORS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the current practice of some former government employees acting as consultants to their former departments upon leaving government service, thereby trading on the expertise and associations gained there, and in view of the number of former DREE employees now so engaged as consultants to applicants seeking DREE benefits, I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That this whole matter be referred to the Standing Committee on Regional Economic Expansion with instructions to consider possible amendments to existing legislation or enactment of new legislation such as exists in other jurisdictions notably the United Kingdom, to halt this highly objectionable practice.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Central Nova. Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The hon. member's motion cannot be put.

* * *

[*Translation*]

BROADCASTING

CABLEVISION—REPRESENTATIONS TO CANADIAN CRTC—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the terms of Standing Order 43, I ask for unanimous consent to move a motion on a matter of urgent and pressing necessity. As the Canadian Radio-Television Commission no longer issues cablevision licence in areas where only one television system is in operation, the Lower St. Lawrence and Gaspé areas will be cut off from an important source of information.

Therefore, seconded by the hon. member for Kamouraska (Mr. Dionne) I move:

That the minister responsible for the Department of the Secretary of State make representations to the CRTC in order to give those the information services they are entitled to.

Mr. Speaker: Hon. members have heard the motion presented by the hon. member for Rimouski under Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I regret to inform the hon. member that there is not unanimous consent. Therefore, his motion cannot be put at this time.

* * *

[*English*]

RURAL AIRPORT DEVELOPMENT ADVISORY COMMITTEES BILL

On the order: Introduction of Bills:

February 9—Mr. Howard—Bill intituled: "An Act to provide for the establishment of Rural Airport Development Advisory Committees".

Mr. Speaker: Before putting this motion I think I should advise the hon. member that the Chair has had an opportunity to look at the proposed bill and there are, to my way of thinking, money implications. The hon. member seems, at least in some respects in the bill, to infringe the financial initiative of the Crown. Perhaps some minor changes to the bill might make it acceptable from the procedural point of view, unless the hon. member has come to the House armed with the Royal Recommendation. He may have this in his possession, in his pocket, at the present time, and that, of course, would make the bill acceptable. If he does not possess this all-important procedural document, I would think it would be helpful if he would have a brief discussion with the parliamentary counsel. I am sure some slight adjustments would make the bill perfectly acceptable at least from the procedural standpoint. This is the advice I take the liberty of giving to the hon. member for Skeena.

Mr. Howard: Mr. Speaker, I would not seek to obtain the royal authority you mentioned because I think that is an infringement upon the rights of all members.

Some hon. Members: Oh, oh!

Mr. Howard: In any event, I have had a discussion with the law clerk of the House. Following that discussion the matter which I think you have your eye upon was put into order, but perhaps that information has not yet reached Your Honour. Therefore I will ask that the bill stand.

Mr. Speaker: I appreciate the comments made by the hon. member and I shall look again at the proposed bill. As I said, the difficulty is not of a substantial nature and if that aspect is corrected the motion for introduction of the bill could then be put. The hon. member requests that the bill stand. Stand.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[Mr. Speaker.]

PUBLIC SERVICE SUPERANNUATION ACCOUNT

Question No. 8—**Mr. Knowles (Winnipeg North Centre):**

1. What was the total amount of money in the Public Service Superannuation Account as at (a) March 31, 1970 (b) March 31, 1971 (c) March 31, 1972?

2. What rate of interest has the government paid for the use of this money during the fiscal years ending on the dates noted above?

3. What amount of interest was credited to the Public Service Superannuation Account during the fiscal years ending (a) March 31, 1970 (b) March 31, 1971 (c) March 31, 1972?

4. What was the total amount paid out of the Public Service Superannuation Account during the fiscal years ending (a) March 31, 1970 (b) March 31, 1971 (c) March 31, 1972?

Hon. C. M. Drury (President of the Treasury Board): 1. The amount credited to the Public Service Superannuation Account as of: (a) March 31, 1970, $3,695,308,333; (b) March 31, 1971, $4,097,595,197; (c) March 31, 1972, $4,607,185,498.

2. Interest was paid on this account at the rate of 1.0000 per cent per quarter up until the quarter ending June 30, 1969. T.B. Minute 692055 dated September 25, 1969 amended section 35 of the Public Service superannuation regulations, and the actual interest rates subsequent to this date were as follows: Quarter ending September 30, 1969, 1.2416 per cent; quarter ending December 31, 1969, 1.2575 per cent; quarter ending March 31, 1970, 1.2868 per cent; quarter ending June 30, 1970, 1.3174 per cent; quarter ending September 30, 1970, 1.3262 per cent; quarter ending December 31, 1970, 1.3427 per cent; quarter ending March 31, 1971, 1.3597 per cent; quarter ending June 30, 1971, 1.3838 per cent; quarter ending September 30, 1971, 1.3896 per cent; quarter ending December 31, 1971, 1.4004 per cent; quarter ending March 31, 1972, 1.4157 per cent.

3. The total amount of interest credited to the Public Service Superannuation Account during the fiscal year ending: (a) March 31, 1970, $130,993,152; (b) March 31, 1971, $147,693,942; (c) March 31, 1972, $163,707,472.

4. The total amount paid out of the Public Service Superannuation Fund during the fiscal year ending: (a) March 31, 1970, $95,880,827; (b) March 31, 1971, $107,680,-817; (c) March 31, 1972, $118,635,547.

Note: The total annual amounts being credited to the account which include interest are set to be just sufficient to meet estimated future obligations under the act.

ESTABLISHMENT OF POST OFFICE IN NORTH DELTA, BRITISH COLUMBIA

Question No. 34—**Mr. Reynolds:**

Has the government any immediate plans to establish a post office in North Delta, British Columbia, which has a population of over 25,000 and, if so (a) on what date does the government intend to call tenders (b) on what date do they anticipate the post office will be completed?

Hon. André Ouellet (Postmaster General): The post office and sub post offices in North Delta, appear to provide adequate service for the area. In addition, a letter carrier depot is being established to provide further service.

CANADIAN WHEAT BOARD—HOPPER CARS

Question No. 39—**Mr. Gleave:**

Will the Minister responsible for the Wheat Board inform the House as to the status of the 2,000 hopper cars which he announced in the 28th Parliament would be purchased and put at the disposal of the Canadian Wheat Board and, if so (a) how many of these cars were in service as of January 1, 1973 (b) had an agreement been reached with the CNR and the CPR as to the recovery of depreciation and maintenance costs for this tank car fleet prior to putting these cars into service (c) does the Minister have assurance from the two major railroads that they will not reduce the numbers of their own rolling stock for the purpose of grain movement as and when the 2,000 hopper cars are made available (d) has an agreement been reached with the P.G. and E. Railroad for the use of these cars?

Hon. Otto E. Lang (Minister of Justice): 1. (a) CP Rail 494; CN 292; (b) An interim operating agreement has been reached to permit the cars to be placed in service in the quickest possible time following manufacture. Negotiations have been going on prior to the first car going into service and are continuing to resolve the remaining outstanding matters; (c) Assurances have been given by the railways that they will not accelerate the retirement of their fleet of grain box cars; (d) No agreement is contemplated with the British Columbia Railway (formerly Pacific Great Eastern).

*ROYAL CANADIAN MOUNTED POLICE SIGNS

Question No. 53—**Mr. Diefenbaker:**

1. By province since January 1, 1972, how many (a) Detachments (b) automobiles or other vehicles have had the descriptive letters RCMP removed and the word "Police" substituted therefor?

2. By province since September 1, 1972, on how many automobiles or vehicles have the said letters been restored?

3. Under whose authority was such action under Parts 1 and 2 taken by the Solicitor General?

4. Did the Prime Minister, as undertaken by him in a public statement, direct the restoration of said letters and, if so, on what date?

5. Has there been a recent directive to the RCMP rescinding the earlier direction that the said letters should be restored and, if so, on what date, for what reason and under whose authority?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am informed as follows: (a) No building signs were altered, however, 26 signs containing the crest of the Royal Canadian Mounted Police and the word Police were installed on operational buildings replacing signs which contained the crest of the force and the words Royal Canadian Mounted Police or Gendarmerie royale du Canada. Additionally, 26 signs bearing the crest of the force and the word police were installed on new buildings previously unmarked which the force was occupying for the first time. (Annex 1) (b) Eighteen police vehicles had the shield containing the description letters RCMP removed and the shield containing the word police substituted therefor. Additionally, 622 police vehicles had the shield containing the word police installed as new or replacement vehicles previously unmarked. (Annex 2)

2. Nil.

3. The policy change for building and vehicle signs was authorized by the Commissioner of the Royal Canadian Mounted Police under section 5 of the Royal Canadian Mounted Police Act, the first building sign being taken into use in March, 1970 and the first vehicle signs in January 1972. The conversion of signs under this policy was discontinued on April 28, 1972 save in the case of 86 vehicles (included in the total of 622 vehicles referred to in Part 1 (b) which were marked subsequently to that date for reasons of operational necessity.

4. No undertaking was given by the Prime Minister in the terms stated. He did indicate, however, in a public statement on April 27, 1972, that the program replacing RCMP insignia on buildings and patrol cars had been halted.

5. Not applicable since, as stated in Part 4, no direction for the restoration of the letters RCMP had been given.

Mr. Speaker, there are two annexes to this question; I wonder if I could merely table them with the question?

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

PUBLIC SERVICE COMMISSION—PUBLIC RELATIONS CONTRACTS

Question No. 75—**Mr. Nystrom:**

1. What were the amounts of money spent by the Public Service Commission on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72?

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

3. What contracts for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each case and what is the purpose of each contract?

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): I am informed by the Public Service Commission as follows:

Year: 1968-69	Amount $	Nature of Service
Canadian High News Ltd., 62 Shaftesbury Ave., Toronto 7, Ontario.	9,061.50	Advertising
Whitsed Publishing Ltd., 42 Mercer, Toronto, Ontario	3,781.00	Advertising
W. J. L. Gibbon & Associates Keith Road, West Vancouver, B.C.	4,070.00	Photos for recruitment literature
Saturday Night Publication Second Century Canada Publications Inc., 52 St. Clair Ave. E., Toronto 7, Ontario	3,083.00	Advertising
MacLean-Hunter Ltd., 481 University Ave., Toronto 2, Ontario.	32,483.54	Advertising

Order Paper Questions

Year: 1969–70	Amount $	Nature of Service
Weekend Magazine, The Montreal Standards Publishing Co. Ltd., 231 St. James St. W., Montreal 126, P.Q.	4,103.00	Advertising
Southstar Publishers Ltd., The Simpson Tower, 401 Bay St., Toronto, Ontario.	4,280.00	Advertising
Year: 1970–71		
Townley Publishing Co. Ltd., 1129 Leslie St., Don Mills 403, Ontario.	4,581.62	Advertising
Year: 1971–72		
Keys Advertising Associate, 25 Hamilton North, Ottawa, Ontario.	9,592.50	Advertising
University and College Placement Assn., 254A Main Street North, Markham, Ontario.	3,200.00	Advertising
Carousel Productions Ltd., 376 Churchill Ave., Suite 306 Ottawa 3, Ontario.	8,762.00	Production of Film Strips
Year: 1972–73		
Stewart Green Co. Ltd., 486 Bank Street, Ottawa, Ontario.	700.00	Advertising
Donald Keyes Ltd., 25 Hamilton Ave. North, Ottawa 3, Ontario.	5,381.00	Advertising
Brea'k, Pain & Watt Ltd., Box 88, Toronto Dominion Bank Tower, Suite 3502, Toronto, Ontario.	1,953.00	Advertising

VICTORIA, B.C.—NUMBER OF DREE PERSONNEL

Question No. 138—**Mr. McKinnon:**

1. How many Department of Regional Economic Expansion personnel are there in the office or offices at 1175 Douglas Street, Victoria, B.C.?

2. What is the annual or monthly rent for the premises (a) in total (b) per square foot?

3. How many DREE projects were approved by or through that office in the period January 1 to November 1, 1972?

What is the total annual payroll for the personnel employed there?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Six

2. (a) Annual rent for 2,368 square feet, $14,752.64. (b) $6.23 per square foot.

3. The office's main operational role in the period in question was to analyze and recommend on provincial government proposals for action under the ARDA program. Nineteen projects calling for total federal assistance of about $2.4 million were dealt with in this way. During the period, however, local DREE personnel was also involved in extensive discussions with provincial representatives which resulted in the signing of an agreement for the implementation of the Special ARDA program in B.C. The Victoria office is responsible for the administration of this new program and, while no projects had been approved as of November 1, 1972, 17 applications seeking federal assistance of approximately $5.4 million had been received and were under consideration. The Victoria office is not directly involved in the processing of applications under the Regional Development incentives Act, but does receive and deal with many enquiries and this activity represents an important part of its responsibilities.

4. $67,734 for the 1972-73 fiscal year.

HOPPER CARS

Question No. 197—**Mr. Gleave:**

1. How many of the government's new hopper cars were allocated to (a) CPR (b) CNR?

2. How many box cars previously used in grain movement have been scrapped since September 1, 1972 by (a) CPR (b) CNR?

3. Are there any restrictions placed on the use of the hopper cars in so far as what commodities will be carried?

4. (a) What braking systems are used on the government's hopper cars (b) who designed the braking system, have all of the cars the same type of braking systems and, if not, which railway received each respective braking equipment (c) have there been any previous hopper cars built with the braking equipment now being used on the government's hopper cars and, if so, have any known defects been reported insofar as their use is concerned?

5. Have there been any reported problems encountered with the hopper cars now being used by (a) CPR (b) CNR and, if so, what are these problems?

Hon. Otto E. Lang (Minister of Justice): 1. (a) 1,074 CP Rail; (b) 926 CN.

2. (a), (b); 46 CP, 344 CN. Box cars used in grain service are restricted to those with six foot doors. Figures include cars assigned exclusively to grain service and general purpose box cars not exclusively assigned.

3. Restricted to the carriage of grain as defined in the wheat Board Act delivered to the railways from the western division.

4. (a) The braking system incorporated on the cars is the AB freight brake equipment with B-1 quick service valve. Aside from the quick service valve, the principal components include the ABD control valve and Wabcopac truck-mounted unit brake assemblies with 9'' diameter brake cylinders; (b) The Brake system on all cars is designed by the manufacturers, Westinghouse Air Brake Company and New York Air Brake Co., to Association of American Railroads specifications; (c) All 100-ton covered hopper cars built for CP Rail since 1964 have AB freight brake equipment with Wabcopac brake assemblies but have not included the B-1 quick service valve. The quick service valve is a relatively new development originally designed to provide more efficient braking on cars of more than average length but has more recently been adapted for use on any size of car to promote maximum possible response and uniformity in brake action. Its use is required, for example, on such long cars as multi-level autorack cars and the long variety of piggyback flat cars, and because of the length of brake pipe in the Canadian Wheat Board grain cars, it is considered desirable to install the quick service valve for optimum braking

response. No deficiencies in braking action have been experienced on CP Rail's several types of long cars such as multi-level cars and piggyback flats that are already equipped with B-1 quick service valves.

5. (a) CP Rail problems experienced are all of the fail-safe variety and have involved either the failure of train brakes to release after an application, causing the train affected to stop, or the development of brake pipe leakage to such an extent that it has been impossible to start the train out of the yard until the cause has been found and remedied. In all cases where deficiencies have occurred, corrective action has been taken which has returned the cars to service in satisfactory condition; (b) CN: There has been a problem reported on the quick service valves. However, the nature of the problem is such that it could cause delays in charging time but does not affect braking ability of a train. In any event these valves were temporarily isolated before the cars entered service. They will not be used until the problem is rectified.

NUMBER OF POST OFFICE CALENDARS PRODUCED

Question No. 224—**Mr. Crouse:**

1. How many 1973 calendars were produced by the Post Office Department, without charge?

2. To whom were these calendars distributed?

3. What is the name of the company that produced the calendars?

4. What was the cost of production and distribution of these calendars?

Hon. André Ouellet (Postmaster General): 1. 800,000.

2. They were distributed through major post offices across the country, to the general public and to the business community. They were also mailed to post office employees.

3. They were produced by Metropole Litho Inc., Montreal, for l'Agence Canadienne de Publicité, an advertising agency.

4. The production cost was $269,866.20. Distribution was effected through major post offices at no cost to recipients.

COMPANIES LISTED WITH DIRECTOR GENERAL, DEPARTMENT OF SUPPLY AND SERVICES

Question No. 251—**Mr. Andre:**

1. How many companies are listed with the Director General, Scientific Procurement of the Department of Supply and Services?

2. What is the distribution, by province, of the head offices of these companies?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Subsequent to the government's new contracting out R&D Policy announced last August 15, the Department of Supply and Services began to create a source information system specifically related to R&D contracting. To date 646 companies have been listed. In response to publicity inviting industry to register with DSS for potential contracts, it is expected that within the next few months this list could grow to two thousand or more.

2. Northwest Territories, 1; British Columbia, 39; Alberta, 26; Saskatchewan, 8; Manitoba, 23; Ontario, 369; Quebec, 159; New Brunswick, 5; Nova Scotia, 14; Prince Edward Island, 1; Newfoundland, 1.

[*English*]

ESTABLISHMENT OF REGULAR AIR SERVICE BETWEEN CUBA AND CANADA

Question No. 260—**Mr. Macquarrie:**

1. What discussions have been held concerning the establishment of a regular commercial air service between Cuba and Canada?

2. What has been the result of such discussions?

3. Is it contemplated that the service be between Halifax and Havana?

4. Have officials of Eastern Provincial Airways been consulted on any negotiations for such a service?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. There have been no negotiations between Canada and Cuba regarding the operation of scheduled air services between the two countries. At their request, Cuban officials, however, have been given information on Canadian policy respecting charter flights and were told that the Canadian government would expect Canadian carriers to have equitable participation in any charter flights organized between the two countries. The contractual arrangements with carriers would be a matter to be settled by those chartering the aircraft.

2. Not applicable.

3. Not applicable.

4. Not applicable.

DREE PROGRAM—GRANT TO WIRE ROPE INDUSTRIES OF CANADA LTD.

Question No. 284—**Mr. Cossitt:**

Has the government received any communications from Wire Rope Industries of Canada Ltd. on the subject of a possible government grant under the DREE Program for construction of a new plant in Quebec and, if so (a) what were the dates of such communications (b) who signed such communications on behalf of the Company (c) what action was taken by the government?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The Department of Regional Economic Expansion must consider such information as confidential until an offer has been made and accepted. However, it can be said that, to date, no offer has been accepted by this Company.

COST OF PRODUCTION OF POST OFFICE CALENDARS

Question No. 493—**Mr. Beaudoin:**

1. What was the total cost of production (including all editions) of the 1973 calendar printed by the Post Office Department?

2. How many calendars were printed?

3. Who was responsible for the content and indicated holidays?

4. Was the Postmaster General aware of the content and indicated holidays before it was published?

5. Were there two different editions printed of this calendar and, if so, for what reason?

Hon. André Ouellet (Postmaster General): 1. $269,866.20.

2. 800,000.

3. L'Agence Canadienne de Publicité and Public Affairs Branch, Post Office Department.

4. No.

5. There was one edition which was revised after some errors were discovered.

ANNUAL REVENUE TO POST OFFICE IN LIBAU, MANITOBA

Question No. 518—**Mr. Rowland:**

In each of the past five years (a) what was the annual revenue of the Post Office in Libau, Manitoba (b) what was its annual operating cost?

Hon. André Ouellet (Postmaster General): (a) Annual Revenue: 1967-68, $766.92; 1968-69, $625.32; 1969-70, $696.47; 1970-71, $983.00; 1971-72, $986.00. (b) Annual operating costs for salary and rent only: 1967-68, $4,179.95; 1968-69, $4,443.38; 1969-70, $3,923.38; 1970-71, $3,796.53; 1971-72, $3,990.84.

PEI—DESIGNATED PORTS

Question No. 533—**Mr. Macquarrie:**

1. What are the names of the fishing harbours in Prince Edward Island officially described as "designated ports"?

2. How many other harbours are to be similarly designated?

3. What are the criteria for the status of "designated port"?

4. What part does the government play in the process of designation?

5 What reasons prevent Covehead from being a designated port?

6. How do the maintenance and improvement responsibilities of the government differ as between designated and other ports?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. The fishing harbours in Prince Edward Island officially described as designated ports are: Tignish, Skinner's Pond, Miminegash, Howard's Cove, Abrams Village, Alberton, Rustico, Naufrage, North Lake, Graham's Pond, Murray Harbor (Beach Point), Malpeque, Morell, Wood Islands, Tracadie, Launching, Milligan's Wharf, French River and West Point.

2. Under the development plan for P.E.I., the expansion of landing facilities is to be concentrated in some 14 to 20 ports. To date 19 have been designated thus leaving room for one more.

3. The criteria used by the Province to determine which inshore fishing ports to propose for designation are: (a) distance from other ports; (b) numbers of fishermen and boats; (c) the weight and value of fish landed.

4. The Federal-Provincial Joint Advisory Board, established under the terms of the agreement to administer the plan, considers for designation those inshore fishing ports which are proposed by the province and recommended by the plan management group. The government has equal representation with the province on the board and the management group.

5. Covehead has not been proposed by the province for designation.

[Mr. Ouellet.]

6. The designated inshore fishing ports are eligible for assistance for the installation of new facilities and for the expansion of existing facilities to meet the needs of the fishing industry. Non-designated ports are eligible for assistance with essential maintenance only.

LOAN—EQUIPMENT TO HANDLE BULB FERTILIZERS

Question No. 540—**Mr. Reynolds:**

1. What is the interest on the loan for the purchase of equipment to handle bulb fertilizers at Indian ports as announced in CIDA press release No. 72-59?

2. Does the loan agreement call for the purchase of materials from Canada and, if so, what Canadian firms are benefitting from this program?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. This is an interest free loan repayable in 50 years with ten years grace before principal payments begin.

2. The loan agreement specifies that the purchase of materials be made from Canadian suppliers. Canadian firms in receipt of contracts for equipment to date: (1) Buhler Brothers (Canada) Ltd., Don Mills, Ont.; (2) Robert Morse Corp. Ltd., Ville St. Pierre, Que.; (3) Crousse-Hinds Co. of Canada Ltd., Montreal, Que.; (4) Rex Chain Belt (Canada) Ltd., Montreal, Que.; (5) Aeromotive Manufacturing Co., Montreal, Que.; (6) Federal Equipment Eastern Div., Montreal, Que.; (7) Union Electric Supply Co. Ltd., Montreal, Que.; (8) Jeffrey Mfg. Co. Ltd., Montreal, Que.

DEVELOPMENT OF EXTENSIVE COPPER DEPOSITS AT RAKHA IN BIHAR STATE

Question No. 541—**Mr. Reynolds:**

1. Is there to be Canadian participation in the feasibility study for development of extensive copper deposits at Rakha in Bihar State as announced in CIDA press release No. 72-59 and, if so, to what extent?

2. Is it the intention of the government to have Canadian participation in the mining production?

3.Is the $300,000 mentioned in the press release an outright grant or is it a loan?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. On November 23, 1972, the government of Canada entered into an agreement with the government of India in the form of a $300,000 grant to India concerning the provision of the services of Canadian consulting engineers for a feasibility study of the Rakha copper deposits in Bihar State.

2. So far, this study will be undertaken with a view to providing recommendations on which to effect mine development and to supplying preliminary engineering studies of production operations at the Rakha copper mine site.

3. The amount allocated is in the form of a grant.

RESTORATION OF PLACE ROYALE, QUEBEC CITY

Question No. 581—**Mr. Lambert (Bellechasse):**

1. Has the Department of Regional Economic Expansion paid any money to the Government of the Province of Quebec under

the Canada-Quebec Agreement of 1970-1972 for the restoration of Place Royale in Quebec City?

2. What was the amount paid as of December 31, 1972?

3. What is the estimated total cost of restoration?

4. What will be the total share of the federal government?

5. Was the federal government consulted on the awarding of contracts for Place Royale without public tenders, as stipulated in the Canada-Quebec Agreement of 1970?

6. Was the decision to award contracts without tenders made by Mr. Yves Malépart of DREE or by the Minister?

7. What were the main reasons for the decision?

8. Will the total cost of the restoration be less since contracts were awarded without tender?

[*Translation*]

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes.

2. $3,795,000 in grants $586,000 in loans.

3. Approximately $18 million to restore some 75 houses.

4. The actual commitments of the federal government to date amount to $4,330,000 in grants and $1,150,000 in loans under the Canada-Quebec Agreement on Special Areas.

5. Yes.

6. This decision was made jointly by the minister and the hon. Robert Bourassa, following the recommendation of the Quebec Department of Cultural Affairs.

7. The joint federal-provincial committee had granted the Quebec government a request that contracts for this project be given without tenders being called because the nature of the undertaking is such that firm prices could not be obtained for this kind of work. Officials of the department had investigated the matter and had sought the advice of federal experts before granting the request of the Quebec authorities.

8. It is impossible to answer this question because, as stated above, the nature of the undertaking is such that firm prices cannot be obtained for this kind of work.

[*English*]

Mr. Speaker: Starred Question No. 663.

Mr. Cafik: Mr. Speaker, as the reply to Starred Question No. 663 is somewhat lengthy, I would ask permission of the House to have the answer printed as if read.

Mr. Nielsen: Mr. Speaker, on a point of order relating to the documents just tabled by the Solicitor General on starred question No. 53, although he asked the permission of the House, perhaps they might also be printed as if read.

Mr. Allmand: Mr. Speaker, I would ask to table two annexes which were attached to the question and give further information.

Mr. Lambert (Edmonton West): Print them in *Hansard.*

Mr. Speaker: Is this agreed?

Mr. Lambert (Edmonton West): Mr. Speaker, on that point, may I suggest that what the Solicitor General ought to have said is that they should be printed as an appendix to *Hansard.* If they are tabled, the documents will remain downstairs in the parliamentary returns office and, unless someone knows about them and gets copies of the documents and relates them to the question, the total answer will be incomplete.

Mr. Nesbitt: Mr. Speaker, with regard to the starred question I placed on the order paper, No. 663, I am quite agreeable to having any schedules or tables printed as an appendix to *Hansard* but I cannot see why the answers to such questions should be so lengthy that they cannot be read in the House. If the answer extends over several pages, I could agree; otherwise, I should like to have it read.

Mr. Speaker: Perhaps before the parliamentary secretary, who is apparently prepared to read the answer into the record, does so, I might say that it is my understanding that there is agreement that the annexes to which the Solicitor General referred be appended to *Hansard.* Is this agreed?

Some hon. Members: Agreed.

[*Editor's note: For annexes to starred question No. 53 referred to above, see appendix.*]

Mr. Lambert (Edmonton West): The answers to starred questions should always be read.

Mr. Cafik: Mr. Speaker, I apologize to the House for suggesting that the answer be taken as read. I was trying to conserve the precious time of the chamber.

*CANADA PENSION PLAN—DISABLED PERSON'S PENSIONS

Question No. 663— **Mr. Nesbitt:**

1. What is the total number of "medical advisers" who advise the Minister of National Health and Welfare with respect to decisions on applications for a Disabled Person's Pension under the Canada Pension Plan?

2. What are the required qualifications and experience of these advisers?

3. Do all of the present advisers meet the qualifications outlined in Part 2?

4. Are consultations required to be held with the "family doctor" when applications are made?

5. Are consultations ever held with the applicant's family doctor and, if so, under what circumstances?

6. Does the Minister personally review complaints concerning the decisions of his medical advisers?

7. Is it the policy of the Department to disregard recommendations of an applicant's family doctor when applications are made for a Disabled Pension?

8. How many applicants for the Disabled Pension have been personally examined by the Minister's medical advisers?

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the answer to the first part of the question is: At present there are 13 full time medical advisers making recommendations with respect to Canada Pension Plan disability pensions. In addition, four medical advisers work on a part-time basis.

The answer to Part 2 is: The required qualifications for medical advisers are an M.D. degree from a recognized university together with some years of clinical experience and/or public health experience.

The answer to Part 3 is: Yes.

The answer to Part 4 is: A medical report from the records of the treating physician is requested by the applicant in each case and accordingly is included as part of the documentation upon which medical advisers advance their recommendations.

The answer to Part 5 is: The treating physician is contacted by the departmental medical adviser if more information is required on the current status of the applicant's medical condition.

The answer to Part 6 is: There is, in the law, a three-stage appeal procedure which applicants may pursue if they wish. However, the minister may review those complaints which are brought to his personal attention.

The answer to Part 7 is: No.

The answer to Part 8 is: Canada Pension Plan staff medical advisers do not personally examine applicants. However, specifialists in appropriate fields perform examinations at the request of the Canada Pension Plan when such examinations are felt necessary for recommendations to be made. Such special examinations are performed with the consent of the applicant and at the expense of the Canada Pension Plan Administration.

[*English*]

NUMBER OF STUDENTS HIRED BY DEPARTMENT OF SUPPLY AND SERVICES IN SUMMER 1971-72

Question No. 687—**Mr. Muir:**

1. How many students were hired by the Department of Supply and Services in the summers of 1971 and 1972?

2. For how many months were they hired and what were they paid as an average wage?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. In 1971, 319 students; in 1972, 362 students.

2. In 1971 students were hired for a total of 795 months. In 1972 students were hired for a total of 985 months. In 1971 the average monthly wage paid was $441. In 1972 the average monthly wage paid was $409. In 1971 the average summer wage paid was $1,243. In 1972 the average summer wage paid was $1,137.

POSTAL SERVICE

Question No. 709—**Mr. Stackhouse:**

1. During 1972, did the Post Office prohibit postal service for any books published (a) by Canadian firms (b) by firms outside Canada?

2. What were the titles of these books?

Hon. André Ouellet (Postmaster General): 1. (a) No; (b) No.

2. Not applicable.

*DEPARTMENT OF REGIONAL ECONOMIC EXPANSION INVOLVEMENT IN HIRING PROCESS FOR PEI DEPARTMENTS

Question No. 755—**Mr. MacDonald (Egmont):**

1. Was the Department of Regional Economic Expansion involved in the hiring process of the following personnel of the Department of the Environment and Tourism for the Province of Prince Edward Island (a) General Manager, Tourism Marketing Branch (b) General Manager, Parks and Resorts Branch (c) Senior Planning Officer (d) Tourist Literature Specialist?

2. Did the Department participate in any way in the advertisement campaign for these jobs?

3. Did the Department require the Province of Prince Edward Island to advertise in selected regions of Canada and, if so, what were these locations?

4. Did the Department set the criteria for any of these jobs?

5. Did any officer of the Department participate in any of the interviews held for these jobs and, if so, where were the interviews for these jobs held and for what reason?

[*Translation*]

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the reply is as follows: 1. No.

2. No.

3. No.

4. No.

5. No.

[*English*]

"COMMUNICATION '73"

Question No. 759—**Mr. Reynolds:**

1. What was the cost of producing "Communication '73", No. 30, published January, 1973?

2. What is the distribution list for this publication?

3. How many copies of the January issue were printed and how many mailed?

Hon. André Ouellet (Postmaster General): 1. $2,435.87.

2. All post office employees, Senators, Members of Parliament and some news media.

3. (i) 50,000, (ii) 48,410.

*THIRD NATIONAL PARK ON EASTERN SHORE OF NOVA SCOTIA

Question No. 782—**Mr. Forrestall:**

1. With respect to the answer to question Number 145, will the government now advise the House when the evaluation of the public meetings referred to will be completed?

2. Will the government advise whether there is an expiry date on the Memorandum of Agreement and, if so, when will the Memorandum lapse?

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the answer to Part 1 is as follows. The evaluation is being carried out in conjunction with the Province of Nova Scotia. No advice concerning the date of its completion is yet available.

The answer to Part 2 is as follows: The Memorandum of Agreement itself has no expiry date. The memorandum does suggest that certain tasks to be performed by a joint federal-provincial committee be completed and reported on within six months of the signing of the memorandum. The option to extend the time limit for this report is available to both governments.

*CANADA PENSION PLAN BENEFITS

Question No. 789—**Mr. Rynard:**

1. How many people applied for Canada Pension Plan benefits because of disability and did not qualify for the years 1969, 1970, 1971 and 1972?

2. How many people were classified as being disabled and supported by their own doctor's report did not qualify for the Canada Pension after being assessed by doctors employed by the Department of National Health and Welfare for the years 1969, 1970, 1971 and 1972?

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, in replying to the first part of the question with respect ot the year 1969, the question is not applicable because disability pensions commenced to be paid under the Canada Pension Plan from February, 1970, only. With respect to 1970, the determined as disabled numbered 3,087. The determined as not disabled numbered 670. The figure for action discontinued due to application withdrawal or insuffient earnings is 203, and the total for the year 1970 is 3,960. For 1971 the figures are as follows: determined as disabled, 10,019; determined as not disabled, 2,259; action discontinued due to application withdrawal or insufficient earnings, 480, the total for the year 1971 being 12,758. With respect to 1972 the figures are as follows: determined as disabled, 14,951; determined as not disabled, 4,572; action discontinued due to application withdrawal or insufficient earnings, 640, the total for 1972 being 20,163.

The answer to Part 2 of the question is as follows: In the case of disability pension applications under the Canada Pension Plan, the applicants' own physicians are not asked to determine whether a person is disabled under the Canada Pension Plan legislation, since the decision is more than purely medical in nature and must be made, as required by the legislation, by the Canada Pension Plan Administration. The applicant's physician is simply asked for objective findings of any functional limitations. This procedure, including the medical report form answered by physicians, was approved by a committee of experts on disability assessment, which included a representative from The Canadian Medical Association.

The statistics of the nature requested are not kept since the applicant's physician is only forwarding a medical report; that is, the physicians are requested to report their objective findings, rather than to provide their opinion as to whether the applicant meets the requirements of the Canada Pension Plan legislation.

After the application is received along with the medical and other reports, if it is felt that more medical information is required, the applicant is asked to undergo an examination by a medical specialist (consultant) at Canada Pension Plan expense. With this information, a large number of applicants are able to complete the legislative requirements—

Mr. Speaker: Order, please. Despite the exchange which took place earlier between the parliamentary secretary and other hon. members, I would think that an attempt should be made by the House to consider the terms of Standing Order 39(4) which provides:

If a question is of such a nature that, in the opinion of the Minister who is to furnish the reply, such reply should be in the form of a return, and the Minister states that he has no objection to laying such return upon the Table—

Clearly, the answer may be made an order for return. That has been the long established practice of the House. In such a situation the reply is made by the House itself an order for return. I would hope that this might be done in relation to the answer which the parliamentary secretary is giving to the House at present. I am not sure how long he has yet to go, but I would hope that there would be consent to make this reply an order for return.

Some hon. Members: Agreed.

Mr. Cafik: Mr. Speaker, I think there are about 15 more words to go, if the House would be satisfied with English; if it wants the reply in French, it will take a little longer.

Mr. Speaker: Order, please. I think it might be agreed that the reply be made an order for return.

Some hon. Members: Agreed.

Return tabled.

POST OFFICE—INSUFFICIENT POSTAGE ON LETTERS FROM LIBERAL PARTY

Question No. 815—**Mr. Cossitt:**

Did the Post Office Department collect any postage due because of insufficient postage being placed by the Liberal Party of Canada on imitation personal letters from the Prime Minister and mailed to approximately 35 constituencies, including Leeds, shortly before October 30, 1972 and, if so (a) what was the amount of overdue postage paid (b) what was the date the Department received such payment?

Hon. André Ouellet (Postmaster General): Yes. (a) $130.56; (b) October 27, 1972.

*NUMBER OF UNITED STATES DRAFT EVADERS IN CANADA

Question No. 823—**Mr. Diefenbaker:**

What is the government's estimate of the number of United States draft evaders in Canada?

Mr. Mark MacGuigan (Parliamentary Secretary to the Minister of Manpower and Immigration): Mr. Speaker, the fact that an applicant from the United States is, or may be, seeking to avoid military service in his own country is not considered in determining his admissibility to Canada. Consequently draft evaders are not identified as such in Immigration records and, short of conducting a special survey or registration, it is not possible to provide an estimate, based on other than a guess, of the members in Canada.

Mr. Diefenbaker: Ninety thousand.

• (1440)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder whether I can be told when I may expect an answer to my starred question No. 811 in which I ask whether the Minister of Finance has had discussions with the chartered banks regarding the escalating of the pensions of their retired employees.

Vancouver Airport

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will try to escalate the answer.

MOTIONS TO ADJOURN UNDER S.O. 26

INDIAN AFFAIRS

CLAIMS OF JAMES BAY AREA NATIVES AFFECTED BY HYDROELECTRIC DEVELOPMENT

Miss Flora MacDonald (Kingston and The Islands): Mr. Speaker, I rise under Standing Order 26 to move a motion for the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the lack of direct participation by the federal government in the claims of the James Bay Indian people affected by the James Bay hydroelectric project, the exposure of apparently conflicting cabinet positions, and what appears to be an abdication of the federal government's constitutional responsibilities to act on behalf of the Indians of James Bay at the insistence of the provincial government which created the development corporation.

Mr. Speaker: The hon. member for Kingston and The Islands has filed the notice required by Standing Order 26. This has provided an opportunity to give serious consideration to the hon. member's proposed motion. The Standing Order requires the mover to state the matter proposed to be discussed. In this particular instance the hon. member proposes for debate, "the lack of direct participation by the federal government in the claims of the James Bay Indian people", and later, "what appears to be an abdication of the federal government's constitutional responsibilities".

With respect, the Chair must suggest to the hon. member that her proposed motion is essentially one of censure which the House would normally consider in circumstances provided by Standing Orders other than Standing Order 26. In other words, what is proposed for debate is a substantive motion which cannot claim the priority provided by Standing Order 26.

With much regret, I have to rule, therefore, that this motion cannot be put to the House.

* * *

AIRPORTS

VANCOUVER INTERNATIONAL—EXPROPRIATION HEARINGS—SUPPLYING OF INFORMATION BY MINISTERS TO PERSONS AFFECTED

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, pursuant to Standing Order 26 I ask leave to make a motion for the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, that during the currency of public hearings under the Expropriation Act concerning the Cora Brown, Tapp Road and MacDonald Subdivisions, Sea Island, Vancouver International Airport, British Columbia, which must be resolved before March 4, 1973, ministers of the Crown have refused to provide those affected with the information they have requested, contrary to specific provisions of the Expropriation Act.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Speaker: The hon. member for Burnaby-Richmond-Delta proposes that the business of the House be set aside for the purpose of an emergency debate under the provisions of Standing Order 26. In support of his motion the hon. member has been kind enough to file with the Chair some very interesting and enlightening material, for which I thank him.

As hon. members know, it is only in very exceptional circumstances and on rare occasions that the provisions of Standing Order 26 are used for the purpose of setting aside the business proposed for consideration by the House, as previously announced by a spokesman for the government, and usually after consultation between the parties. Standing Order 26, as well as numerous precedents and rulings, determines the conditions required to accept such a motion.

One of the elements to be taken into account is whether the motion proposed for discussion is a new matter requiring immediate debate. It is essential to note that it is not the urgency of the matter which is relevant but the urgency of debate. If the matter is one on which there has been continuing discussion over a period of time, it can hardly be judged to meet this particular requirement.

In fact, in this instance the question was first raised by the hon. member for Vancouver South on January 15 last when he proposed to move a motion under the provisions of Standing Order 43. On the following day the same matter was raised again and this time it was discussed on the adjournment proceedings; indeed, priority was given to the hon. member for Vancouver South to raise this question on the adjournment proceedings on the basis of the then urgency of the matter. On January 19 the hon. member for Burnaby-Richmond-Delta proposed a motion under Standing Order 43 which in effect dealt with the same question as he now proposes under Standing Order 26. Essentially the same question was raised on January 31 by the hon. member for Fraser Valley West when he proposed to move a motion under Standing Order 43 dealing with the expropriation proceedings at the Vancouver International Airport. On February 1 the hon. member for Burnaby-Richmond-Delta again brought the matter before the House during the proceedings on the adjournment motion. Once more, on the 8th of February, the same question was raised by the hon. Leader of the Opposition by way of a question to and reply from the hon. Minister of Transport.

It will thus be seen that over a period of approximately one month this very important and, I am sure, urgent matter has been brought to the attention of the House by concerned members.

The Chair also has to take into account the possibility of debate within a reasonable time. I would judge that the budget debate, which is one of the general debates during which such matters can be brought forward for debate, should provide an opportunity for the submission of addi-

tional representations and the expression of additional views for the information and guidance of the government. It can be assumed that the budget debate will be called on government orders for a few days next week. If this should not take place, the Chair would be prepared to review the situation if a similar motion were proposed again at that time. For today, however, the Chair cannot agree to set aside the government business scheduled for today. I regret, therefore, that the hon. member's motion cannot be put under the terms of Standing Order 26.

MOTIONS FOR PAPERS

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 43 is acceptable to the government.

Mr. Speaker: Is it the pleasure of hon. members that motion No. 43 be deemed to have been adopted?

Some hon. Members: Agreed.

EXTRACTS INTO FORMAL INVESTIGATION INTO THE FOUNDERING OF THE "SS PATRICK MORRIS"

Motion No. 43—**Mr. Marshall:**

That an Order of the House do issue for a copy of all correspondence in reply to extracts and recommendations from the report of the formal investigation into the foundering of the *SS Patrick Morris.*

Motion agreed to.

Mr. Reid: Mr. Speaker, notices of motions for the production of papers Nos. 35, 115, 116, 117 and 133 are acceptable to the government subject to the usual reservations concerning confidential documents.

Mr. Speaker: Subject to the reservations expressed by the parliamentary secretary, is it the pleasure of hon. members that motions Nos. 35, 115, 116, 117 and 133 be deemed to have been adopted?

Some hon. Members: Agreed.

COPY OF REPRESENTATIONS RELATING TO APPLICATION OF THE INCOME TAX ACT TO PROSPECTORS

Motion No. 35—**Mr. Howard:**

That an Order of the House do issue for a copy of all representations received by the government, or any agency, department or branch thereof since July 1, 1971 relating to the application of the Income Tax Act to prospectors.

Motion agreed to.

Motions for Papers

REPORTS RELATING TO SOCIAL AND ECONOMIC IMPACT OF THE PROPOSED MACKENZIE VALLEY PIPELINE

Motion No. 115—**Mr. Firth:**

That an Order of the House do issue for a copy of all reports prepared within or for the government concerning the social and economic impact of the proposed Mackenzie Valley pipeline on the livelihood of native people.

Motion agreed to.

COPIES OF CORRESPONDENCE RELATING TO PROMOTION OF MACKENZIE VALLEY PIPELINE

Motion No. 116—**Mr. Saltsman:**

That an Order of the House do issue for a copy of all correspondence between the government and the consortium of private corporations established for the purpose of promoting the Mackenzie Valley pipeline.

Motion agreed to.

REPORTS CONCERNING ECONOMIC IMPLICATIONS OF PROPOSED MACKENZIE VALLEY PIPELINE

Motion No. 117—**Mr. Saltsman:**

That an Order of the House do issue for a copy of all reports prepared within or for the government concerning the economic implications of the proposed Mackenzie Valley pipeline.

Motion agreed to.

STANBURY-FIELDS REPORT ON TAXATION OF INDIAN PEOPLE IN BRITISH COLUMBIA

Motion No. 133—**Mr. Howard:**

That an Order of the House do issue for a copy of the Stanbury-Fields report on the taxation of Indian people and Indian bands in the province of British Columbia.

Motion agreed to.

Mr. Reid: Mr. Speaker, notice of motion for the production of papers No. 126 is acceptable to the government subject to the usual reservations concerning confidential documents and the authorization of the government authorities concerned.

Mr. Speaker: Subject to the reservations expressed by the parliamentary secretary, is it the pleasure of the House that notice of motion No. 126 be deemed to have been adopted?

Some hon. Members: Agreed.

CORRESPONDENCE DEALING WITH ESTABLISHMENT OF NATIONAL PARKS IN QUEBEC

Motion No. 126—**Mr. Knight:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all agreements made with the province of Quebec in the past several years dealing with the establishment of national parks in that province.

Motion agreed to.

Motions for Papers

Mr. Reid: Mr. Speaker, would you be so kind as to call notices of motions Nos. 33 and 86.

REPORT OF THE LEGISLATION REVIEW COMMITTEE, CHAIRED BY JOHN G. BRYDEN

Motion No. 33—**Mr. Forrestall:**

That an Order of the House do issue for the tabling of the Report of the Legislation Review Committee, chaired by John G. Bryden.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The Bryden report was commissioned on the understanding that it was to be an internal, confidential document for the use of the minister through whom the Public Service Staff Relations Board reports to parliament. It is for this reason that the Bryden report has not been released. When the proposals relating to changes to be made in the Public Service Staff Relations Act are presented to the House, however, the government will then review the situation to determine whether it would be in the public interest to publish the report. I therefore ask the hon. member to withdraw his motion.

• (1450)

Mr. Speaker: Order, please. Perhaps this might be an appropriate occasion to remind hon. members that when parliamentary secretaries and members of the government reply to these motions, although a brief explanation to the House might be helpful there should not be an extended reply. I am not saying that this is what was done in this particular instance, but this might be an appropriate time to place this caveat on the record.

Mr. Forrestall: I ask that the motion be transferred for debate.

Mr. Speaker: Transferred for debate.

BRYDEN REPORT RELATING TO REVISION OF PUBLIC SERVICE STAFF RELATIONS ACT

Motion No. 86—**Mr. Knowles (Winnipeg North Centre):**

That an Order of the House do issue for a copy of the so-called Bryden report concerning the revision of the Public Service Staff Relations Act, which was submitted to the then Minister of Manpower and Immigration in June 1971.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, this motion deals with exactly the same subject matter as the last. Therefore I appeal to the hon. member to withdraw it for the same reason.

Mr. Knowles (Winnipeg North Centre): I appeal to Your Honour to put the question.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

Mr. Howard: Mr. Speaker, notice of motion for the production of papers No. 133, which admittedly only has the date of February 6 on it, relates to the Stanbury-Fields report on the taxation of Indian people and Indian lands in the province of British Columbia. During the previous session in the last parliament the House passed such a motion subject to the agreement of the province of British Columbia. That agreement has now been given in a letter to the Minister of Indian Affairs and Northern Development, whom I am very pleased to see back in the House in good health. We wish him the best from now on.

[Mr. Speaker.]

Some hon. Members: Hear, hear!

Mr. Howard: In view of this piece of past history regarding endorsement being given by the province of British Columbia to the tabling of this report, I wonder whether the matter could be proceeded with.

Mr. Chrétien: Mr. Speaker, may I thank the hon. member for his kind words. I should like to inform the House that the document will be tabled within the next few days.

Mr. Speaker: Shall the remaining notices of motions stand?

Some hon. Members: Stand.

ORAL QUESTION PERIOD

INDIAN AFFAIRS

CLAIMS OF JAMES BAY AREA NATIVES—ROLE OF FEDERAL GOVERNMENT

Miss Flora MacDonald (Kingston and The Islands): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development and is based on last night's report released by CTV with respect to the lack of federal participation in the claims of the James Bay Indian people. Can the minister tell the House if the role of the federal government is now relegated to that of an observer, as directed by the chief negotiator for the province of Quebec; and has the federal role been confined so as to prevent the government from participating in the negotiations and, if so, why?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is true that on certain occasions the representative of the provincial government wanted to make a distinction between the federal government and the Indians, but I never accepted that policy and each time the Quebec Indians asked me to attend, I complied. I must say in that connection that I met four or five times with the Quebec premier but unfortunately we could not come to an agreement and the Indians have decided to lodge legal proceedings. As all hon. members know, in my capacity as Minister of Indian Affairs, I am pleased to grant them funds so they may plead their case before the court and it will now be heard in Montreal.

[*English*]

Miss MacDonald (Kingston and The Islands): Mr. Speaker, I still feel that the government is abdicating its constitutional responsibility. May I direct a further supplementary question to the minister. In view of the three different positions taken by cabinet with regard to the claims of the James Bay Indian people as outlined in the memo to cabinet of July 6, 1972, the first being that of "alert neutrality" on October 21, 1971, the second being that of "being a party to the negotiations" on May 9, 1972, and the third being that of "restricted to the role of an observer", can the minister say which of these three now is the position of the government?

Mr. Chrétien: Mr. Speaker, as I said, we are being less paternalistic than some other people would like us to be. We have always followed in all circumstances the wishes of the Indians and have assisted them as often as possible. When they decided to go to court to defend themselves, I gave them some help and I am ready to help them in all possible ways. But, of course, I do not intend to be paternalistic, and I know they are capable of defending themselves.

Miss MacDonald (Kingston and The Islands): Will the minister acknowledge that the National Indian Brotherhood has requested that the minister assist them in their representations before the courts?

Mr. Chrétien: Mr. Speaker, two groups are involved, the Quebec Indian Association and the National Indian Brotherhood. The case in court has been put forward by the Quebec Indian Association and, as I say, I have helped them put their case before the court. I am in constant contact with these people; in fact, I had the pleasure of meeting their representatives about 10 days ago.

JAMES BAY HYDROELECTRIC DEVELOPMENT—STUDY OF EFFECT ON ENVIRONMENT OF NATIVE PEOPLE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I ask the minister a supplementary question. Has he caused to be conducted any inquiry into the effect of this proposed undertaking upon the environment, life and habitat of the native people in the area?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we are aware of the consequences. As for the department which I am heading, we are concerned with the interests of the Indian people and their traditional way of life. We have held numerous discussions with them and we are endeavouring to protect their interests. They have decided to take their case before the court and it would not be advisable for me to discuss the heart of the problem since their case is before the Superior Court in Montreal.

[*English*]

Mr. Stanfield: Has any formal, systematic study been made of the environmental effects resulting from this development, particularly upon the native peoples, and is the minister prepared to make the study public?

[*Translation*]

Mr. Chrétien: Mr. Speaker, the question concerning ecology in this area has been considered and I think that the Minister of the Environment could perhaps answer this question.

[*English*]

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, perhaps I might try to reply to the question of the Leader of the Opposition. We are now in the second phase of studies, the first phase having been completed in the fall of 1971. A summary report was published and widely distributed. There are 40 supporting reports available to anyone who is interested. More detailed studies are now under way at a cost roughly of $8 million, and jointly financed by the Quebec government and the federal government.

Mr. Stanfield: Can the minister indicate approximately when the results of these studies in the second phase will be made public?

Mr. Davis: Mr. Speaker, I expect that a number of the studies being undertaken in the second phase will be completed this year and their publication will begin in the fall.

CLAIMS OF JAMES BAY AREA NATIVES—GOVERNMENT POSITION RESPECTING COURT CASE

Mr. David Lewis (York South): Mr. Speaker, I should like to ask one or two questions on this matter. The Minister of Indian Affairs and Northern Development has told us that the matter is now before the court and therefore he cannot discuss certain aspects of it. But would he inform the House whether the native people affected in the James Bay area asked him before they went to court to carry out the responsibilities that the federal government has under the British North America Act as well as the Indian Act and to represent them in negotiations in order to protect their interest in that area before they were forced to go to court?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I should like to remind the House that the Indians themselves came to see me and asked me to help them take the case before the courts; I used my authority to give them the funds required to retain the services of the best legal advisers they could find. We gave them all the information they requested. The Indians never asked me to take over their case. They themselves decided to take it before the courts, and I gave them all the help I could.

[*English*]

Mr. Lewis: In view of the responsibility of the federal parliament and government to protect the Indian people in that area, both under the act that gave that area to Quebec and under other statutes, has the minister given consideration to his responsibility to be in court to support the position of the native people in that area instead of merely providing them with legal assistance?

• (1500)

[*Translation*]

Mr. Chrétien: Mr. Speaker, I have not yet been directly summoned to the court and I believe the proceedings are now going quite smoothly. An observer from my department is following them, I have regular meetings with the Indians, I offer them all the assistance required and if I am summoned to give evidence—I do not know whether I shall be—I am quite ready to comply with the orders of the court, but I can do no more than keep the court informed of legislation. The attorneys in charge of the case for the Indians have already informed the court of existing legislation, i.e. the Indian Act and the 1912 Act of Transfer.

[*English*]

Mr. Lewis: Mr. Speaker, may I put this straightforward question to the minister in the hope that I can get a straightforward answer.

Mr. Nielsen: I doubt it.

Mr. Lewis: Does the minister accept the responsibility of the federal government and parliament for the condition of the Indians in that area, despite annexation of the territory to Quebec under an act and, if so, exactly what plans does he have to protect the welfare of the native people in the area who are bound to be affected by the development which has now started?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I should like to reply to the hon. member but the question he has now asked is a legal one. I accept my responsibilities as Minister of Indian Affairs and Northern Development and I do not believe the Indians of the province of Quebec have complained at any time of my attitude toward them.

JAMES BAY HYDROELECTRIC PROJECT—MEASURES TO PROTECT QUEBEC INTERESTS

Mr. Roch La Salle (Joliette): Mr. Speaker, a supplementary.

Mr. Speaker: The hon. member for Joliette on a supplementary.

Mr. La Salle: Mr. Speaker, I should like to put a supplementary to the Minister of Indian Affairs and Northern Development.

We are all aware of his concern about his responsibilities towards the Indians and my question is as follows: is he willing to do as much to protect as well the interests of the province of Quebec with regard to the James Bay development project?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, my primary responsibility is the protection of the interests of the Indians; I have repeatedly asked the Quebec government to sit at a table and come to an agreement, but it was felt that the Indians had no rights. Today, their case is before the courts. We will know whether or not they have rights; as for me, I must fulfil my obligations and help the Indians as much as possible.

[*English*]

CLAIMS OF JAMES BAY AREA NATIVES—REQUEST FOR STATEMENT ON GOVERNMENT POSITION

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to direct a supplementary question to the minister. In light of the decision of the federal-provincial cabinet committee on May 9, 1972, that in view of its constitutional position in respect of Indians and the lands reserved for Indians the federal government has a vested interest in the settlement of the Indian claims and should be a party to the negotiations, will the government now make known its support for the Indians of the Quebec Indian Association either by clearly stating its position to the House on motions tomorrow or by reasserting the position that it indeed has a vested interest in the settlement of the Indian claims and should be a party to the negotiations?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, there is nothing new in that question. I stated in the House on various occasions what was my position as Minister of Indian Affairs and Northern Development and as I said earlier, I will endeavour to help the Indians protect their interests in the James Bay area.

[*English*]

Mr. Nielsen: In light of the minister's answer, is the government prepared now to make known its support of the position of the Indians of the Quebec Indian Association in a statement before the interlocutory injunction hearing?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I answered that question on several occasions and stated what had been the government interventions. I wish to point out to the House that I am in constant communication with the Quebec Indians and that such a request could not be made at the present time; besides the Indians themselves did not ask for it.

JAMES BAY HYDROELECTRIC PROJECT—GOVERNMENT POSITION CONCERNING CONTINUATION OF DEVELOPMENT

Mr. René Matte (Champlain): I should like to put a supplementary question.

Could the Minister of Indian Affairs and Northern Development say what is the policy of his department concerning the works now under way at James Bay?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have no direct jurisdiction over that area, but we do have one over the Indian rights and it is precisely because the works are carried out that the Indians have applied for an order of the Superior Court. Indeed, it rests with the court to decide whether the works must be stopped or not, but the specific request made to the court is that they be stopped.

[*English*]

REGIONAL ECONOMIC EXPANSION

JAMES BAY AREA—GOVERNMENT ASSISTANCE IN DEVELOPMENT

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my quesiton is directed to the Minister of Regional Economic Expansion. Has the government been informed that the chairman of the James Bay Development Corporation has been appointed mayor of the James Bay municipality with a mandate given by the provincial government for regional development, and is the federal government prepared to assist the area under the terms of federal regional development legislation?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, as to the appointment of the gentleman in question, I have no formal knowledge of it other than what is public knowledge, nor have there been any discussions between the government of Canada and the government of Quebec with regard to this region. As things stand at the moment, the region would not be entitled to special assistance under the Regional Development Incentives Act but, of course, Quebec is free at any time to make submissions to us with regard to the region. As of the present moment it has not done so.

JAMES BAY AREA—CONSTITUTIONALITY OF QUEBEC DEVELOPMENT ACT

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I too am happy to see the Minister of Indian Affairs and Northern Development back at work. I wish him continued good health because I think his presence makes for a very interesting question period. Has the federal government decided to refer the James Bay region development act, passed by the Quebec National Assembly, to the courts of this land for determination as to its constitutional validity?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, this question is part of the application made by the Indians to the court and I think that one of the aims of their procedure is to determine whether the legislation passed by Quebec is constitutional. It would not be proper for me now to make further comments.

* * *

INDIAN AFFAIRS

JAMES BAY HYDROELECTRIC PROJECT—RESPONSIBILITY FOR JOINT ECOLOGICAL STUDY

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a supplementary question to the Minister of the Environment.

Could he say whether it is the federal government or that of Quebec which has the first responsibility for the joint ecological study made by both governments on the James Bay basin?

[*English*]

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, personnel carrying out these studies are supplied by both levels of government and consultants are also being retained by both levels of government.

Mr. Speaker: Order, please. Obviously there is widespread interest in this matter. Before going to the next subject the Chair will recognize the hon. member for Rocky Mountain. If there is time at the end of the question period we might return to this matter, but I have some doubts whether that will be possible.

JAMES BAY HYDROELECTRIC PROJECT—GOVERNMENT RESPONSIBILITY TO INDIANS AFFECTED

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I should like to direct my question to the Minister of Indian Affairs and Northern Development for the purpose of clarification. Is it the position of the government that the government of Canada has no responsibility to the Indian people in the James Bay area on this question beyond the payment of some conscience money and, if not, what are the responsibilities recognized and accepted by the government?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, obviously this question is a bit startling because we accept all responsibilities which are ours under both the Indian Act and the act of 1912.

* * *

[*English*]

SHIPPING

DARLING REPORT RECOMMENDATION THAT COASTAL WATERS BE RESERVED FOR CANADIAN FLAG VESSELS—POSITION OF GOVERNMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, St. Valentine's Day seems to be an appropriate occasion upon which to ask the Minister of Transport about the Darling report which has been in the possession of his department for some two years.

Some hon. Members: Oh, oh!

Mr. Douglas: I should like to ask the minister whether he has yet made any decision with reference to the recommendations in the report of the inquiry on the coasting trade of Canada and related maritime activity, particularly with reference to the recommendation that Canadian coastal waters be reserved for Canadian flag vessels. Has any decision been made in respect of this matter, since it is of tremendous importance to those on the east and the west coasts of Canada?

An hon. Member: Give us a sweetheart answer.

• (1510)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I agree entirely with the hon. member and am anxious to have this report implemented. But before doing so I

should like to meet with the premiers of the maritime provinces to study the impact of the recommendation on transportation prices and to see what kind of solution we can bring about. We have a problem of a shortage of crews as well as a shortage of ships, and I should like to know exactly what would be the total impact whenever we decide to implement the report.

Mr. Douglas: In view of the importance of creating jobs on both coasts, and the need for keeping our coastal waters clear of pollution by having ships under Canadian control, can the minister give the House any idea when he will have completed his discussions, which should have been held some time ago, and when he will be able to make a report to the House regarding a decision on this matter?

Mr. Marchand (Langelier): The hon. member knows how we have had to stay around these days in order to attend sessions of the House. As soon as we can I will meet with the premiers in an effort to solve this problem.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I ask the minister, although it might be a good idea if this matter were referred to the standing committee for review, whether implementation of the Darling report is in any way related to the rewriting of the Canada Shipping Act and, if so, does the minister intend to rewrite that act prior to any serious consideration of the Darling report?

Mr. Marchand (Langelier): That calls for a legal opinion which I am not in a position to give, but it is my opinion that we can implement the Darling report without amending the Canada Shipping Act.

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to ask the Minister of Transport a supplementary question. Inasmuch as the Darling report and its examination involve matters which are exclusively within the jurisdiction of the parliament of Canada and the minister's department, why does he want to talk with the premiers of the maritime provinces about it?

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—CRITERIA FOR APPROVAL OF PROJECTS

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Concerning projects submitted under the Local Initiatives Program, we all know that there is a study and selection committee. Would the minister tell this House since when projects are submitted to the Liberal caucus for final approval?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): No, Mr. Speaker.

[Mr. Marchand (Langelier).]

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a supplementary question.

Can the minister tell the House whether he is aware of the fact that political committees, at the riding level, cooperate with some officials of his department in order to give political approval or disapproval to certain projects?

[*English*]

Mr. Andras: No, Mr. Speaker.

* * *

GRAIN

BARLEY—REASON FOR NO FINAL PAYMENT FOR 1971-72 CROP YEAR

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct a question to the Minister of Justice in charge of the Canadian Wheat Board. Can he explain to the House and the country why there has been no final payment on barley? Was the surplus used to pay off losses in previous years?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker. The pool to which the hon. member refers is for the crop year 1971-72. The pools have been closed for all three grains. In those years world prices were at a very low level, and accordingly the final payment is small. I am happy to say that the situation has been corrected and that the farmers can look forward to higher returns.

Mr. Horner (Crowfoot): The minister referred to a small final payment. My understanding of the announcement made today is that there will be no final payment.

Mr. Lang: I was referring to all three grains. In the case of barley, there was a deficit in the pool of approximately $3.8 million which, of course, will be borne by the treasury in accordance with the standard practice.

Mr. Horner (Crowfoot): Now that the final pool has been audited, will the annual report of the Canadian Wheat Board be referred to the committee on agriculture, as has been the practice of the House over the past number of years?

Mr. Lang: We will certainly be following the practice of making the annual report of the Canadian Wheat Board available to the committee.

BARLEY—EXPECTED INITIAL PAYMENT AND ACREAGE TO BE PLANTED THIS YEAR

Mr. Jack Murta (Lisgar): My question is supplementary, Mr. Speaker, and is addressed to the minister in charge of the Canadian Wheat Board. Since there is not to be a final payment for barley for the 1971-72 year, and since this could have an effect on the barley acreage to be planted this year in western Canada, could the minister tell the House what acreage and what initial payment can be expected this year for barley?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would hope to be able to inform the House about this fairly soon, because we are moving toward the time of issuing a regular letter to producers about initial prices, probable quotas and, therefore, also market opportunities. I should remind hon. members that the $3.8 million deficit in the barley pool results partly from the initial price of barley being increased for 1971-72, with the specific object at that time of encouraging additional barley production so that we could go into the market and establish markets which are now paying off at better prices.

Mr. Murta: Mr. Speaker, is the Wheat Board giving serious consideration at the present time to making an initial payment, in respect of barley, of $1.15 a bushel for this coming year with at least a 40-bushel quota to ensure that we will have sufficient feed grain, specifically barley, to meet export and domestic requirements?

Mr. Lang: Mr. Speaker, for this year the Wheat Board is watching the quota situation and the delivery situation. At the present time there is on hand a significant quantity of barley and of wheat. This has been noted in the House on other occasions in respect of certain elevators being congested. As the spring movement of grain develops with the opening of Thunder Bay, we will continue to see a very rapid movement of barley and wheat, as well as rapeseed, and hon. members can be assured that quotas will be opened at that point by the Wheat Board to enable the farmers to deliver barley at a far greater volume than in past years.

SUGGESTED NEGOTIATION OF PRICES THROUGH UNITED NATIONS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, since the level of prices which has denied the farmers a final payment on barley this year stems from the negotiations that were carried out in respect of grains under the General Agreement on Tariffs and Trade, can the minister give the House some assurance that in the 1973 negotiations we will seek to have prices and grades negotiated through the United Nations rather than under GATT?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the premise of the question as it relates to barley is completely false because, of course, barley was not the subject of an international agreement and therefore was not in any way affected by any negotiations concerning its price. In the case of wheat, of course, it was not the International Grains Arrangement which led to the lowering of the price but, rather, the failure of our chief competitors to adhere to that agreement.

Mr. Speaker: Order, please. I hope we can return to this matter later, but for the moment the Chair will recognize the hon. member for Prince Albert.

WHEAT—REASON FOR LOW FINAL PAYMENT FOR CROP YEAR ENDED JULY 31, 1972

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, arising out of the questions asked in connection with the final payment, I should like to ask the Minister of Justice whether the distressingly low, even meagre, final payment made for wheat arose because sales of Canadian wheat in the year ended July 31, 1972, were made, internationally, below the cost of production?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the size of the final payment depends specifically upon the amount of money obtained by the Canadian Wheat Board from the sale of Canadian grain in markets, less the initial price paid to farmers at the time of delivery. Therefore the final payment is dependent directly upon the price obtainable by the Wheat Board. The Wheat Board, in my judgment, did an extremely good job in obtaining the best possible price in a world marketing situation where it had to remain competitive.

Mr. Diefenbaker: I shall not criticize the Canadian Wheat Board, because it was the Conservative party that set it up. I ask the minister to answer the question. Is the low final payment for wheat for the year ended July 31, 1972, the result of the policy of this government of permitting the sale of our wheat below the cost of production? That is the question. The verbose explanation of the minister did not answer it.

• (1520)

Mr. Lang: Mr. Speaker, if the Wheat Board had been left with only the powers given to it by the Conservative government it would have never worked at all, and that is what the colleagues of the hon. member would like to see happen again.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, the minister has given his answer, and the fact that he cannot answer indicates that what I suggested was so. Did not the minister, when speaking in Minneapolis last March 12, say that one of the great difficulties in marketing wheat at that time was that it was being sold below the cost of production?

Mr. Speaker: Order, please. The right hon. gentleman knows, of course, that questions cannot be asked about statements made by ministers outside the House except for questions asking the Prime Minister whether such statements represent government policy. Perhaps the question might be redrafted.

Mr. Diefenbaker: Mr. Speaker, I will try to put it in such a way that the minister will be able to answer.

An hon. Member: Make it really simple.

Mr. Diefenbaker: As of July 31 last, Canada had two contracts with the U.S.S.R. for wheat.

An hon. Member: Question!

Mr. Diefenbaker: The hon. member does not even know what wheat is; he thinks it grows on trees.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: In those two contracts, under which 90,100,000 bushels were delivered between July 31 and

December 31, were the prices to the U.S.S.R. below the cost of production?

Mr. Lang: I am glad that the right hon. gentleman has been able to rephrase his question so that it is in order and therefore I have an opportunity to answer it. The prices which were obtained from the U.S.S.R. in those agreements were, in the judgment of the Canadian Wheat Board, the best possible prices obtainable at that time.

Some hon. Members: Oh, oh!

Mr. Lang: Any suggestion to the contrary can only come from those who would want to destroy the Canadian Wheat Board.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: With a few more ministers like this minister, the Wheat Board will be destroyed, because that is what happens when wheat is sold below the cost of production.

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HOUSING

CANCELLATION BY HALLIWELL TERRACE LIMITED OF CONTRACTS WITH PERSONS FOR PURCHASE OF CONDOMINIUMS

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. In view of the fact that almost 200 people who purchased condominium apartments at 980 Broadview Avenue, Toronto, have had their purchase contracts cancelled by the builder, Halliwell Terrace Limited, by the use of a "loogal leaphole"—

Some hon. Members: Oh, oh!

Mr. Gilbert: —legal loophole in the act stand to lose their apartments unless they pay $1,600 to $4,000 more, would the minister look into this matter and advise the House whether the building has been financed under NHA? If so, would he require the builder to register the condominium plan forthwith with the municipality and the province so that the contracts may be binding and enforceable and people may retain their apartments without having to pay the price increase?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, my colleague, the Minister of Energy, Mines and Resources, has contacted my office on this matter. We are making inquiries to see whether CMHC is involved and, if it is, whether there is something we can do for the purchasers who seem to have been abused in this case.

Mr. Gilbert: Would the minister assure the House that any builder using NHA financing or CMHC financing would be prohibited from using this legal chicanery exemplified by Halliwell Terrace Limited?

Mr. Basford: I am not sure I should leap into that loophole, Mr. Speaker. However, we did mention in the Speech from the Throne a plan that we would be putting forward for the provision of a system of warranties for purchasers of new homes which would include, of course, condominium units. This is being worked out at present.

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EXTERNAL AFFAIRS

REPRESENTATIONS ON BEHALF OF RONALD PATRICK LIPPERT IMPRISONED IN CUBA

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Secretary of State for External Affairs which is further to a question I asked in the House a week or so ago regarding Ronald Patrick Lippert, a Canadian citizen from Kitchener, Ontario, who has spent ten years of his life, as part of a 30-year sentence, in a Cuban jail. Can the minister at this time give assurances to the House that the government is willing to undertake immediate negotiations with the Cuban government for the release of Mr. Lippert?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we were in touch with Mr. Lippert from our embassy in Cuba as recently as January 25, 1973. We are prepared to give him all possible assistance. I can add that he is in very good health.

Mr. Cossitt: Yesterday the minister announced in the House details concerning the release of Canadians imprisoned in Viet Nam. Especially in view of the age and state of health of Mr. Lippert's mother, and in view of Mr. Lippert's diabetic condition, is the minister willing to treat this Canadian, imprisoned in Cuba for ten years, with the same degree of attention and importance?

Mr. Sharp: We have treated this matter with great importance. We have made representations to the Cuban government. I am sure the hon. member is familiar with the circumstances of the case and would not want me to reveal them here.

NEGOTIATIONS WITH CUBA RESPECTING AIRCRAFT HIJACKING

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a supplementary question for the minister regarding a problem in Cuba. How is our combined delegation from the Department of External Affairs, the Department of Transport and the Department of Justice, I believe, together with officials of the Canadian Transport Commission, doing in Cuba in working out an air piracy and hijacking agreement, especially in view of the fact that the United States seems to have signed one already? Or does the minister think we should negotiate through Switzerland?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am happy to inform the House that we have reached the substance of an agreement with Cuba, just as has the United States.

Some hon. Members: Hear, hear!

[*Translation*]

AIRPORTS

STE. SCHOLASTIQUE—UNSETTLED EXPROPRIATION CASES—ALLEGED PROHIBITIVE RENTS

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

Does he intend to meet the officials of the Centre d'information et d'animation communautaire (CIAC) of the Ste. Scholastique area who are complaining of inequitable action taken against them by the government in expropriating their property and in this handling of various problems resulting from the expropriation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, if they ask me to meet them, I shall certainly do so, and gladly. It should, however, be remembered that of 3,250 expropriations fewer than one hundred cases are still pending, and I feel that the population as a whole is satisfied.

Mr. Gilbert Rondeau (Shefford): I have a supplementary, Mr. Speaker.

Mr. Speaker: The hon. member for Shefford on a supplementary.

Mr. Rondeau: Mr. Speaker, I have a supplementary for the Minister of Public Works.

Does he intend to review himself the cases just mentioned by the Minister of Transport? In fact, some residents of the Ste. Scholastique area not only have not been paid, following expropriation of their property, but are being charged prohibitive rents to remain in their own homes without any agreement having been reached.

Mr. Marchand (Langelier): Mr. Speaker, I believe this question comes under the jurisdiction of my department. Rents paid are those current in the area. We do not want to compete unfairly with other landlords and there has been no abuse, and those who say there is are just indulging in demagogy.

[*English*]

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• (1530)

ENERGY

OIL SUPPLY—REQUEST THAT REPORT OF NATIONAL ENERGY BOARD BE TABLED IN HOUSE

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the report which appeared in the Calgary press on December 29 last, and again last night in the Ottawa papers, that the National Energy Board staff has prepared and completed a dismal report suggesting that Canada will not be able to supply all of its oil markets beginning next year, will the minister tell the House whether there is such a report and, if there is, would the minister table it in the House so that members will be aware of its contents?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. member will know, he being a member of the appropriate committee, that committee will be meeting at eight o'clock tomorrow night and I and the National Energy Board will be reporting fully on Canada's oil export policies.

Mr. Bawden: Mr. Speaker, I am pleased to see that the minister is responding in a positive way, but in view of the leaks that have taken place and the fact that the press and many others have seen this report, will the minister reconsider his decision and table it in the House so that members will have an opportunity to review the report in advance and thus have a better chance to make a contribution at the committee meeting tomorrow night, as well as recognizing the proper importance of the members of this House by doing so?

Mr. Macdonald (Rosedale): Mr. Speaker, it seems to me to make more sense to have the board there to explain its views in person.

Mr. Bawden: Mr. Speaker, the minister is saying that we have to have an explanation first, that we do not have the ability to read this report in advance. I would ask him again to consider tabling it, because I think members could understand the report all on their own.

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

PROPOSED ALASKA OIL PIPELINE—REPRESENTATIONS TO UNITED STATES GOVERNMENT ON MACKENZIE VALLEY ROUTE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. In view of the recent decision of the United States court of appeal that effectively barred construction of the Alaska oil pipeline for an indefinite period of time, and in view of the statement the minister made not so long ago in Washington about an alternative route, will the minister advise the House whether further representations have been made to the United States with respect to the alternative route by way of a pipeline down the Mackenzie Valley?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the "not so long ago" to which the hon. member refers was 11 months ago. The government has no intention of renewing its representations. At that time we put before the United States government the information we had available with regard to a Mackenzie Valley oil pipeline as opposed to a gas pipeline. Since that time we have completed a great many studies with regard to environmental, ecological and other impacts of a pipeline on the Mackenzie Valley and the Mackenzie Valley oil pipeline research group has made available its studies in this regard to the American authorities. Of course, we will be interested in hearing from the United States administration in this regard, but at present we do not plan to take any fresh initiative.

Mr. Woolliams: Do I take it from the minister's answer that no further representations are being made and that

the government is waiting on the United States while we might have a very serious oil spill off the western coast of Canada? Do we have to wait on the United States government? Will the Canadian government take action?

Mr. Macdonald (Rosedale): Mr. Speaker, I would point out to the hon. member that you cannot have an oil spill from Alaskan oil because there is no pipeline for it to come down through.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We are running short of time. The Chair will recognize the hon. member for Edmonton East on a supplementary and then try to recognize a few of the members in the last row.

NATIONAL GAS—POSSIBLE PIPELINE ALONG EASTERN SHORE OF HUDSON BAY

Mr. William Skoreyko (Edmonton East): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. Can the minister tell the House whether there has been a decision to build a gas pipeline along the eastern shore of Hudson Bay within the next three years, as announced by Premier Bourassa in New York recently?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Sir. A consortium has been formed consisting of Panarctic, Tenneco, Trans-Canada Pipelines and the Canadian Pacific Railway Company to do a feasibility study on the possibility of constructing a gas pipeline either on the west or on the east side of Hudson Bay. It is a feasibility study only.

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SCIENCE AND TECHNOLOGY

PROPOSED CANADA-FRANCE ASTRONOMICAL OBSERVATORY—REQUEST FOR TABLING OF AGREEMENT—SHARING OF COST

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have been trying for several days to remedy a gross oversight in the House relating to the direction in which questions are addressed across the floor. I would like to address my question to a minister who has been shamefully neglected, for reasons which I find quite inexplicable. My question and supplementary, I hope, will be directed to the Minister of State for Science and Technology. Is the minister planning to table the agreement between the Canadian and French governments covering the joint enterprise to build and operate an astronomical observatory in Hawaii?

[*Translation*]

Hon. Jeanne Sauvé (Minister of State for Science and Technology): Mr. Speaker, of course I have had a look at this project in order to see whether it fits into an over-all research policy on astronomy, but as the hon. member knows, the National Research Council is under the responsibility of my esteemed colleague, the President of the Treasury Board.

[Mr. Woolliams.]

[*English*]

Mr. Munro (Esquimalt-Saanich): Then perhaps my supplementary should be addressed to the President of the Treasury Board. I may not get an answer, but I am going to try. Is the President of the Treasury Board able to inform the House now what general division is proposed or envisaged at the moment on the construction costs, the operation and the time available, as between Canada and France for this proposed observatory?

Mr. Speaker: Order, please. I take the liberty to suggest to the hon. member, with great respect, that his first question should have been placed on the order paper and the same might apply to his second question. The hon. member is asking for very detailed information which normally, I suggest to him, is sought by way of a written question. Perhaps the hon. member would like to follow that suggestion.

* * *

FOOD PRICES

CONTINGENCY PLAN TO HALT INCREASES—DISCUSSION WITH PROVINCES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I direct my question to the Minister of Finance. In view of the statement made by the Minister of Agriculture before the Special Committee on Food Prices yesterday, does the government propose to take any action with respect to food prices in Canada? Does the government in fact have a contingency plan for such action and has the government discussed this plan with the provinces?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in his question the hon. member did not refer to the part of the statement of the Minister of Agriculture he has in mind. If he could clarify this, perhaps I could be more specific in my answer.

Mr. McGrath: Perhaps I can clarify it by way of a supplementary question. The Minister of Agriculture indicated yesterday that a contingency plan had not been formulated—that was the thrust of what he said—and that food prices were going up. Based on that, Mr. Speaker, my question to the minister is this: does the government have any plan to deal with food prices, and if such a contingency plan does exist has it been discussed with the provinces?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, as the Prime Minister said earlier, we have a contingency plan to deal with the general matter of prices. I have also said earlier that there is no selective way that food prices could be dealt with as a specific item unless under a general plan.

Mr. Speaker: Order, please. We have reached the end of the question period. The hon. member might quickly ask a supplementary and then I will recognize the hon. member for Nickel Belt or the hon. member for Coast Chilcotin, as the case may be.

Mr. McGrath: In view of the provincial jurisdiction in this respect with regard to any contingency plan, is it the government's policy that its contingency plan would be based on a situation in which food prices, inflation and unemployment would affect the peace, order and good government of the country? Is that the type of contingency plan the government has?

Mr. Turner (Ottawa-Carleton): The hon. member is looking for a legal opinion, and that makes it difficult for me to answer.

* * *

SHIPPING

DARLING REPORT RECOMMENDATIONS RESPECTING COASTAL TRADE—GOVERNMENT JURISDICTION

Mr. Harry Olaussen (Coast Chilcotin): Mr. Speaker, pursuing the St. Valentine's Day question further, can the Minister of Transport inform the House, as a result of his decision to consult with the maritime provinces, whether marine activities as dealt with in the Darling report come under federal jurisdiction or provincial jurisdiction?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I never mentioned that I had to meet with the premiers in order to decide jurisdiction. But if we decide to abandon the Commonwealth agreement on coastal trade this will have an impact on rates and the cost of transportation. I want to discuss this problem with the premiers, not because we do not have jurisdiction but because they will be affected.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Burnaby-Richmond-Delta and then call orders of the day.

* * *

AIRPORTS

VANCOUVER INTERNATIONAL—REQUEST THAT MINISTER OF TRANSPORT MEET PEOPLE AFFECTED BY EXPROPRIATIONS

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is directed to the Minister of Transport. In view of the fact he stated today in the House that he will visit the people of Ste. Scholastique if they ask him to do so, has he had a change of heart and will he visit the people of Sea Island? If he has not had a change of heart, why does he continue to ignore the pleas of the people of Vancouver, including the mayor, that he visit the area involved and try to solve the problem?

• (1540)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have good news for the hon. gentleman. I think he mentioned at the beginning of this session that they were short of information. The people have received all the information they need about the second runway that we want to build.

Mr. Reynolds: Mr. Speaker, the minister still has not answered my question. The people still do not have that information. I want to know why, if he will visit the people of Ste. Scholastique, he will not visit the people of Vancouver?

Mr. Marchand (Langelier): Mr. Speaker, they now have all the information. I will wait to see whether they need to be visited later.

Mr. Speaker: Orders of the day.

* * *

FISHERIES

HERRING—PLACENTIA AND ST. MARY'S BAYS—REQUEST FOR STUDY OF STOCKS AND QUOTAS

Mr. Walter C. Carter (St. John's West): On a point of order, Mr. Speaker, I have been trying to get Your Honour's eye for some time in order to ask a question of the Minister of Fisheries on a matter which is extremely urgent and important to a large number of people in my riding.

Mr. Speaker: I appreciate the point that the hon. member is making, but I must bring to the attention of the hon. member for St. John's West that we have gone beyond the time allowed for the question period. He seeks the floor on a point of order. The Chair, of course, has no objection, but he will appreciate that he is not the only one who has not been recognized. I have made a note to ensure that the hon. member will be given priority tomorrow. However, with the consent of the House perhaps he might be allowed to ask his question quickly and get a quick response from the minister.

Mr. Carter: Thank you, Mr. Speaker. My question is for the Minister of Fisheries and relates to a motion under Standing Order 43 which I presented concerning the catch quotas set by the Department of Fisheries with respect to herring fishermen operating in Placentia Bay and St. Mary's Bay, Newfoundland. In view of the fact that the fishermen have made representations to the minister about the quotas, expressing certain fears as to the possibility of depletion, would the minister undertake to have a scientific investigation made to determine the size of the herring stocks in those bays? Until such time as this information is available, would the minister also impose closing lines as a conservation measure?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, scientific investigations are already under way. We will not be imposing closing lines immediately because the local herring management committee, on which the fishermen were represented, recommended against it.

Mr. Carter: Will the minister tell the House if the quota to which the fishermen are objecting was set on the basis of scientific information or was it just a figure plucked out of the air, as it were, by the Department of Fisheries?

Mr. Davis: Mr. Speaker, I am sure the committee and the scientists supporting it were trying to be as factual as possible.

Mr. Speaker: Orders of the day.

Mr. Korchinski: Mr. Speaker, I rise on a question of privilege regarding questions that have been raised in the House and notice has been taken of them or ministers have promised to take them under advisement and bring forward answers. I raised a question on February 1 with the Minister of National Revenue, and several other questions have been taken as notice by parliamentary secretaries. Your Honour will appreciate that many members cannot get the recognition they would like in order to ask a question. Difficult as this is, it is doubly difficult to raise the same question again. I wonder if it might not be a solution that when ministers rise to reply to a question they take advantage of the opportunity to reply to other questions raised previously.

Mr. Speaker: The point raised by the hon. member for Mackenzie is of interest but objection has been taken to this procedure on the ground that it complicates matters. I would think it does. If a minister rises on a first question, gives a reply and then before a supplementary can be asked replies to a question asked on an earlier day, it does confuse things somewhat. I understand the difficulty the hon. member has raised and perhaps some day he might be inspired to find a solution to this ticklish and difficult problem. Orders of the day.

GOVERNMENT ORDERS

SUPPLY

APPROPRIATION ACT No. 1, 1973

The House resumed from Tuesday, February 13, consideration in committee of Bill C-141, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973—Mr. MacEachen (for Mr. Drury)—Mr. McCleave in the chair.

On clause 2—*Schedule.*

Mr. Rose: Mr. Chairman, I can always expect a good deal of assistance, whenever I speak, from those around me who are masquerading as my friends. I had just launched into my remarks last night when someone pointed out that it was ten o'clock, so I am very pleased to be able to continue today and I am extremely pleased to see the Minister of Agriculture here.

Some hon. Members: Hear, hear!

Mr. Rose: To have the minister of the department concerned present in full and living colour when one is making a speech is appreciated by all members. We are always grateful for that courtesy.

Mr. Chairman, I should like to cover three main points in my remarks this afternoon. First is the lack of tariff protection and customs protection accorded to horticultural and vegetable crops in the area of British Columbia that I represent. Second, and I am sorry that the Minister of National Revenue is not in the chamber, is what I consider to be the inequities of taxation. Third is what I regard as the persecution and harassment of certain part-time farmers in my riding.

In British Columbia, agriculture has a tremendous impact on the economy even in comparison with other provinces. When we hear the word "wheat" mentioned in this House about 25 members jump to their feet. I am not quite in the position that the right hon. member for Prince Albert suggested, to the extent that I believe wheat grows on trees, but we have had a good deal of discussion of wheat around this House of Commons over the last few years and members from what I call prairie Canada, as opposed to western Canada, have had a lot of exposure here. Nevertheless, the agricultural industry in British Columbia represents approximately $250 million a year to the economy, so it is not a minor industry.

There are great pressures on that industry and I think it is fair to say that it has been declining, as it has throughout Canada. One of the reasons for this is that we have traded off agricultural protection in order to get some other kind of advantage with the Americans and our other trading partners in world markets. In my riding there is great pressure by subdividers because of the limited amount of land available. There is an urban intrusion into our farmland.

• (1550)

Between 2 per cent and 4 per cent of the land in British Columbia is suitable for agriculture. Most of this land is in the Fraser Valley. The Fraser Valley happens to be close to the large megapolis known as Vancouver, and the growth of Vancouver has tended to funnel up the Fraser Valley. That expansion has been assisted by a great many transport arteries, bridges and by business and domestic expansions as well as subdivisions which have appeared in the area.

As there is so little land in British Columbia that can be devoted to any kind of farming, and as there is strong pressure to sell such land because of increased land values which have been created because of subdivisions springing up, farmland has tended to disappear. There has been an encouraging response recently by the government of British Columbia. It has imposed a temporary freeze on all farmland until certain legislation can be enacted and we can know in which direction we are going.

I do not think our greatest problem is our proximity to the city. Actually, the problem that faces all agriculturalists throughout Canada is that stemming from a lack of adequate return for agricultural enterprise.

Mr. Whelan: I agree.

Mr. Rose: The minister agrees with me. He said that last night.

Mr. Whelan: I wondered when the hon. member was coming to that part.

Mr. Rose: The minister wondered when I was coming to that part of my speech. The minister said that the government does not intend to allow a smart operator to bring in cheap products in order to make a fast buck, with the consumer not getting any benefit. I am sure the minister

knows that that is occurring. He knows full well that the prices of many farm and horticultural products are depressed. Why is that, Mr. Speaker? Such prices are depressed because our farmers work under a seasonal disadvantage, as the minister knows.

Our neighbours to the south can produce their crops and charge high prices. They send the tail end of their production to Canada. They may export products such as peaches, pears, strawberries or what have you. They do not send them in at dump prices, but they do not sell them at the same price as they obtain in their own markets in the United States. Those products enter this country just as our current domestic production is about to reach the Canadian market, and they kill our market. If the minister is not aware of this, then certain people in agriculture, especially those associated with the British Columbia Federation of Agriculture, have been negligent in their duty in not bringing it to his attention.

Mr. Whelan: I can tell the hon. member that they have not been negligent.

Mr. Rose: I am pleased to hear that. This is not the first time I have raised this subject; I have raised it with the minister's predecessor. I am sure the minister is aware of the lengthy resolution passed by the British Columbia Federation of Agriculture. I will not bore the House in reading it in its entirety, but after half a dozen paragraphs beginning with "whereas," it concludes:

> Therefore be it resolved that the government of Canada immediately consult with the representatives of the Canadian horticultural industry to formulate a realistic—

It is important to note that word, because the present policy is unrealistic. I continue to read the resolution:

> —means of automatic application of surtax protection based on a predetermined import valuation as may be applicable to various Canadian tariff zones.

The minister had the intestinal fortitude to stand up in this House and say that he will not allow cheap exports. That, I think, was a step in the right direction. Let me allude to a small example of what may happen in the field of agriculture. No matter whether you are talking about strawberries, pears, peaches or what have you, these crops in the United States fetch a fair price. However, those crops are grown in advance of our own. An offer for a certain amount of the product is made to certain brokers and that offer has the immediate effect of destroying or undercutting the price of Canadian products.

It is time we decided whether we want a viable agricultural and horticultural industry in Canada. Under present procedures one has to prove injury. By the time one has been able to prove injury, that injury has been done and is not prevented. This has happened over and over again.

Mr. Horner (Crowfoot): The task force suggested that the fruit and vegetable industry of Canada should be phased out.

Mr. Rose: I think I said earlier to the hon. member for Crowfoot that I feel our agricultural industry forms part of a trade-off. We trade off agricultural benefits in order to obtain for other parts of our economy advantages in the field of exports, or in certain imports. If the minister is determined to make changes he will have his work cut out, because he will run up against fixed positions which have been taken not in the past year but for many years. I want the minister to know that I—perhaps I cannot speak for the whole of my party—will support him if he will move in that direction. Proof of injury procedures come too late.

Mr. Horner (Crowfoot): The minister said in committee the other day that he does not believe in tariffs.

Mr. Rose: He may not believe in tariffs, but unless we are able to provide some kind of protection for our industry we might as well fold it up. Land has become a commodity for sale; farmers are selling it because they cannot make a decent income from it. As a result there is great temptation to subdivide. Who benefits, Mr. Chairman, except a few real estate developers? You must remember that except for 4 per cent of the land in B.C., most of the province consists of rock and Christmas trees. Builders can build on all sorts of ground other than farmland, but that is where they like to build first and the developers grab the flat land first. Just look at the airport development; there is another land grab for you! This time the Department of Transport has grabbed all of Sea Island.

Some hon. Members: Hear, hear!

Mr. Rose: Once upon a time, Mr. Chairman, I can recall that on the lower mainland of British Columbia there were up to 20 domestic processors in the Okanagan area. They are now all gone, mostly bought out by American firms. Those firms bought the rights to the Canadian label. Actually, one processor who is left in my riding has told me that he needs protection because he cannot compete against imported canned products. He cannot pay Canadian prices for his products and meet competition. The hon. member for Okanagan Boundary may be interested to learn that a processor in my riding can buy peaches from the United States at 50 per cent of the price he would have to pay British Columbia fruit growers. The tail end of the United States production is dumped in this country. He can buy peaches for his canning and processing needs, as I say, for 50 per cent less than he has to pay the B.C. fruit growers.

An hon. Member: That's enough to spoil one's appetite.

Mr. Rose: That might spoil the hon. member's dinner, but it is true. Perhaps he should get up on a point of order, or something. Let him rise on any point; I don't care what it is.

I now wish to move to another topic, Mr. Chairman. Perhaps this is not an agricultural matter although it has implications for agriculture. I am referring to the attitude of the taxation branch to supply and management or production quotas. Hon. members know as well as I do that such boards are going to become more numerous, despite the protestations of the hon. member for Crowfoot. There will be more and more of them because farmers have the right to organize just as any other group of citizens has the right to organize if they so decide by a majority.

Mr. Horner (Crowfoot): They have the right to produce.

Mr. Rose: They ought to move into this kind of market-sharing arrangement and establish co-operatives. "Co-operative" really has a nice sound, much nicer than "dog-eat-dog competition." I know that certain agricultural undertakings can survive under competition provided, for instance, there is tariff protection against cheap Australian beef. If our people can buy a piece of land in the east at ten cents an acre and obtain freight rate assistance, they can survive as free enterprisers. The attitude is: Just leave us alone. Just help us, but do not do anything else to us. I think the Hoss Cartwrights will disappear if they are prepared to make their particular product the luxury food that nobody can really afford.

• (1600)

I received representations from several farm organizations, or organizations relating to farming matters, and farmers with regard to taxes on market-sharing quota sales. I will give an example of how this operates. If a farmer who has an egg quota in my constituency wishes to get into the business, and this is where I agree with the hon. member for Crowfoot—

Mr. Horner (Crowfoot): He needs a rich father, aunt or uncle.

Mr. Rose: What is so odd about that? He could steal the land from the Blackfeet for nothing.

Mr. Horner (Crowfoot): "Blackfoot."

Mr. Rose: I am speaking of them collectively.

Mr. Horner (Crowfoot): It is "Blackfoot" collectively.

Mr. Rose: If he wishes to get into the egg business, he would have to purchase 20 cases a week. Ninety-two hens equals a case of eggs. The hens he buys from the man who wants to get out of the business cost 10 cents each, or 20 times 92 times 10 which is $18.40. If he wishes to get into the business, the cost to him is $6,000. He goes to the tax department and says that this is really a capital expense. The tax department says no, it is not, because market-sharing quotas have no value. He is told that he purchased the business for $6,000 but the hens he purchased are worth $18.40. Nobody could eat them; he probably buried the hens after he bought them. He gets this tremendous right. What he does is purchase a right to sell. I understand the misgivings of the hon. member for Crowfoot. He purchases a right.

The Chairman: Order, please. I regret to interrupt the hon. member and the members with whom he is chatting, but the time allotted to them has expired.

[*Translation*]

Mr. Beaudoin: Mr. Chairman, I am happy to take part in this debate. First of all, I wish to congratulate the new Minister of Agriculture (Mr. Whelan) for being so sincere and above all so convincing when he speaks to the producers.

One can tell he himself is a former producer: he knows quite a lot about production costs; he knows that the farmers must also make profits, if profits can be made in agriculture.

[Mr. Horner (Crowfoot).]

I am also happy to speak on behalf of the farmers of eastern Canada on the important question of the credits the Department of Agriculture earmarks for financing federal assistance to the Canadian Livestock Feed Board, and to Canadian agricultural production and market.

At the start of my remarks, I should like to point out that it has become important and interesting for us, members of the opposition, to speak in this House since the start of this session. Formerly, when we were led by a majority government, no matter how much we shouted ourselves out of breath telling parliament what the people liked or did not like, we were not listened to. The Canadian people showed the government we were right. Not only does the government listen to us, but it listens closely to what we have to suggest. Its political life is at stake, and if it does not want to be inflicted parliamentary death sentence, I advise it to listen carefully to our suggestions and criticism. Today, I shall limit myself to agricultural production costs and profits.

Until now, I voted for or against the government, depending on the legislation proposed to us. I am proud that I am absolutely free to decide how I will vote, and not always bound to vote against the government as the progressive conservative party seems to be, nor always for it as the NDP has been since the start of the session.

The estimates that we are asked to approve are not sufficient in my opinion as far as agriculture is concerned. This is obviously not enough. In my area of the Eastern Townships and in my constituency particularly, farmers received a small cheque of $400 lately, in respect of the bad crops of last year. How is it possible, Mr. Chairman, for a farmer to recover the loss of more than 50 per cent of his hay production with $400 per year?

Almost every day, we hear statistics to show that farmers' incomes have increased at an astounding rate for the past year. Some people even talk of a 40 per cent increase, and I refer to Mr. Toupin or his acolytes in the province of Quebec.

It is very easy, Mr. Chairman, to play politics on the farmers' backs. However, the facts are not what Mr. Toupin believes they are, as reported this week in *La Terre de chez-nous.*

If such were the case, the government would not have accepted in the first place to give farmers $400 to compensate for the loss of crops due to bad weather. Farmers would not have to hold weekly auctions the likes of which have never been seen. Moreover, youth would be interested in becoming farmers, which is certainly not the case now.

Mr. Chairman, any one could tell me that everything is all right, that milk price is at its best, that the world demand for feed grains is the strongest ever recorded, but those are only words. The farmer who has to buy machinery or dairy cows to increase his herd knows how difficult it is to finance those investments while the labourer, who has only his lunch box to finance, earns $4, $5 or $6 an hour. Furthermore, in order to buy, control and finance his operation, the farmer must borrow money at a rate between eight and nine per cent. In the case of farm machinery, they pay up to 13 per cent interest to financial sharks, whoever they may be. The working man does not

pay taxes on capital gains but the farmer does. Nowadays, when farmers are making a few dollars they have to pay capital gains taxes when they retire.

• (1610)

Mr. Chairman, those who in the past few days spoke on appropriations for the Department of Agriculture, especially on feed grains, were mostly hon. members from western Canada. Every single one said that there was not enough or too much production in the past and that exports had not been sufficient.

Mr. Chairman, I think it is very important to decide whether Canada is producing enough or not and whether western farmers are being encouraged to produce or not. However, it is more important to find out whether prices for grain and processed grain purchased by Quebec farmers will continue to spiral up as they do now so that eastern producers will not be able to make profits this year, contrarily to what is said in *La Terre de Chez-Nous.*

If in the course of the 1970-71 crop year western producers were paid not to produce, it certainly is not the fault of the eastern farmers. The federal government should provide a great deal more help for transportation of feed grain if it wants the farmer to be able to engage in a rewarding occupation.

In the January 1973 issue of *Le Coopérateur agricole,* I was reading about a comparative study on the prices of grain and certain ingredients which make up feeds. They study indicated that almost all classes of grain had registered raises in price per ton of the order of at least 35 percent.

Soy-bean cake, which was selling for $104 a ton in December 1971, is at $210 a ton right now, for a considerable jump in price in a 12-month period. Linseed cake, for which a price of $102 a ton was quoted in December 1971, was up to $130 a ton in December 1972. Corn sold for $50 a ton in 1971; it was up to $70 a ton in December 1972.

In eastern Canada, gluten meal with 28 per cent protein content sold for $72 a ton in December 1971 and $86 a ton in December 1972. Wheat was $60 a ton in December 1971 and $80 a ton in December 1972. Bran was priced at $56 a ton in 1971 and $90 a ton in 1972. "Gru" sold for $58 a ton in 1971 and $92 a ton in 1972. The price of barley was $50 a ton in 1971 and $73 a ton in 1972. Oat sold for $50 a ton in 1971 and $83 a ton in December 1972. Draff was priced at $68 a ton in 1971 and $86 in December 1972.

Mr. Chairman, those are the prices in eastern Canada, though they could vary between areas according to local market conditions and especially to transportation cost.

Besides UPA economist François Dagenais recently called my attention to the fact that hog raisers in the province of Quebec have recently suffered losses due to the increase in feed price. Because of this, 2,054,507 hogs were slaughtered in Quebec in 1971 while, in 1972, the number was 2,029,002. Thus, the difference in production cost in eastern Canada compared with the west is $4.20 a unit. Hog producers in Quebec have suffered fantastic losses when one compares their income with that of the producers in the west.

The price paid for feed grains and proteins is the main item in the cost of production for hogs, poultry and cattle.

Feed grain consumption in Quebec has spiralled these last few years, especially over the last two years. As a matter of fact, in 1970, consumption of feed grains was about 561,875 tons of meal mixtures, and in 1971, of 623,875 tons; and in 1972, the Union des producteurs agricoles estimates that it will reach 783,445 tons. As we know very well, the cost of meal mixtures has increased by 30, 40 or 50 per cent in some cases, especially as concerns proteins, and yet I am told that the farmers have an easy life, and lots of money, and so on, because milk sells quite well!

I suggest that the milk producers will not earn enough this year, since they have to pay too much for the services they need and for feed grains.

Besides, as concerns the 1973 dairy policy established on January 18 last, the Canadian Dairy Producers' Federation has provided us with the following information, and I quote:

According to the official figures available, we know that:

(1) The index of farm production costs for the third quarter of 1972 exceeds by 4 per cent that for the same quarter in 1971. However, let us note that in the meantime the cost for new buildings increased by 11.2 per cent and the cost of farm labour, by 7 per cent.

Moreover, that index still does not show the increases in feed grain costs registered mainly during the third quarter of 1972.

(2) The wholesale price for feed grains, as reported in the December 1972 issue of *Grain Facts,* published by the Canadian Livestock Feed Board, has jumped since last year—

(3) Farm wages

As we indicated before, the cost of farm labour apparently increased by 7 per cent in Canada. Again, these are the last reports available.

The cost of manpower and feed grains, as we all know, accounts for a considerable share in the overall expenses of dairy production. In 1973, the notable increase in power rates and local taxes will only aggravate the situation.

But, once again, it is still the cost of grains and services which boosts the production cost of our eastern farmers.

As long as the government fails to take appropriate measures to stabilize the cost of feed grains at a reasonable level as usual Quebec farmers will depend on the federal policies for eastern Canada.

Recently, the Quebec Minister of Agriculture paid for two large pages of a newspaper to boast that eastern farmers "were making money"; but I say that he was once more politicking on the farmers' back.

In concluding, on behalf of the farmers of the Richmond constituency and eastern Canada, I ask the government and the hon. minister to give careful consideration to the requests from UPA on the question of feed grains so that our Quebec farmers be granted justice as to their production cost and that, some day, we can see the establishment of long term programs in the field of production cost and the sales cost of farm products.

In conclusion I would say how surprised I have been recently to hear the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), former Minister of Agriculture, stating that in 1960-61, the farmers were performing miracles.

I think that the Canadian voters will remember at the time of the next election as they have remembered since then, that in eastern Canada, in 1960-61, when the hon. member was minister, farmers were selling $4.05 per cwt.

their 3.5 test milk when the cost of production was $4.35 and even $4.65. I think that our farmers cannot go back, nor are they considering going back in the next election to those long years of darkness the hon. member for Qu'Appelle-Moose Mountain is trying to praise. I think that those years are over. The minister is looking at me and I think he approves of what I have just said. Those years are over and thank God we now have a minister who I think is clever and looks after his business.

[*English*]

Mr. Horner (Crowfoot): Mr. Chairman, before the debate on schedule A, production and marketing program, concludes I thought I might say a few words about it. The new Minister of Agriculture has not really given us his views on what in western Canada is commonly known as the Liberal libel on agriculture, the task force report on agriculture. The former minister of agriculture stated during the last election campaign that the one big error he made was he had not publicly declared that he did not support the task force report on agriculture. I am wondering just what the present minister thinks about it. Certainly we are wondering about it since it contains many myths and untruths in regard to the goals and objects of Canadian agriculture.

The minister in charge of the Canadian Wheat Board, the hon. member for Saskatoon-Humboldt, has been making a number of remarks in the House of late which suggest that some members of the Conservative party are not in favour of the Canadian Wheat Board. This reminds me of a statement made by the hon. member from Saskatchewan to the effect that I was opposed to the Canadian Wheat Board. I should like to assure the minister, through you, Mr. Chairman, that I am in no way opposed to the Canadian Wheat Board. I believe that board's powers should be strengthened and I would develop policies to do just that if I had the opportunity.

• (1620)

I am not in favour of the manner in which the minister is handling the Canadian grain situation. In western Canada during the last campaign there were attempts made by the Liberal party to suggest that the minister in charge of the Canadian Wheat Board is the greatest Canadian salesman of wheat Canada has ever had.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): I hear some hon. members saying "Hear, hear". They should look at the annual report for 1970-71 and the percentage of the wheat trade Canada has had in the last number of years. We never dropped below 20 per cent in the whole history of the Wheat Board; but when that minister took charge of the Canadian Wheat Board we dropped to 17.4 per cent of the world's wheat trade. The next year it was 18.5 per cent, the next year 18.5 per cent, and in 1970-71 he got it up to 21 per cent. It will be higher this year because of the drought in Russia and China.

The previous speaker talked about the price of wheat back in 1961. He was quite right. In 1961, as indicated at page 18 of the annual report, the total realized price was $1.91 per bushel. When the present minister took over it

[Mr. Beaudoin.]

went down to $1.81 and it has dropped ever since. The next year it was down to $1.70, the next year to $1.68, the next year to $1.67 and the announced price today is $1.59. One can see the steady slide downward. Our percentage of world wheat trade has gone down and our price has gone down, yet the Liberal party believes it has the greatest wheat salesman Canada has ever had. Certainly he has lost us money every year he has been in charge.

We hear about the way barley is selling today. It certainly is selling well and we wish we had more to sell. About two years ago the minister in charge of the Wheat Board sold barley on the international market for as low as 47 cents a bushel. The price at Vancouver today is $1.69 a bushel. We wish we had a little more, but there is no surplus of barley. I met the vice-president of the Saskatchewan wheat pool at the Federation of Agriculture conference and he asked me if I thought Alberta would have enough barley to see us through until the next crop year. I said I thought we had. Then he asked me if I wanted to make a little bet, suggesting that we would not have enough. That indicates how much barley there is available.

The minister in charge of the Canadian Wheat Board has had the board conducting a survey. I spoke about this earlier. He does not want to release the results of that survey because it will show that the farmers' barley bins are almost empty. This minister has cost the Canadian wheat farmer, as I said in another speech, in the neighbourhood of $600 million because of his foolish Lift program.

To my way of thinking, this minister has been Canada's worst minister in charge of the Canadian Wheat Board. His policies have been detrimental to the farmers of Saskatchewan in particular and I urge those farmers at the next election, whether it be in June or in the fall, to take steps to remove him. They can remove him from that portfolio, and they should because he does not understand the grain picture or the handling of grain. I would urge the Prime Minister to take the Canadian Wheat Board out of the minister's jurisdiction. Maybe he knows something about the law, but the Wheat Board should be given to someone with more understanding of the grain trade than the minister has. This minister thinks it does not really matter at what price he gives our product away as long as he moves it. The farmers are concerned about their product and the price at which it is sold. They are concerned about how it is handled.

During the last election campaign the minister came out to Calgary and said that if his party was re-elected the government would spend a considerable sum to really modernize the port of Vancouver. This port is very important to the marketing of grain in that it handles over 50 per cent of our export sales. What has been done to overhaul the port of Vancouver? Figures tabled in this House on March 5, 1972, indicate that in 1968 the federal government spent $17 million on the port of Vancouver, but expenditures dropped to about $6 million over the following four years. This indicates another sliding graph. The government should spend a little more on the port of Vancouver to help in the marketing of one of our major exports, grain from western Canada.

We now have a price of $1.59 per bushel for wheat. The minister has entered into long-term contracts with Russia and China. The right hon. member for Prince Albert suggested during the question period today that some 100,000 bushels are still to be delivered to Russia at the lower price. There is still a great amount of wheat to be delivered to China at the low price of the 1970-71 contract. This minister has done western Canada no good at all.

We have had reference to the transportation study which the minister has had conducted by the grains group. An interesting thing about the study which no one has really pointed out is that in respect of the movement of grain it has been carried out on railway rates completely ignoring Crowsnest pass rates. I wonder how many farmers in Saskatchewan really think that the minister they elected to take charge of their product is actively interested in doing away with the Crowsnest pass rates. Are they aware of that fact? I think we will have to make them aware of it before the next election.

I think the minister should be brought to task for harbouring that kind of thought. To me the Crowsnest pass rates structure is the Magna Carta of the west. The minister is attempting to subsidize the railways by giving them $48 million worth of boxcars. Without having any commitment from them in this regard, he hopes they will repay that amount some day. The minister wants to do away with nearly 5,000 miles of track on the Prairies, about 3,600 miles of which are in the province of Saskatchewan. I wonder whether the people in those areas of Saskatchewan really feel they should return to Ottawa a man who wants to gather up 3,600 miles of track in their province.

The same minister said in a speech to the Alberta wheat pool that he might subsidize the movement of grain because of the cost of long hauls to the farmer.

An hon. Member: Temporarily.

Mr. Horner (Crowfoot): Yes, temporarily. The grains group study did not make that suggestion. It suggested that the farmers will have to build more storage and haul their grain over longer distances, but they will then have the 80 inland terminals to facilitate the railways. This Liberal government has been obsessed with the idea of increasing railway revenues since it passed the National Transportation Act in 1967. They are obsessed with that idea, no matter who pays. Apparently the minister in charge of the Canadian Wheat Board will have the farmers paying the cost of this.

The minister has lowered the price of wheat from $1.81 a bushel, when he took over, to $1.59 a bushel. He now wants the farmers to pay these additional costs and will see that they do so by removing the Crowsnest pass rates, by making the farmer store more grain on his farm and haul it farther to the elevator at a lower price. It seems to me we must do our best to remove him if he is to remain in charge of the Canadian Wheat Board. We must do our best in Saskatchewan to see that he does not come back, so that we might have a more orderly marketing system under which the farmers will pay less, rather than more, and under which the railways will provide more services rather than fewer at a higher cost.

We have seen the final payment figures for barley and we know that there is no surplus of barley. There is to be no pool in respect of barley. One might expect, with wheat selling today at $3 a bushel in Vancouver, that the final payment on wheat for this crop year would be 60 cents a bushel. Because of the way in which forward sales have been made at the low price, the farmers will be lucky if they receive another 30 cents a bushel.

• (1630)

It seems to me that the minister in charge of the Canadian Wheat Board has done a disservice to the wheat farmer during the past four years. We might consider his thinking in respect of doing away with the Crowsnest pass rates and 600 miles of track in the province of Saskatchewan, or a total of 5,000 miles of track in the three prairie provinces. There are about 19,000 miles of track in the province of Saskatchewan; therefore he will be doing away with nearly one-third of the total trackage. The closing of elevators will probably result from this. There are now about 1,800 delivery points. The minister wants to cut that figure to 80. I believe there are 105 delivery points in the constituency of Crowfoot alone. On the basis of these figures, this would probably mean that my constituency would be reduced to three, four or five delivery points. Certainly this is not a satisfactory situation in the minds of the constituents I represent.

We are concerned about these things. We believe in the Canadian Wheat Board which, as was mentioned by the right hon. gentleman from Prince Albert, was set up by the Conservative government. We believe in orderly farming for the benefit of the farmer, not for the benefit of the railways. We believe the CPR has been given a gracious grant by the government over the years and that it has provided a good service in return. However, we do not believe the farmers should provide all the money in order to keep the railway going. This also applies to the CNR.

I think we should have a more orderly marketing system and along with it we must have encouragement of production. The Minister of Agriculture, when appearing before the committee on food price trends, said that if the price of food increased further he did not believe in the implementation of a food price freeze. He suggested that perhaps an embargo would be the easiest way to handle the situation. He would license anyone who wanted to export any commodity. I ask hon. members what kind of thinking that is with regard to the production of agricultural goods in Canada.

During the war years we had an embargo on the export of cattle to the United States. This was maintained until 1948. The price in the United States at that time was about 30 cents a pound, while the price on the Prairies was about 16 cents a pound. Finally the Liberal government of the day lifted the embargo and the price of cattle shot up to 30 cents a pound and then dropped again to 16 cents a pound. This shows the effect an embargo would have. It would result in less production in Canada. Our prices would be depressed, while everything we had to buy would be priced on the international market according to cost.

This attitude of the Minister of Agriculture leads me to believe this is part of the contingency plan we hear about in respect of the control of food prices. What will the farmers in western Canada think about a Minister of

Agriculture who harbours the belief that somewhere along the line there should be a licensing system in respect of anyone who wants to export something? This would have the effect of decreasing production rather than increasing it. Instead of having an increased movement of cattle we would have less, and food prices would not be helped in the long run by such a policy.

I see the Minister of Agriculture shaking his head in disagreement with what I am saying. Perhaps he can encourage farmers to produce hogs and cattle for less money. He said it would take four years to bring about an increase of any size in the production of cattle. He is correct. I think we could do it in three years in the west, but perhaps in eastern Canada it would take longer. I really do not know. In any event, it is nice to get a glimpse of the future in the thinking of the Minister of Agriculture. It is also nice to get a glimpse into the future in the thinking of the minister in charge of the Canadian Wheat Board, who wants to do away with the Crowsnest pass rates and rail trackage on the Prairies. It is my belief that this would merely bring about a chaotic situation. I urge voters across Canada to take note of this fact in the event that the Prime Minister calls a June election, because this kind of thinking should not be rewarded by votes.

Mr. Rose: Mr. Chairman, this is another chapter in the continuing saga of my speech which started on Friday night and which I hope to be able to complete in this session. When I was so rudely interrupted by the fact that my time had run out, I was attempting to point out the seriousness of the taxation clauses as they affect supply-management or marketing quotas. I had used an illustration involving a person who would pay up to $6,000 in order to get into the position of having a quota. If this person turned around and sold the quota to another purchaser at a higher price, or even at the same price, he would be charged, under the current taxation laws of Canada, with a gain of 50 per cent. If the gain is from $6,000 to $7,000, it is a gain of $1,000. I believe this is an iniquitous tax arrangement. I do not think a great deal would be involved in amending this provision. I believe it would be very easy to do it if the government were interested at all in encouraging agricultural production in this country.

I hope the minister recognizes that this is a problem with regard to supply-management quotas, and so on. There are now national agencies in respect of the production of broilers and eggs. There is to be an agency in respect of turkeys, and perhaps hogs, which might leave out Alberta although certainly the rest of the country would be involved. I bring this to the attention of the minister because it is a matter of concern to many people in my riding. As I understand it, it is my duty to speak on behalf of my people.

Another problem involves the type of depreciation allowed on farm equipment. Last May we heard the minister speak of fast write-offs with regard to manufacturing and processing in an attempt to produce jobs in the manufacturing and processing industries. However, the kind of change that is anticipated by the new tax arrangement concerning the write-offs for equipment in effect means that there will be a straight line depreciation of, say, 15 per cent while others have a declining line write-off. If such a write-off is to be helpful in manufacturing and processing, about which I have some doubt, and certainly if it is to be stimulating in that sector of the economy, a faster write-off would be a stimulus or at least of assistance to farm production. This would result because of the high capital cost of land in most farming operations today. I hope the minister has taken note of this point because I believe it is very important. It is something which probably affects everyone who is now involved in a mechanized farming business. I think farmers are quite able to understand fast write-offs. Certainly if they are good for one sector, they are equally good for another.

• (1640)

I should like to deal with another tax matter that I said earlier was a persecution, a harassment of part-time farmers, which occurs in my riding and perhaps in other parts of Canada. When you mention this situation you think of part-time farmers and you have visions of doctors, lawyers or other affluent people who use this technique as a tax haven. There is no doubt that some of this occurs, but the vast majority of the people engaged in agriculture in a small way, at least in the riding I represent and the ridings near me, are not that type of person at all. They are people with a small acreage of land which is in effect a green belt. We would like to preserve that land as a green belt. These people are occupied with farming on a part-time basis mainly because they cannot make a satisfactory living for their families in agriculture.

However, it must be noted that these people provide a very important service; they make a real contribution to the supply of food. As some of you may know—certainly people from the prairie provinces will know it—so far as the red meat industry is concerned in the lower Fraser Valley, it is pretty well gone for the most part. Most cattle breeding is finished near Edmonton where they have the advantage of having non-board grain, the price of which is about half as much as even freight assisted feed grain in the lower Fraser Valley.

We in North America have now roughly a 20 per cent beef shortage. The cattlemen may correct me if my percentage is wrong. Nevertheless, the small, part-time farming operation where the wife and kids do the work while the husband works in the mill in the daytime, or has some other kind of occupation, and then comes home and does the chores at night, provides a real contribution to our food supply because it avoids the monopoly control of the meat industry of a relatively few big ranches or big companies.

We have a situation where the small or part-time farmer is being harassed by the taxation department and is frequently being told that he can no longer file for tax exemption because in his operation there is, to use the language of the tax people, "no expectation of profit". He is the kind of person who provides work for the packing industry and the slaughterhouse and he provides a good deal of the local meat. He is the one who holds the price down. We find that once he is gone, which is the case in England, the price of the commodity that he produces goes up.

What is happening to these people who are visited by tax auditors? Frequently the tax auditors are inex-

perienced people who do not know much about farming. Some people say they do not know much about accounting either. They call at these farms and have a little chat with these people, following which, and without giving them the usual RCMP warning that everything said will be held against you, they make out a report and that is the end of it. Sometimes the tax auditors even tell the farmer, "You cannot even file for a farm exemption any longer". The man has a perfect right to file for tax exemption if he likes. By and large these people are not interested in being cheaters or tax evaders. They are people who are working very hard to produce in what they consider to be a fine environment for their family, the rural atmosphere, and they want to do what is right. Yet they are told that they can no longer file for a tax exemption.

About a year ago I went to the predecessor of the present minister to speak about this problem and I got some relief for these people. At least they stopped reassessing them two or three years back and limited the reassessment to one year. However, this is still going on. Tax auditors are continuing to plague and harass the people. I do not think the farmers save enough to even pay their own salaries. What the auditors do, in addition—I think this is most pernicious—is push these people off the land. What choice have you if you receive no tax recognition for your enterprise? What choice have you if you are a small or middle-income person? Your choice is either to subdivide—which I do not think we want—or sell to some more affluent person. This has to stop. The Minister of National Revenue is, I think, interested and willing to listen. I will be meeting him on this problem shortly.

I will not take up any more of the time of the committee because I know this debate is supposed to finish this afternoon. I would just like to say that there are three major concerns with which I have attempted to deal in three separate sessions of this debate. The first is the lack of protection afforded with regard to foreign imports. The second is the iniquity of the taxation of production quotas, and the third is the persecution and harassment of part-time farmers. I do not think there is much to gain from pushing people into cities and making formerly independent, self-reliant people into what might be called urban serfs.

These people are marginal farmers in terms of their income. They are mostly three generations away from their forefathers who came to this country looking for land of their own and for independence of their own because they were either part of the peasantry of Europe or were the urban poor of the cities and of large industrial slums. They came here looking for a better life, but within three generations they become, again, serfs in the high-rises. That is what is happening all over the country.

If it is necessary, let us take steps through taxation, through agricultural policies and through urban policies to make rural life not only rewarding but opportunity creating so we will not have this constant rush to the cities. If necessary, let us even subsidize people to stay away from the cities, because we will save money in the long run. The minute we crowd people into cities our police costs go up, our school costs go up, costs for services and housing go up, and the incidence of stress and mental illness goes up.

Before resuming my seat I should like to commend and congratulate the Minister of Agriculture on his new portfolio. All of us are looking for great things from him. He has a tremendous opportunity to reverse the trend which has existed in the Liberal government, of not really caring very much about this problem. I wish him well.

[*Translation*]

• (1650)

Mr. Lambert (Bellechasse): Mr. Chairman, some of my colleagues to my left seem discouraged when a member of this House does his duty, but that does not impress me at all. I shall continue to do my work to the best of my knowledge and with the sense of responsibility instilled in me during my youth.

Mr. Speaker, I spoke last night on a subject of great relevancy nowadays—

Mr. Trudel: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order. The hon. member for Montreal-Bourassa rises on a point of order.

Mr. Trudel: Mr. Speaker, I think our colleague misread our minds. We are anxious to hear what he is about to tell us and not what he has said about his colleagues.

Mr. Lambert (Bellechasse): I thank the hon. member for the correction and I am sure the second part of his remarks is true.

Mr. Chairman, I was saying last night during the debate on this important matter of estimates for the Department of Agriculture, that strange things were happening. I think it is my duty to draw the attention of the Minister of Agriculture (Mr. Whelan) to these facts, so that he might take the necessary steps so that in future there will be no need to give grants to farm producers as is being done for those who suffered losses in 1971; the money must reach directly those for whom it is intended.

Mr. Chairman, my colleague from Richmond (Mr. Beaudoin) was speaking a moment ago about an increase of 44 per cent in the net income of farmers in 1972, as compared to 1971. I suggest that the public servants, in Quebec, are very good playing with figures. They are able to put figures one after the other and make them say anything they want; but if they troubled themselves to consider the matter more closely, the findings of their study would be different. They would be in a position to better inform the people.

When considering the matter in depth, one finds that in 1971, many producers lost substantial amounts of money; their operations showed a deficit but thanks to representations which were made to draw the attention of governmental authorities, programs were developed to make up for part of that loss. And as subsidies were paid in 1972, it is normal that the income of farmers in 1972 should be higher than in 1971. But this does not mean that the 1972 production brought in a higher income. These figures are added to those of the 1971 production.

When one really wants to study these facts in depth, one must substract the losses suffered in 1971 from the total income of 1972 and then, one shall know the truth. I think

the farmers of the province of Quebec can see for themselves whether those figures are true.

But there is more to it, Mr. Chairman. What happened is that very valid programs were implemented then poisonned in several cases by blood suckers who saw an occasion to further exploit the farmers.

I will give you an example: in 1972, the federal government raised the grant for hog production to $5, up to 200 hogs, and the provincial government drafted a policy in that direction. Unfortunately, it happened that some "integrators" took advantage of that program by using those who raised hogs for their own use. They obtained their signature against a fictitious acknowledgment of debt. When the cheques were delivered, the "integrators" gave them a receipt. Many thousands of dollars allotted to the farmers thus went into the pockets of those people. That did not increase the real income of true farm producers. In fact, some jokers have suggested that perhaps that money was used for the October 30 elections; I do not know how it was used but certainly not for the right end anyway. As I said, these practices did not increase the income of true producers.

I think it is about time the Canadian government manages agriculture on a real national basis by taking all means available so that when a policy is developed to help a certain category of producers, the money gets where it should if we want to obtain results, if we want those who are supposed to benefit from those programs to be really satisfied.

Mr. Chairman, I think many things happen without the hon. minister knowing about it; but these misuses of funds do nothing for the government or the producers for whom we carry votes.

Mr. Chairman, I would like the important question of grain to be examined very carefully. Earlier on, a member was stressing the fact that the minister in charge of the Canadian Wheat Board might not have the competence to manage this agency efficiently. I think it might be better if the board were under the responsiblity of the Minister of Agriculture (M. Whelan) because he certainly has closer relations with the producers and their associations than does his colleague. These associations and the brief would get a better hearing if the board came under his responsibility. I see the minister is smiling; maybe he thinks he has enough work as it is. However, with his stamina, he would be able to manage efficiently and the whole population, including farmers, would be very happy.

Those are, Mr. Chairman, the few remarks I wanted to make while we are examining these votes so that we could together find a better use and also allow farmers to keep on hoping.

I have received today, as all other members probably have, a brief rrom the Canadian Federation of Milk Producers. During the question period, I intended to put a question on that matter to the hon. Minister of Agriculture. But since probably more important matters drew the attention of the Chair, I had to postpone until now my remarks on that matter.

I would like to ask the hon. Minister of Agriculture to give special attention to that very serious brief which demonstrates that production costs in the dairy industry have increased substantially in 1972, particularly in the last quarter and that they continue to increase.

[Mr. Lambert (Bellechasse).]

• (1700)

As it is stated in this brief, the Canadian Federation of milk producers is asking for a 60 cents increase per hundredweight in order to allow dairy farmers to make profits proportionate to their investments and their needs and to attain gradually the living standards enjoyed by other classes of society. Production costs are clearly established; I believe that the figures stated are valid and that we should take them into consideration.

The brief suggests two ways in which producers could make higher profits; it stated also that the government should take direct action to increase the subsidies granted to producers through the Agricultural Stabilization Board. As far as I am concerned, I would support such a measure, because there is a committee studying the trends in food prices, and I believe that if we should pass a different type of legislation from the one we had in the past, we would help both consumers and producers without increasing food prices.

This policy was applied during the war when the government had enacted a measure for the payment of a discount on dairy products. Thus the consumers were not paying any more, but the producer got a discount directly through the federal government. This is very much like the compensated discount which was so well thought out by Major Douglas in his great financial philosophy for a better economy, for a less rigid economy, that would allow the population to benefit instead of being punished by progress.

We have oodles of all kinds of products and we can produce even more. However, in the dairy industry, brakes were put on, as everybody recalls, to adjust production to consumer needs. I say however that they acted on the capacity of consumption. In fact, if consumption is to be increased, a compensated discount should be allowed to the producers, a discount which would not come from the consumers' pockets through taxation but which would be available through the Bank of Canada by means of new credits available to the Agricultural Stabilization Board and based on real production instead of fictional issues.

Mr. Chairman, I urge the Minister of Agriculture to take into consideration the few suggestions I just made, including the change of jurisdiction regarding the Canadian Wheat Board and the possibility of increasing the price of industrial milk, because the producers are greatly in need of it.

I do not want to take more of the time of the House as I know other members have also comments to make on this matter.

Mr. La Salle: Mr. Chairman, I am always glad to express my views.

I should like to expound some claims of our farmers in the discussion of these estimates and I fully agree with many other hon. members who have already suggested to the minister some changes that are absolutely necessary in view of the importance of agriculture in the Canadian economy.

Someone yesterday expressed some regret that the House has spent so much time for so many years before dealing with the feed grain problem.

I think I should also deal with this as with other points that have been mentioned during the discussion on these estimates.

We know perfectly well that my constituency, like many others, includes a large number of producers who have encountered difficulties because of this policy on feed grains for quite a long time. This is very disturbing for them, especially when competition at the national level is mentioned.

In my opinion, we have no right to neglect to bring this matter once more to the attention of the minister who is now present in the House, not in order to blame him, because, on the contrary, as the new minister from the east—and I am glad that he is new—I think he will naturally show more understanding in respect of the problems raised by eastern producers.

The minister is aware of the position taken by the Quebec delegation last week, but I think that the delegation has made that gesture in order to prove how important it is to remedy the unfair situation of eastern producers, not only of Quebec producers. There is a great number of producers who are directly affected by the unfair feed grain policy, and they think that the time has come to settle the matter.

As a member of Parliament, I was very happy to see that the Prime Minister (Mr. Trudeau) had included in the speech from the throne amendments designed to settle that problem, and to learn that the minister had stated that he hoped the matter would be settled before the month of June.

All the members also must realize how important this problem is and join forces in making the members of other areas understand it, because for quite natural reasons, they might hesitate to redress that injustice. It is not a matter of depriving anyone of his rights, but merely of viewing generally the importance of the economy at the national level as far as those measures are concerned, and I think that eastern producers are only eager to work to meet a fair competition.

I hope that the minister will make every effort with regard to that policy in order to ensure a fair treatment in the interests of national unity.

I was also very pleased to find that the minister was especially concerned with the family farm. He added that the government had passed beneficial measures in the past few years—such as the Farm Products Marketing Agencies Act—which are, in his opinion, a further step forward stability. Speaking of stability, one may say that farmers have never enjoyed it as other groups of citizens have. I think that the minister is quite right in raising the question of stability, because such stability would enable farmers to live in a world in which he would feel secure about his future, which would be likely to encourage young farmers.

People often wonder in my riding as in others whether the young are not losing interest in the farm. This can be explained by the poverty that the young man has experienced at home, the instability that has affected him and because of competition that is often unfair.

• (1710)

It is imperative that the government hasten to set up more equitable programs. Bill C-176 deals with marketing and is aimed at ensuring more adequate prices. It deals also with farm credit, but should we not still consider the cost of interests when dealing with that subject?

If we really want to instill in the young a taste for farming, we must offer him benefits not available to him at the present time. The interest required on farm loans is a discouraging feature for the young farmer, and he will not accept to borrow huge sums of money once he has learned of the difficulties his parents have experienced.

In my opinion, it would be advisable for the minister to seriously consider preparing for the benefit of the young farmers a loan policy involving very special interest rates. This would encourage the young man to eventually take his father's place and show that the government is really willing to open a door and help those young people find stability in farming.

We know very well that these young farmers also need management classes. In my constituency, as I was told recently, people deeply regret that the Department of Manpower and Immigration will not work harder at providing help for the young farmers, and I mean not necessarily those people who have already 40 or 45 years of farming experience, but rather the young people who need more training in management, considering all the changes to which farming is being subjected today. That need has become vital for the reasons I have mentioned and I believe that the young farmers would benefit enormously from such help, as would the Canadian economy as a whole. The farmers having more qualifications in management, farming would be more lively and more challenging.

These are the suggestions I had to make, taking into account the needs of agriculture at the national level, and not only within the limits of my constituency.

I should also like to take this opportunity, as others have done, to deal with two major problems. Feed grains have been discussed and apparently the minister is to settle that problem. I hope we shall be informed of a solution by June. The Canadian Dairy Federation, as the hon. member for Bellechasse (Mr. Lambert) said a short while ago, has submitted a brief fully explaining the reasons for their requests to the Canadian Dairy Commission and to the government for supplementary subsidies of some 60 cents, because of constantly increasing production costs.

Clearly, and particularly because of the experiences of 1972 and of unfavourable temperatures, producers' needs are greater than ever. Considering the constant increase in production costs, it is also easy to understand that the Canadian Dairy Federation's request is fully justified.

We expect to hear good news from the minister early in April and in the interest of an improvement in the situation of those producers we hope he will give a positive response to the arguments and requests brought forward

by the Canadian Dairy Federation to obtain higher incomes.

I should also like to bring back to mind the difficulties producers of all food products experienced last summer. On the basis of representations made by hon. members and of course because of the minister's comprehensive attitude toward losses sustained, the government distributed $9 million to some 22 thousand farmers, making $400 for each producer.

I do not believe any of them lost less than $400 and most of them lost much more. And we know that several growers or farmers have lost millions of dollars due to bad weather.

Of course, I regret that such a policy of reimbursement has been applied. We might say it is equitable, $400 for every one, and everybody will be glad. But how could we satisfy a farmer who lost $4,000 and received only $400? I understand it was difficult to estimate the damages but I think, in view of their importance, we should have assessed them farm by farm.

I believe it would have been possible to make such a survey, such an estimate and to act more fairly toward growers. I take this opportunity to ask the minister to urge his officials to speed things up with regard to those who have not yet received their $400. I know that a number of them have made this mistake or did not quite understand what was required. Some producers mentioned this to me and I am now asking the minister to reconsider their case in view of the fact that those farmers misunderstood the terms of eligibility. Indeed they are definitely full-time producers and farmers. Of course they are looking forward to receiving their $400 but I still believe that damages could have been evaluated much more fairly and a lot more could have been given to some producers who are facing real problems mainly in winter.

I had to express these few comments to the minister while the House is dealing with the business of supply and to remind him of the importance of agriculture in my constituency. In fact, I had to express these views because they reflect the arguments put forward all the time by farmers, especially in my office on weekends.

Dairy producers are also experiencing increases in their production costs which is unavoidable. However, subsidies must be increased also if they are to make reasonable profits.

Potato producers have also experienced difficulties. Bill C-176 is intended to establish marketing boards, but I would ask the minister to make more efforts so that these producers understand the purpose of this legislation and do something to get reasonable prices. I have tremendous faith in the effectiveness of Bill C-176. However, farmers should be made to understand the need to get together and deal through a marketing board for better results. Unfortunately, farmers often have a tendency to wait for the situation to deteriorate and difficulties to become unsolvable. I think the Department of Agriculture will never overpublicize the fact that it is necessary for farmers to get together within an association if they are to obtain the maximum of benefits under Bill C-176 and to ensure that farmers are putting to good use this tool that the government has given them.

[Mr. La Salle.]

I shall end my remarks by inviting once more the minister to pay very close attention to the briefs that come to him from different organizations in Quebec and Canada as a whole. Let us hope that an interesting solution to this problem of feed grains will be forthcoming in a few weeks.

For a long time now, there has been talk of a policy to buy up small farms. In fact, talks on this subject are being held right now with the government of the province of Quebec. I don't think they have ended yet, so once more I invite the minister to increase his efforts in order to settle this question to the benefit of all farmers. I trust that he will fully understand the position of Quebec which is trying to establish certain priorities regarding farm lands within the province for the years to come.

• (1720)

In my opinion, the representations made by the Quebec Minister of Agriculture as well as certain views expressed by the Quebec premier must, I hope, have made the Minister of Agriculture realize the importance for that province of keeping some jurisdiction over agricultural planning. I think it is most important to meditate on that question and to find a mid-course acceptable to both governments so that producers of the province of Quebec may not suffer from protracted negotiations. I do hope that Quebec will be able to keep its priority regarding the selection of agricultural soils both for the benefit of the producers of that province as well as for the rest of Canada.

Mr. Allard: Mr. Chairman, I thank you for giving me the opportunity to add a few words to what has already been said by those who have preceded me.

First of all, I should like to tell the Minister of Agriculture (Mr. Whelan) that he impresses me as being sincere, honest and sympathetic to the cause of the farmers, and that I would like to continue seeing him in that light in the coming months.

The fact remains, Mr. Chairman, that last year, Canada imported $20 million worth of butter, while Quebec's butter production decreased by 1.5 per cent and its milk production by 3 per cent. Quebec's production, which accounts for roughly 30 per cent of the total national production, could obviously have improved to make up that loss. As a result, the farmer's income, which now averages about $2,500 a year, would have improved accordingly.

For this period, the price of feed grains from western Canada has shown an increase of 25 to 30 per cent in some cases and 50 per cent in others, not to mention protein additives, which have increased 50 per cent for fish flour and 70 per cent for soya flour in Toronto. The same tendency has been noted in the United States.

For the same period, in the province of Quebec, we have suffered from a production decrease in all areas. With regard to oats, for instance, the 1971 production was 29,667,000 bushels and was reduced to 23,392,000 bushels in 1972. For grain corn, production was 13,334,000 bushels in 1971 and 9,380,000 bushels in 1972. For feed corn, production was 1,771,000 bushels in 1971 against 1,559,000 bushels in 1972. Barley production also decreased, from 1,532,000

bushels in 1971 to 1,280,000 in 1972. Coarse grains also went down, from 5,252,000 bushels in 1971 to 4,448,000 in 1972. Spring wheat production also slackened, from 1,071,000 bushels in 1971 to 558,000 in 1972. Hay production went from 5,000,587 tons in 1971 to 4,000,054 in 1972.

Mr. Chairman, it is true that the prices of hogs have increased; conversely, there was a decrease in production of about 20 per cent in the same area. We are surely going to experience again the bad situation of the past, when we had a surplus of hogs, a reduction in prices—and I do say reduced prices—because when there is a surplus of hogs, this automatically brings the market to the saturation point and so there is a reduction in prices. This is a sort of a vicious circle. If feed grain prices remain high, it is difficult to contemplate a stability in hog prices.

Of course, with such a situation, we shall soon see small and middle farmers disappear. As I stated earlier, the average income of Quebec farmers in 1972 was about $2,500. During the same period, the number of farmers reduced from 98,000 to 97,000, which led to a decrease in the production of feed grains, without taking into account the climate.

Mr. Chairman, in the more or less distant future we shall have to face a shortage of agricultural products. Therefore it is time that the government take immediate steps to correct the present situation, either through the removal of feed grain price differentials between eastern and western Canada or through greater inducement for the brave people of the agricultural field. I say "brave", and I know what I am talking about, for it is not easy nowadays to secure the necessary food for all the hungry people in the world.

Unfortunately the eastern farmers have always been forgotten. Subject to all kinds of control, to the whims of climate, and forgotten by the government, they must be very brave to hold on to their farm, even though it offers many opportunities. But, through inadequate measures, our governments fail to provide security or the means of earning a living. It is not too encouraging for the farmer's son to succeed his father for, most of the time, the farmer is up to his neck in debts. So, when the father is ready to pass his farm on to his son, his son must take the good with the bad. Therefore, people lose interest in rural life and leave the farm. This is why, last year, 1,000 farms were written off in the province of Quebec alone.

I believe that the minister is of good faith and I dare hope he will persevere.

[*English*]

The Assistant Deputy Chairman: Is the Chair to understand that the debate on votes 15a and 40a of the Department of Agriculture is now completed?

Some hon. Members: Agreed.

The Assistant Deputy Chairman: We will now proceed to vote 20a, Department of the Environment.

Mr. Fraser: Mr. Chairman, I do not rise to quarrel with the supplementary estimates put forward by the minister. However, having looked at them I am compelled to ask why an item that I thought might have been there is omitted. I refer to the fact—and I think it is interesting at this time to keep this in mind—that in the supplementary estimates, despite the growing concern over the fate of the Skagit River in British Columbia, there is no item which reflects aid to the citizens' groups which have been fighting the flooding of this Canadian valley by an American power utility.

There have been comments in the House with respect to this matter. It was first raised in 1970, some two and a half years ago, but it is still unresolved. It is time it was spoken of again in this House and it is time all hon. members learned something of the background of this problem and put their minds to doing something about it. I say all hon. members because there is not a party represented in this House which has not at one time or another expressed their complete accord with the objective of saving this Canadian valley from being flooded by an American power utility.

It is important that hon. members remember that this problem was created by the fact that in 1909 we, with the United States, entered into the boundary waters treaty under which the International Joint Commission was established. As some members know, that commission was created to resolve disputes between ourselves and the United States along our border.

Many years ago the city of Seattle developed a utility department. As a consequence, plans were made and shortly after World War I the Ross dam development began on the Skagit River. The Skagit River's headwaters are in British Columbia, where they come through what is now the beautiful Manning provincial park. They leave Manning park and head south along a beautiful valley for a distance of 12 to 14 miles and then cross the American border.

• (1730)

The area that the Canadian Skagit flows through is not completely primitive because there has been some limited logging there. But it is still a very beautiful place and is close to the city of Vancouver. The Skagit is one of the last free-flowing streams within 100 miles of the third biggest city in this country. I know the Skagit well. I have fished it, hiked along its banks and camped beside it. It is a very beautiful part of the country.

If I speak with some emotion this afternoon for some moments, I make no apology for it. I would ask every hon. member of this House, keeping in mind the position that all parties have expressed, to remember that this is not just an intellectual assessment of our resource use; this is an emotional matter, a question of what is going to happen to a part of your country, Mr. Chairman, and mine.

Pursuant to the regulations of the International Joint Commission, in 1941 the United States, which was concerned with continuing the development of the Ross dam project, applied to the commission for authority to raise the Ross dam on the United States' side another 100 feet or so. In 1942 the International Joint Commission, as it must do, made an order granting the Americans the right to raise the dam even though as a consequence at least ten miles of the Canadian valley would be flooded.

I ask hon. members to remember the climate of those times: this country was at war and in 1941, when the

United States made its application, that country was not yet at war though it was to be soon. The Skagit was relatively isolated. There was no environmental input at the hearing. In fact, the game commissioner for the province of British Columbia turned up only because the game commissioner for the state of Washington had said to him, "George, they are going to flood your valley; you had better get down here and see what damage it is going to do".

As I say, this order was made in 1942 and it is important to note that the order probably is legally invalid because, contrary to article 8 of the treaty, the International Joint Commission did a strange thing: it delegated to the city of Seattle and the province of British Columbia the right to work out the terms of compensation. That is completely contrary to the duty of the commission under the treaty. I stress the aspect of legality because this is a very powerful weapon in the hands of Canada in dealing with this particular matter, one that has not been effectively used by this country.

To continue the chronology, in the early fifties negotiations between the City of Seattle Light and Power and the province of British Columbia were continued. I do not want to take too long on the subject, but finally in 1967 an agreement was entered into, apparently pursuant to the order of 1942. This 1967 agreement was entered into between the province of British Columbia and the city of Seattle and it provided that the province of British Columbia would agree to allow the valley to be flooded for an annual payment of $3,500 a year. So Seattle, in their estimate, gained at that time an advantage in terms of power of $1 million a year, and there are documents today that show they have upped the figure to $2 million a year.

Under article 8 of the treaty, the commission is charged with the duty of ensuring that adequate and suitable compensation is made as "approved by it". The point I am making is this. I realize the International Joint Commission is important in our relations with our American friends, and I am very aware of the sensibilities of a great many people in this city if anyone were to suggest that the International Joint Commission did not do everything as well as it should or that it had made a mistake. But the fact is that in taking this action the commission delegated its authority, which it had no right to do, and in fact never approved the terms of that settlement. And is there any wonder? Who in their right minds would approve it? There is now no question that the International Joint Commission would say to the Canadian people or any other people that that sum was suitable and adequate compensation for the loss of a valley.

It took some time for the public to realize what was going on and agitation began originally in the city of Vancouver. The former Liberal member for Fraser Valley East raised the matter in the House of Commons on October 6, 1970, as reported at page 8855 of *Hansard*, and this is what he said:

> It is therefore incumbent upon this House of Commons to exert every power within our jurisdiction to assure Canadians in general and British Columbians in this case in particular that the government of British Columbia is acting and operating at the present time in the interests of the people of Canada in relation to the proposed plans for the flooding of the beautiful Skagit Valley . . .

[Mr. Fraser.]

> Apart from normal requirements relating to removal of debris, and so on, the compensation to be paid to the province of British Columbia by the city of Seattle department of lighting is $34,566.21 per annum.

Then the hon. member worked it out and said that this amounted to $5.50 per acre per year, which is equal to two Christmas trees per acre per year. That, Mr. Chairman, is what we gave away. One can say that the province of British Columbia gave it away, and that is true. But what I am saying is that the International Joint Commission is a child of the treaty that was entered into between the government of Canada and the government of the United States, and it is therefore our responsibility in this House to make sure that this giveaway does not happen.

The Minister of the Environment—I will be most generous in what I say—immediately recognized the seriousness of this problem and began to take steps to see what could be done about it. On October 10, 1970, he issued a statement. Part of the statement reads as follows:

> The International Joint Commission had a great deal of faith in the B.C. government, too much faith perhaps. It left the Skagit to our provincial authorities to look after. Victoria was to look after the Canadian interest. Victoria was to look after the writing of a contract with the Seattle City Light Company in the U.S.A.

That is an admission that the Minister of the Environment recognized that a mistake had been made, that a potential legal invalidity lay in the order that allowed Victoria to settle with Seattle as to terms. Then the minister made this commitment:

> All I can tell you this morning is that we in Ottawa are taking our responsibilities seriously. We are going to do something with the hot potato which Premier Bennett has tossed our way. As a starter we'll open up the Skagit issue for public discussion right here in B.C.

The Prime Minister was next to get into the act. On November 25, 1970, in *The Province* the right hon. gentleman is quoted as saying:

> The best way—

That is, to end the threat of flooding.

> —would be to do it yourself—get rid of Bennett.

Let me inform those hon. members whose knowledge of the beautiful province of British Columbia is limited that the "Bennett" referred to is the former premier, the Hon. W. A. C. Bennett who until recently was premier of the province. For better or for worse, the people of British Columbia did get rid of Mr. Bennett but this, contrary to the hopes expressed by the Prime Minister, has not resulted in the going away of the threat of the flooding of this valley.

• (1740)

I should say, also, that hon. members of all parties have supported the opposition to this flooding. As far as the government party is concerned, I want to make sure that hon. members on that side know full well how hard a certain member of the legislative assembly of the province of British Columbia, a member of the Liberal party, has worked on this matter. I pay tribute here to Mr. David Brousson, the member of the Legislative Assembly of British Columbia who has as much as any man led the fight to save this valley for the whole of the country. I think hon. members on the government benches should be aware of that fact because it has been the Liberal party in

the province of British Columbia as much as any other which has been in the forefront of this fight. It behooves government members to pay close attention to all those things that must be attended to if we are to win that fight.

There was a promise, of course, that there would be a public hearing on this matter. But there never was. What happened finally was that the government promised that this matter would be brought back before the International Joint Commission. Most people engaged in the fight breathed a sigh of relief because they felt if it went back to the International Joint Commission that would be the end of it. A very strange thing happened. The 1971 terms of reference that the governments of Canada and the United States agreed to in putting the matter back before the International Joint Commission contained these strange and sinister words:

> The International Joint Commission ... to report on the nature, scope and impact of these consequences; and to make such recommendations, not inconsistent with the commission's order of approval dated January 27, 1942, and the related Agreement dated January 10, 1967, between the city of Seattle and the province of British Columbia as the commission may deem appropriate for the protection and enhancement of the environment—

The effect of that was that the International Joint Commission, by virtue of its terms of reference, did not have the power of jurisdiction to say no to the flooding. Let no one in this House fail to remember or to take into account the intense disappointment of thousands of citizens in Vancouver who realized that these hearings, no matter how they ended up, could not result, from the terms of reference, in the IJC saying no.

I have asked, as have other people, why the government of Canada agreed to these limited terms of reference. There may be reasons which justify these limited terms, but the fact is that they were limited and, as a consequence, the International Joint Commission brought out its report. While it could not say no, the report went so far toward saying no that headlines sprung up in papers across the country to the effect that the Skagit was saved by the IJC report. The fact of the matter is that there was a lot of optimism but that optimism was ill-founded. This matter was tabled in the House of Commons when the IJC report came out and there was a commitment by the Minister of the Environment at that time to study the matter and bring a report back to the House. So far that report has never been made to the House.

Let me go back to one incident at the hearing before the International Joint Commission. This is significant in that it refers to the legal point of which not enough has been made. I refer to the legal argument presented on behalf of the citizens who opposed the flooding, to the effect that the 1942 order was invalid and, as a consequence, the 1967 agreement was invalid. For some strange and incredible reason which I do not understand, which is completely and utterly beyond me and beyond other people there at the time, the representative of the Canadian government made this statement after the legal arguments before the IJC were closed. This statement was made by a representative of the government of Canada who was doing everything possible to stop this flooding, and I quote from page 130 of the transcript:

> —the government of Canada has treated the 1942 order and the 1967 agreement as perfectly sound legal documents and this has been our posture and I think that speaks for itself.

At this point we have the government saying it wants to stop the flooding, and we have arguments presented that could be used to stop it, yet we have a representative of the government of Canada saying that the government thinks these are legal documents. If any member of this House does not know how discouraging it is, when you are involved in a citizens' group fighting for something, to hear somebody from your own government shooting you down before the United States government, let him be faced with that sort of thing. This is one example of what we have had to fight against. There seems to have been an unexplained lack of co-ordination.

To bring the matter up to date, we now have been told by the Minister of the Environment that the Skagit is a dead issue. In fact, there was a press conference held in the fall by Premier Barrett and the Minister of the Environment wherein the Minister of the Environment assured us that if the province of British Columbia did not want the flooding to take place, it would not happen. He said:

> Really, it is all over. When the government of British Columbia, who owns the valley, says the valley is not going to be flooded it's just a matter of Seattle City Light getting the message loud and clear—

Again the news headlines suggested that the valley was saved. Curiously enough, on February 6 when had occasion to raise the matter in this House and I asked the Secretary of State for External Affairs what was happening, he said, as reported at page 1000 of *Hansard* for that date:

> Mr. Speaker, we have made our representations to the United States government which I believe is quite happy to discuss them with us. The outstanding issue at the moment is not the question of the flooding but the question of the cost, and this is what we are discussing at present.

That was a curious reply I say, with respect, to the Secretary of State for External Affairs. How can we be discussing costs if the United States is still going ahead with the flooding? On January 29 of this year, Seattle City Light filed its brief with the United States Federal Power Commission and is proceeding with its application before that commission. Unless we do something or get some agreement with the United States, that commission will make the final determination as to whether a Canadian valley is flooded.

The Secretary of State for External Affairs was asked on February 6 what he meant by his answer in the House. I say gently, that is a good question. This is what he said to a radio news reporter, Mr. Doug Taylor, of CKWX:

> There is nobody believes now that the ... Skagit Valley will be flooded. And that is why my colleague the Minister of the Environment, Mr. Davis, said, "The Flooding of the Skagit is a dead issue". What we are talking about now is ... who is to pay the costs that have been incurred ... so this is what we're talking to the American government about. I agree with my colleague the Minister of Environment, that the flooding of the Skagit is a dead issue.

If this is a dead issue, I wonder why a letter of December 18 from Seattle City Light to the mayor of the city of Seattle said this:

> The Canadians apparently deem it sound strategy to make strident but unofficial press statements, and studiously refrain from any legislative action affecting Ross on either the federal or provincial level.

Further in that letter we find this:

We understand from contacts with our state department that it would view very seriously any Canadian action repudiating the treaty agreement—

My time is just about up, but this is my point. If the Secretary of State for External Affairs and the Minister of the Environment do in fact have an agreement with our United States friends that this flooding is not going to take place, surely it is an obligation on the government to say so in this House. Certainly it is an obligation of the government to say to the citizens' groups opposing this, raising money and getting ready to fight it before a United States tribunal, groups from both the Canadian and the United States side, that they can safely withdraw because this matter has been settled. This is what I ask the government to do. I ask hon. members to support this position and encourage the government to make such a statement.

Some hon. Members: Hear, hear!

• (1750)

Mr. Davis: Mr. Chairman, I shall say only a few words. First, I wish to congratulate the hon. member for Vancouver South for raising this subject. It is very important, especially in the eyes of the people of British Columbia. I believe it is also important to Canadians since what has happened here could create a precedent for good or ill in respect of other situations along the border between Canada and the United States.

The hon. member concluded by expressing concern about certain groups which are raising money to continue the fight in respect of the flooding in Canada of a beautiful valley. They need not be in too much of a hurry because the Federal Power Commission, which could be meeting on this subject, will not be considering the application by Seattle City Light and Power Company until late in the fall. So there will be a period of some months before that hearing will begin.

Let me try to describe the present situation. It is not one of flooding which is about to take place. It is one involving compensation. The hon. member for Vancouver South is a lawyer and therefore knows that this issue is now in the hands of lawyers on both sides of the border.

The province of British Columbia in 1967 signed a contract of sorts with Seattle City Light and Power which involved certain costs. It certainly involved a large expenditure on the part of Seattle City Light in subsequent years. The province of British Columbia has, in effect, torn up that contract and Seattle City Light is, in its eyes, out a considerable sum of money. This company is owned by the people of Seattle. Considerable jockeying is going on now concerning who should pay how much. It is yet to be settled as to whether there is some obligation on the part of the people of Canada, as distinct from the people of British Columbia as represented by their provincial government.

The amount of money involved could run into millions of dollars. Whether Canadians should pay any part of that amount really is the issue. It is really a question of who pays, and how much, what obligation was entered into by the province in 1967, and how binding that obligation is in respect of a financial settlement with Seattle City Light.

The federal government has been in touch continually with the state department in Washington. It is my understanding that the state department has in recent weeks been in touch with Seattle City Light, but I suspect this jockeying will go on for some time. It is essentially a matter of the amount owing, and who pays whom in respect of the unfortunate incident.

Mr. Fraser: Mr. Chairman, would the minister permit a question?

Mr. Davis: Yes.

Mr. Fraser: Through you, Mr. Chairman, I would like to address a question to the minister. I am not so naive as not to know that there is a certain amount of jockeying going on in respect of compensation. I am also a good enough lawyer to know that if a contract is broken by frustration, one cannot claim damages. The frustration was created by an act of the Government of Canada. The agreement under which Seattle wishes to claim damages may have no effect at all. I ask the minister whether he or the government is prepared to say to this House, positively and absolutely, now, that there is no possibility of this flooding taking place; not just now but at all.

Mr. Davis: I may be sticking my chin out a bit, but I would say there is no possibility of it taking place.

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, if the minister would permit a question I would like to ask him this. The minister mentioned that the question is one of compensation. In this particular context "compensation" could mean different things. It could be compensation for damage in respect of flooding; it could also be compensation for expenses, expectations and failures in construction. Which sort of compensation are we talking about?

Mr. Davis: The only kind of compensation we are talking about is moneys expended by Seattle City Light in the interval, I believe, from 1967 to the present or to the time when they finally received word from British Columbia. There is some debate as to when they received word.

Mr. Harding: Mr. Chairman, it is very close to six o'clock. May I call it six o'clock?

The Assistant Deputy Chairman: Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

Progress reported.

At 5.57 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX "A"

ROYAL CANADIAN MOUNTED POLICE

Annex I

Province	Building Signs Replacement Signs	New Building Signs
British Columbia	10	1
Alberta	1	10
Saskatchewan	4	6
Manitoba	3	0
Ontario	0	0
Quebec	2	1
New Brunswick	1	4
Prince Edward Island	0	0
Nova Scotia	3	0
Newfoundland	2	2
North West Territories	0	2
Yukon Territory	0	0
	26	26

Annex 2

Province	Vehicle Signs Replacement Signs	New Signs to April 27 1972	New Signs post April 27 1972
British Columbia	0	64	24
Alberta	0	80	12
Saskatchewan	0	145	0
Manitoba	0	81	16
Ontario	16	8	8
Quebec	2	2	0
New Brunswick	0	64	4
Prince Edward Island	0	9	4
Nova Scotia	0	69	12
Newfoundland	0	9	0
North West Territories	0	2	6
Yukon Territory	0	3	0
	18	536	86

HOUSE OF COMMONS

Thursday, February 15, 1973

The House met at 2 p.m.

HOUSE OF COMMONS

DISPLAYING OF CANADIAN FLAG IN CHAMBER FOR FIRST TIME—STATEMENT BY MR. SPEAKER

Mr. Speaker: Order. Hon. members will have observed that the Canadian flag is being displayed in the chamber today for the first time.

Some hon. Members: Hear, hear!

Mr. Speaker: As hon. members will recall, the terms of the resolution adopted yesterday authorized the Speaker of the House to display the Canadian flag in the House of Commons in such location as he chooses. Acting under the authority of that resolution the present location has been temporarily selected, but it seems to me it would be desirable for the Chair to consider the wishes of hon. members. It may be that a more appropriate position could be found or that as a matter of balance in the chamber consideration might be given to displaying more than one flag or two flags, one on each side, and perhaps not exactly in the place which has been chosen temporarily.

I am suggesting to hon. members that the Chair does not like to take decisions of this importance and run the risk that the decision taken might be against the wishes of hon. members. I have taken upon myself to give effect to the order passed by the House yesterday and, I hope, of course that what I have done will prove satisfactory. However, if it is not I will be very pleased to give effect to the wishes of hon. members.

[*Translation*]

As I already said, I will be very pleased to give effect to the wishes of hon. members.

[*English*]

ROUTINE PROCEEDINGS

On the order: Motions.

Mr. Howard: Mr. Speaker, I wonder if I might take the liberty of rising on a point of order at the very commencement of item "motions". My point of order is necessitated as a result of having inquired at the office of the leader of this party to determine whether or not advance notification had been given of an intention on the part of the government to make a statement today in respect of the announcement of the Prime Minister yesterday concerning recognition of the native title to lands of a specific group of Indian people thereby possibly reducing the number of questions on the subject later. I thought the opportunity should be given to the Prime Minister to rise and tell the House whether he intends to make a statement on motions.

• (1410)

Mr. Trudeau: Mr. Speaker, my only statement at this point would be that the hon. member, as usual, obviously misinterpreted what I said.

Mr. Danson: Mr. Speaker, I rise on a point of order. I should like to point out it is most appropriate that on this day when the Canadian flag is displayed in this chamber for the first time we have in the gallery Mrs. Lester B. Pearson. I think this is particularly appropriate and her presence honours this House.

Some hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

PROPOSED DISPLAY OF UNION JACK IN CHAMBER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stan Schumacher (Palliser): Mr. Speaker, I rise under the provisions of Standing Order 43, as well as to pursuant to your pleasant invitation, on a matter of urgent and pressing necessity. In view of the fact one of Canada's flags was given recognition and a place in this chamber yesterday, I would hope that the same consent would be given to the following motion:

That this House authorize Mr. Speaker to instal in a location deemed suitable by him, as soon as possible, the Union Jack, as symbol of Canada's membership in the Commonwealth and reverence for the monarchy as our system of government.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The House has heard the motion proposed by the hon. member for Palliser. This motion proposed under the terms of Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Mr. Diefenbaker: The Liberal members are all against it.

Some hon. Members: Oh, oh!

Canada Flag Day

CANADA FLAG DAY

PRECEDENCE FOR BILL C-136—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I also desire to seek the agreement of the House under Standing Order 43 on a matter of urgent and pressing necessity, namely, the desire, I am sure, of all hon. members today, to express themselves about the Canadian flag. I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That, at five o'clock this day, notwithstanding the order of business set down for that time, the House proceed to consider Bill C-136, an act respecting Canada flag day standing in the name of the hon. member for Burnaby-Seymour.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Skeena. This motion requires the unanimous consent of the House. Is there unanimity?

Some hon. Members: Agreed.

Mr. Speaker: If there were any noes, they were very faint and I did not hear them. Unless I hear them loudly and clearly now, I believe I will have to say that there is unanimity to allow the Chair to put the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

MANPOWER

INQUIRY RESPECTING LOCAL INITIATIVES PROGRAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, pursuant to Standing Order 43, I ask leave to put the following motion.

In view of rights of hon. members to control government expenditures, of the very serious doubts entertained by some hon. members concerning partisanship aspects of the Local Initiatives Program as well as false criteria applied for acceptance or rejection of projects, and in view of the urgent character of the matter, since some projects have not yet been accepted, I solicit unanimous consent of the House to move, seconded by the hon. member for Compton (Mr. Latulippe):

That an investigation be ordered and carried out as early as possible, under control of the House of Commons, in order to check on the very serious doubts hon. members of this House entertain as to the integrity of Local Initiatives Program as concerns criteria for acceptance or rejection of projects.

Mr. Speaker: The hon. member is proposing that the House deal with this motion under Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimity. The motion therefore cannot be put.

[Mr. Diefenbaker.]

[*English*]

EXTERNAL AFFAIRS

ANNOUNCEMENT OF SIGNING OF AGREEMENT WITH CUBA ON HIJACKING OF AIRCRAFT AND VESSELS

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, this morning Dr. Rene Anillo, the Cuban First Vice-Minister of Foreign Affairs, who is in the diplomatic gallery, and I signed an agreement on hijacking of aircraft and vessels and other offences. I am now tabling this agreement.

As affirmed in this agreement the governments of the Republic of Cuba and Canada share a common commitment to eliminate the menace to lives posed by resort to hijacking of aircraft and vessels. This agreement is an impressive example of what two countries enjoying friendly relations can do in the common good.

Some hon. Members: Hear, hear!

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, our eloquent and esteemed spokesman on external affairs, the hon. member for Saint-Hyacinthe (Mr. Wagner), is unable to be here today because of disruption of air schedules from Montreal.

An hon. Member: Is he hijacked?

Some hon. Members: Oh, oh!

Mr. Macquarrie: No, I do not believe there has been any hijacking. I am very happy to hear the announcement by the minister in reference to the longstanding and vexatious problem of hijacking. I believe, Sir, that any move that makes it easier for the people of different countries to traverse paths of commerce and social exchange together should be welcomed.

I have always been very proud of the fact that some years ago the government of the right hon. member for Prince Albert (Mr. Diefenbaker), against a great deal of pressure from certain countries in the world, decided that this country, regardless of its views of the ideological construction of the government of Cuba, would retain diplomatic and commercial relations with that country.

Some hon. Members: Hear, hear!

Mr. Macquarrie: I believe that decision was right and proper, as indeed were most decisions taken by that right hon. gentleman's government in those difficult years. I am happy that upon a basis of continuing consultation we have moved forward to a situation today which I salute and commend.

I am also happy to say that I had the honour of being in the Republic of Cuba for a couple of weeks before Christmas, where I was treated with every courtesy and every kindness. I bear for the people of that fine country, and especially for their distinguished ambassador in this country, the highest regard.

I look forward to the day when, upon the basis of the understanding reached today, we shall have direct air communication between Canada and Cuba, and I suggest that that carrier be Eastern Pacific Airways—

Some hon. Members: Oh, oh!

Mr. Macquarrie: I mean, of course, Eastern Provincial Airways. If I may say so, Mr. Speaker, in referring to common carriers I am getting carried away. It is an Eastern Provincial Airways service from Halifax to Havana that I foresee. This kind of contact can only strengthen relations between our two countries irrespective of forms of government.

• (1420)

Some hon. Members: Hear, hear!

Mr. Macquarrie: Mr. Speaker, this is an important matter and it is this kind of organizing in the development of such agreements that a country like Canada and this assembly of serious parliamentarians here gathered should welcome. I do welcome this agreement and I commend the minister for the success attending his efforts. I expect good things to follow in the development of commercial and economic ties between our two countries.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have been instructed by my colleagues not to attempt to emulate the hon. member for Hillsborough (Mr. Macquarrie). I want to say, however, that I too am very happy with the announcement made by the Secretary of State for External Affairs (Mr. Sharp).

There are two aspects that I welcome particularly. First, the agreement represents international action to deal with the problem of hijacking which has caused grave concern and is typical of the violence of our age. It is high time that governments dealt with the problem and I am very happy that the governments of Canada, Cuba and the United States have agreed to at least start to deal with it. The second aspect that pleases me is that this is the first treaty Canada has had with the Republic of Cuba since the revolution. I believe it is a symbol of the real opportunities that exist for the development of friendly and mutually beneficial relations with the Republic of Cuba.

I travelled to Cuba recently with the hon. member for Hillsborough and the hon. member for Cochrane (Mr. Stewart). We were received with great hospitality and were also shown admirable opportunities for the mutually beneficial expansion of trade and relations with that country. I think this present treaty will be a milestone on the road to closer collaboration. For that reason I warmly welcome it.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, we welcome the news that an agreement has been signed between the Canadian government and that of Cuba with regard to air and sea hijackings.

We had reached the point where we dreaded to see planes leave, fearing they might not reach their destination. Something had to be done to prevent acts of violence. Cuba was probably one of the busiest countries in that regard as it often welcomed the unwanted as a result of planes having been hijacked.

I feel the minister deserves our congratulations for having concluded that agreement and thereby given air travellers more security in their travels.

To my mind, that agreement between those two governments will encourage negotiations with other governments.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

INFRASTRUCTURE PROGRAMS FOR ATLANTIC REGION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. As the acute and urgent need for a massive investment in infrastructure programs in Atlantic Canada has been recently demonstrated by the inability of the port of Saint John, New Brunswick, to hold the Volkswagen contract, the inability of Halifax to expand industrially because of an inadequate water supply system, and the failure to harness the tides of Fundy for power development, I would move, seconded by the right hon. member for Prince Albert (Mr. Diefenbaker):

That the question of massive infrastructure programs be referred to the Standing Committee on Regional Economic Expansion for detailed study and recommendations.

Mr. Speaker: The hon. member for York-Sunbury has proposed for the consideration of the House a motion under the terms of Standing Order 43 requiring unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The hon. member will have heard, as did the Chair, that there is not unanimous consent and the motion cannot be put at this time.

* * *

[*Translation*]

MANPOWER

APPROVAL OF LOCAL INITIATIVES PROJECTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, pursuant to Standing Order 43, I ask for the unanimous consent of the House to discuss a matter of urgent necessity, specifically undue political influences concerning the Local Initiatives Program, so that our fellow citizens be not victims of injustice in the criteria for the acceptance or rejection of their projects.

Consequently, I move, seconded by the hon. member for Compton (Mr. Latulippe):

That the House request the Minister of Manpower and Immigration who is responsible for the politicized Local Initiatives Program, to make a statement on that matter and that he reassure the House about the honest administration of the said program, and

that he define the role of the Minister of Transport in the publication for the province of Quebec of the accepted projects.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Since there is not unanimous consent, the motion cannot be put.

CRITERIA FOR APPROVAL OF LOCAL INITIATIVES PROJECTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in view of the importance of local initiatives projects for promoters and regions concerned and in view of the political criteria which led the authorities of the program to accept or reject the said projects, I ask the unanimous consent of the House to move a motion pursuant to Standing Order 43. I therefore move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That the entire question of local initiatives projects, its administration, its acceptance or refusal process, be referred to the appropriate standing committee and that this parliamentary committee consider not less restrictively the political influences exerted at the constituency level, the influence of the Quebec liberal caucus in that connection and the reasons on which were based the rejection of some worthwhile projects urgently requested by the area population.

Mr. Speaker: I am sure the hon. member for Bellechasse will recognize, as I do, that a substantially similar motion has just been introduced. I doubt very much whether it would be possible in the course of the same sitting to ask the consent of the House two or three times on a motion which is essentially the same. I do not want to be unfair to the hon. member for Bellechasse. I will ask for unanimous consent, but I feel that this is a clear abuse of the Standing Orders and I am sure the hon. member for Bellechasse will agree with me.

In any event, I am asking the House whether there is unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There being no unanimous consent, the question cannot be put.

* * *

[*English*]

MAIN ESTIMATES, 1973-74

ANNOUNCEMENT OF DATE OF TABLING

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, in view of the interest of the House in the date, it is the intention of the government to table the main estimates for 1973-74 next Tuesday.

Mr. Lambert (Edmonton West): It would be better if they could be tabled tomorrow.

[Mr. Boisvert.]

• (1430)

Mr. Stewart (Cochrane): Mr. Speaker, I rise on a point of order for the removal of a public bill. As you know, Mr. Speaker, for the past few years there has been a bill standing in my name to place our national flag in the chamber. I am overjoyed that we are able to have our beloved flag here from now on. Therefore I request unanimous consent to have my bill, C-50, removed from the order paper as it is now redundant.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Order discharged and bill withdrawn.

* * *

HOUSE OF COMMONS

PROPOSED DISPLAY OF PROVINCIAL AND TERRITORIAL FLAGS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under the terms of Standing Order 43 to ask the unanimous consent of the House to move a motion of urgent and pressing necessity. In view of the fact the Canadian flag is now displayed in this chamber it would seem appropriate, in order to show the unity and greatness of this country, to display the flags of the provinces and the territories as well at a time deemed to be appropriate by Your Honour.

Some hon. Members: Oh, oh!

Mr. Yewchuk: I therefore move, seconded by the hon. member for Palliser (Mr. Schumacher):

That on an appropriate day flags of the provinces and territories of Canada be displayed in this chamber.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Athabasca proposes for the consideration of the House a motion under the terms of Standing Order 43. It requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

FOREST WORKERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to discuss an extremely important subject, following the new regulations of the Unemployment Insur-

ance Commission as proposed by the Minister of Manpower and Immigration and which are unfair to the lumber industry workers who are subject to cutbacks three weeks after having applied.

Considering that 90 per cent of lumberjacks are disqualified and penalized and that the officials of the Unemployment Insurance Commission are applying the new legislation before it is passed, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the Minister of Manpower and Immigration take measures to correct these inequities.

Mr. Speaker: The motion moved by the hon. member requires, once again, the unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not, apparently at least, and this motion cannot be put to the House under Standing Order 43.

* * *

[*English*]

RURAL AIRPORT DEVELOPMENT ADVISORY COMMITTEES BILL

On the order: Introduction of Bills:

February 9—Mr. Howard—Bill intituled: "An Act to provide for the establishment of Rural Airport Development Advisory Committees".

Mr. Howard: Mr. Speaker, I understand that some surgery has taken place. However, I have not yet seen the revised bill and I wonder whether it could stand until I do.

Mr. Speaker: Stand.

* * *

REGIONAL DEVELOPMENT INCENTIVES ACT

AMENDMENT TO PROVIDE FOR MONTHLY PUBLICATION OF REPORTS WHEN PARLIAMENT NOT SITTING

Mr. Elmer M. MacKay (Central Nova) moved for leave to introduce Bill C-144, to amend the Regional Development Incentives Act (report on administration).

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the said bill?

Some hon. Members: Explain.

Mr. MacKay: Mr. Speaker, the purpose of this bill is to change the present situation which does not oblige the government to keep the public informed by publishing monthly reports on the Department of Regional Economic Expansion when parliament is not in session, as was the case for so many months last year. This bill will require the government to keep the public advised on a monthly basis, to give an accounting, as it were, of DREE in the same way that monthly reports are made available with regard to the consumer price index and unemployment statistics.

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

MOTIONS TO ADJOURN UNDER S.O. 26

INDIAN AFFAIRS

NEGOTIATION OF ABORIGINAL RIGHTS

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to Standing Order 26 to move the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the statement made yesterday by the Prime Minister (Mr. Trudeau)—I do not want to impinge upon his eggshell sensitivity but I think this is accurate—that his government is prepared to negotiate the matter of aboriginal and/or land claims with a specific group of Indian people, and the effect this will have upon all Indian and Eskimo people in Canada.

Mr. Speaker: Due notice of the hon. member's intention to propose a motion under the terms of Standing Order 26 has been received by the Chair. As was stated on February 8 last, the Chair recognizes the special circumstances relating to the question of aboriginal rights. Obviously this is a problem which is of continuing concern to hon. members. This was further shown yesterday, not only during the question period but also by the fact that a motion in the same area was proposed by the hon. member for Kingston and The Islands (Miss MacDonald).

Hon. members are quite familiar with the terms of Standing Order 26 and with the fact that there are a number of factors to be considered by the Chair in determining whether the government business called for the day should be set aside to discuss a matter by virtue of Standing Order 26. I would think that both the Standing Order and the precedents would require that the Chair take into account the fact that by unanimous decision of the House the annual report of the Department of Indian Affairs and Northern Development has been referred to the standing committee for the very purpose of considering aboriginal rights. I hasten to say at the same time that this in itself is not sufficient to reach the decision that a debate should not take place under Standing Order 26.

Another relevant aspect is the opportunity for debate in the near future. I have been of the opinion that, in view of the deep concern of all members about this important and urgent matter of national interest, there should be provided an opportunity for debate either by agreement between members or by a motion under Standing Order 43, under the terms of Standing Order 58, or under the provisions of Standing Order 26.

As the Chair suggested on February 8 when a similar motion was put forward by the hon. member for Athabasca and the hon. member for Kingston and The Islands, the door should not be closed on the possibility of an emer-

gency debate. The situation has not changed and I am still hopeful that a debate in one form or another can take place very soon. Perhaps the Chair might be allowed to leave the door open for the possible consideration later of a similar motion under Standing Order 26. For the moment, however, and particularly in view of the decision which was given yesterday, I would hesitate very much to agree that a debate take place at this time under the terms of Standing Order 26.

* * *

ENERGY

UNITED STATES PREFERENCE FOR ALASKA RATHER THAN MACKENZIE VALLEY OIL PIPELINE ROUTE

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I rise under Standing Order 26 to move a motion for the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the statement made by the President of the United States today that he prefers the Alaska route to the Canadian route for an oil pipeline from Prudhoe Bay, and because of a statement made yesterday by the Minister of Energy, Mines and Resources that the Canadian government does not plan any further representations to the American government on this matter.

Mr. Speaker: The notice required by the Standing Order was given to the Chair by the hon. member for Vancouver South just a brief moment before the opening of the House at two o'clock. The notice given was proper and in order as provided by the Standing Order, in view of the special circumstances alluded to by the hon. member for Vancouver South. However, the fact that notice was given just before the opening of this afternoon's session makes it very difficult for the Chair to reach a decision and make a ruling on whether a debate should be had on this very important and urgent matter. At this time I wish to take advantage of the provision of the Standing Order to delay the decision on the motion and later this afternoon give a ruling on the hon. member's proposed motion.

Mr. Woolliams: Mr. Speaker, I rise on a point of order. If Your Honour finds some difficulty with regard to the notice, I wonder whether you would consider asking for the unanimous consent of the House to waive the usual notice.

• (1440)

Mr. Speaker: I have just said that the hon. member was within the ambit of the rules. There is no question at all about that. The rule is clear. If the motion relates to a matter which comes up at the last moment it is sufficient for notice to be given just before the opening of the House. The hon. member for Vancouver South will admit, I am sure, that he was pretty close to the line, somewhere between the first prayer and the second prayer I believe.

Some hon. Members: Oh, oh!

[Mr. Speaker.]

Mr. Speaker: That is why I suggest that his prayer should be kept in abeyance and considered later this afternoon.

ORAL QUESTION PERIOD

REGIONAL ECONOMIC EXPANSION

REVIEW OF POLICIES FOR ATLANTIC REGION—EMPLOYMENT AND CAPITAL TARGETS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I had intended to direct a question to the Minister of Regional Economic Expansion but in his absence—

Some hon. Members: Hear, hear!

Mr. MacKay: I apologize for interrupting the hon. minister but I would like to ask him a question or two if I may. In light of the fact that unemployment in the entire Atlantic region today has risen by 20 per cent since DREE was first instituted, is the minister preparing an over-all review of the economic policies of his department bearing in mind that other economic indices are also worsening? If so, will he be making it public in the near future?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): The short answer is yes, Mr. Speaker. I think that during the discussion that will take place when my estimates are before the committee we shall be in a better position to reveal our proposals in detail. However, I can say to the House that the record in terms of our experience of industrial incentives is such as to indicate a necessity to go out and try to induce entrepreneurs to come into the area instead of waiting and simply responding to their initiatives.

Mr. MacKay: I should now like to direct a supplementary to the Prime Minister. In light of the apparent continuing isolation of regional development priorities from the over-all economic policy of the Department of Finance, has the government formulated employment and capital targets for the Atlantic region that will discipline and co-ordinate the over-all economic policies of the government? When will such targets be made available to the public who are very concerned, particularly in the whole Atlantic region where we are not in very good shape economically?

An hon. Member: That is the repercussion of heavy water.

Right Hon. P. E. Trudeau (Prime Minister): When the government discusses budgetary matters and the subject of regional economic expansion it does take those factors into account.

DEPARTMENTAL PARTICIPATION IN DEVELOPMENT OF FUNDY TIDAL POWER POTENTIAL

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a supplementary for the Minister of Regional Economic Expansion. In view of reports that DREE may be involved in the James Bay development plan and the Upper Yukon River water diversion scheme, will the minister indicate what further action, if any, is contemplated by his department for the development of power potential in the Bay of Fundy? Is there liaison between his department and the Department of Energy, Mines and Resources in this regard?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): The answer to the last part of the question is yes. As to the other two projects the hon. member mentioned, to my knowledge there has been no direct approach by either the provincial government of Quebec or by the governing council of the Yukon with regard to DREE representation. Indeed, at the moment, DREE is specifically excluded from participation in territories' activities and the hon. member directly concerned has made representations to me to see that they are included.

METHOD OF ATTRACTING INDUSTRIES TO CERTAIN AREAS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary arising from the minister's indication that his department intends to make arrangements to go out and attract industries into the relatively underdeveloped areas of Canada. Is it proposed that the department shall do the selling job, does the hon. gentleman propose to set up some new federal agency, or does he propose to set up some kind of joint federal-provincial agency?

Hon. Donald C. Jamieson (Minister of Transport): I think it is probable that it will be a combination of all three.

Some hon. Members: Oh, oh!

Mr. Jamieson: We would hope, primarily, that it would be on the basis of joint federal-provincial co-operation and through agencies such as the Magie project which takes in Halifax-Dartmouth and which is designed to have this kind of initiating capability.

SUGGESTED ALLOCATION OF FUNDS ACCORDING TO REGIONAL UNEMPLOYMENT—POSSIBLE OBTAINING OF SHARES BY GOVERNMENT FOR GRANTS

Mr. Edward Broadbent (Oshawa-Whitby): Bearing in mind the high unemployment levels already referred to in the Atlantic provinces, would the minister assure the House that, unlike the way in which funds were allocated by the former minister, DREE funds will in future be allocated to the various regions of Canada according to the percentage of unemployment existing in those regions.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): If it were possible to devise a mathematical formula of that kind I would be more than pleased to be able to work it out, but I think one would have to add another part to the equation, that is, to put in the same degree entrepreneurship in all the regions or, to put it in another way, the number of applicants from the regions would be proportionate as well and that is not always the case. But the principle is good.

Mr. Broadbent: In view of the findings of the Canadian scholar, Dr. Springate, last spring that a very high percentage of the grants given to large corporations constituted a windfall profit for them, would the minister inform the House whether he will be changing the policy in relation to DREE grants and making grants conditional upon shares being owned by the government or a form of equity being acquired by the government?

Mr. Jamieson: Mr. Speaker, I hope I am permitted the same kind of preamble as the hon. member used to say that I do not agree entirely, or even largely, with the findings of Dr. Springate. However, as to the substantive part of the question, the project I mentioned to the Leader of the Opposition, the Halifax-Dartmouth complex, for instance, envisages precisely the kind of thing to which the hon. member has referred, that is, the taking of equity when this appears to be the most desirable and effective means of participating.

ENCOURAGEMENT OF ESTABLISHMENT OF ENTERPRISES IN CAPE BRETON

Mr. Robert Muir (Cape Breton-The Sydneys): In the minister's reply to my hon. friend from Central Nova he referred to the question of inducing entrepreneurs to come into the area. Is he not aware that an agency already exists on Cape Breton Island charged, among other things, with inducing people to come into the area and create industry? Is he also aware that this work has stopped since the new president, Mr. Kent, took over? Would he be good enough to contact the new president of the Cape Breton Development Corporation and try to induce him to encourage entrepreneurs to come into the area?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): I, of course, am doing this constantly but I do not think it is necessary in this case. I think part of the problem in the area referred to, and in several other areas, lies in identifying what might be described as good economic opportunities. In other words, you have to determine what it is you have to sell before you can find an appropriate buyer. It is putting these two factors together that I am working on.

ATLANTIC REGION—MEETINGS WITH PREMIERS TO DEVISE NEW STRATEGY

Mr. James A. McGrath (St. John's East): In view of the fact that existing DREE programs have had little or no effect with regard to reducing unemployment in the Atlantic region is the minister now prepared to agree to meet with the premiers of the four Atlantic provinces to devise a new strategy of development and a program to change the present unsuccessful industrial structure with a view to creating jobs in the region?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): As to the argumentative aspect of the question, I may say I have heard at least three premiers from the Atlantic provinces concede there have been substantial benefits from DREE. But setting this aside, I shall be meeting with Premier Hatfield next week; my anticipation is that I shall be having a fourth meeting with Premier Moores this weekend and be seeing the other two within the next two weeks to do exactly what the hon. member has suggested.

Mr. McGrath: A further supplementary question.

Mr. Speaker: Order. The Chair will recognize the hon. member for St. John's East, try to complete the first round of questioning, and then return to this subject later.

• (1450)

Mr. McGrath: Would the minister agree to stepping up the plan of the government to meet with the premiers of the four Atlantic provinces on the subject of freight rates and their impact on development and the cost of living in the region, and would he use this occasion to discuss a new strategy for the area as has been recommended by the Atlantic Development Council and the Atlantic Provinces Economic Council?

Mr. Jamieson: Mr. Speaker, on the matter of freight rates in isolation, and I concede they cannot be considered in isolation, I believe that my colleague the Minister of Transport has initiated such talks. I have also been discussing transportation as it relates to regional economic expansion. The ultimate conclusions that will be drawn I think will involve both incentives and some form of change in transportation subsidies and the like, so the two do go together, yes.

* * *

INDIAN AFFAIRS

ABORIGINAL RIGHTS—REQUEST THAT MINISTER APPEAR BEFORE COMMITTEE TO EXPLAIN GOVERNMENT POSITION

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct my question to the Minister of Indian Affairs and Northern Development, and I do so because we invariably get straight answers from him. As a result of the statements, whatever they were, that he and the Prime Minister made yesterday, I should like to ask whether the minister would be prepared to appear before the Standing Committee on Indian Affairs and Northern Development, which is currently examining the annual report, and lay out there in great detail the decision and the position of the government in respect of negotiating the question of land claims, aboriginal claims, native rights claims and the like?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would be very happy to appear before my committee whenever I am called to be there.

[Mr. McGrath.]

Mr. Howard: That being the case, Mr. Speaker, I wonder whether the minister would be prepared to explain to the committee the position of the government in respect of negotiating the claims by the Nishga tribal council?

Mr. Chrétien: Mr. Speaker, every member of the House knows that I am like an open book when I am before the committee.

Mr. Hees: Sometimes too open, Jean.

Mr. Howard: It may well be that he is like an open book, Mr. Speaker, but probably one filled with blank pages. I apologize now for prefacing my original question by saying we usually get straight answers from the minister. I should have known better. He has been influenced too much by the right hon. Prime Minister.

An hon. Member: That will teach you.

Mr. Speaker: Order, please. I am not sure whether the hon. member has a supplementary question, but if he has he might ask it now.

Mr. Howard: Yes, I have, Mr. Speaker. In view of all the generosity displayed by the minister, I wonder whether he would be prepared to outline the government's position in respect of negotiating with the various Indian and Eskimo people their aboriginal rights and land claims specifically from the point of view of guaranteeing that whatever position the government has taken regarding the Indians of the Yukon will not be the basis of a settlement to be crammed down the throats of the rest of these people?

Mr. Chrétien: Mr. Speaker, I will answer the question asked by the hon. member at the committee.

ABORIGINAL RIGHTS—ESTABLISHMENT OF NEGOTIATING COMMITTEE

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the minister. Since the committee passed a unanimous resolution this morning that will be reported to the House calling for the setting up of a negotiating committee as recommended by the brief of the Yukon Native Brotherhood presented yesterday, which the Prime Minister endorsed in principle, can he give us any idea when it is his intention to set up that committee since the standing committee recommended this be done before March 31?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I cannot give any specific date today but I will move as quickly as possible.

* * *

[*Translation*]

OFFICIAL LANGUAGES ACT

QUEBEC—GENDRON COMMISSION REPORT—CONSULTATION WITH FEDERAL AUTHORITIES

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the Prime Minister.

Has the Gendron Commission on the situation of the French language in Quebec consulted with the federal government during its term or at least before tabling its final report?

Right Hon. P. E. Trudeau (Prime Minister): Not to my knowledge, Mr. Speaker.

Mr. Matte: Mr. Speaker, on a supplementary, may I ask whether the government intends to intervene if the recommendations of this report are found contrary to the constitution or at least contrary to the Official Languages Act?

Mr. Trudeau: Mr. Speaker, this is a rather hypothetical question, but I think the answer is self-evident. If the recommendations are contrary to the constitution, they will not be applicable.

QUEBEC—POSSIBILITY THAT GENDRON COMMISSION RECOMMENDATIONS RUN COUNTER TO LAW—GOVERNMENT POSITION—STATEMENT FROM PRIME MINISTER REQUESTED

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to ask a supplementary. Will the right hon. Prime Minister tell us if he is prepared to make a statement on the recommendations of the Gendron Commission?

Mr. Trudeau: Mr. Speaker, I would have to wait first, like all other members, for the publication of the report.

Mr. John Harney (Scarborough West): Mr. Speaker, a supplementary to the right hon. Prime Minister, if I may.

Could he enlighten us on his interpretation of the word "national" as used by the Gendron Commission in the expression "a national language"?

Mr. Speaker: I do not think the question can be put as formulated. The hon. member is asking the right hon. Prime Minister to give an opinion on the meaning of a word.

* * *

[*English*]

LABOUR RELATIONS

ELEVATOR CONSTRUCTORS' STRIKE—FEDERAL GOVERNMENT ACTION TO ACHIEVE SETTLEMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to address this question to the Prime Minister. In light of the national crisis now affecting housing units because of cost, shortage and the economy of the country, what do the government and the Prime Minister intend to do to assist in the negotiations for a settlement of the lengthy strike of elevator construction workers which is affecting the economy of Canada in all its facets? This strike has reached the level of a crisis in respect of shortages in housing and the general health and well-being of the Canadian people.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would expect the hon. member would want me to defer to the Minister of Labour.

Mr. Stanfield: By all means.

An hon. Member: Go ahead.

Mr. Trudeau: Apparently he does not want me to do that.

Some hon. Members: Oh, oh!

Mr. Woolliams: If the Prime Minister does not want to answer this question—

Some hon. Members: Oh, oh!

Mr. Woolliams: —I will put it to the Minister of Finance.

An hon. Member: He won't or cannot answer it.

Mr. Woolliams: In light of the Prime Minister's refusal to answer, and in light of the fact that the strike has been going on for months without any intervention on the part of the federal government, will he take leadership and intervene?

Some hon. Members: Hear, hear!

An hon. Member: Explain.

Mr. Hees: There is nothing personal, John.

Mr. Woolliams: Will the minister consult with the Minister of Manpower and Immigration, the Minister of Labour, the Minister of Consumer and Corporate Affairs and the Minister of State responsible for housing in an endeavour to settle this strike which is affecting the economy of the country?

Mr. Speaker: Order, please. I am sure the hon. member for Calgary North appreciates that a question asked of the Minister of Finance in those terms is not in order.

Mr. Woolliams: May I put it to the Minister of Labour?

Some hon. Members: Hear, hear!

An hon. Member: It is about time.

Some hon. Members: Order!

An hon. Member: No answer; non-government.

Mr. Nielsen: Take this to your leader.

Mr. Woolliams: Mr. Speaker, in light of the fact the federal government has done nothing to intervene in respect of this strike which is costing $250,000 a day in taxpayers' money, will the Minister of Labour now meet with the parties involved or with the various premiers of the provinces to bring to an end this strike which is not only affecting the economy but the health and welfare of the people of Canada?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, it is not correct to say that we have done nothing. The fact is that we as the federal government have absolutely no jurisdiction to intervene in this particular strike.

An hon. Member: Tell us another one.

Mr. Munro (Hamilton East): It is exclusively a matter of provincial jurisdiction. In spite of that fact, I did contact the Ontario government to indicate the serious implica-

tions this prolonged strike was having, and to indicate our interest. Of course, this would automatically leave the impression that if that government felt we could be of any help, in spite of the fact the matter is within its jurisdiction, it could contact us, but it has not done so.

Mr. Woolliams: Mr. Speaker, in view of the fact the Minister of Labour has shunned his responsibility in this case and tried to pass this off as a constitutional question, may I ask the Minister of Manpower and Immigration whether he would investigate and take into account the big drain on the unemployment insurance fund of Canada as a result of thousands of construction workers put out of work because this government will not take action?

Some hon. Members: Hear, hear!

An hon. Member: No leadership.

Mr. Speaker: Order, please. Is the hon. member rising to ask a supplementary question?

ELEVATOR CONSTRUCTORS' STRIKE—REASON FOR ONTARIO GOVERNMENT NOT INTERVENING

Mr. David Lewis (York South): I have a supplementary question, Mr. Speaker. I should like to ask the Minister of Labour whether he has ascertained the reason the Prime Minister and government of the province of Ontario have refused to intervene in this dispute although the premier of another province has done so?

• (1500)

Hon. John C. Munro (Minister of Labour): No, I cannot answer that question, Mr. Speaker. As the Leader of the Opposition knows, I cannot go into the motivations one way or another of the politicians in the Ontario provincial government. The fact is that I do know that the Ontario Department of Labour has had its personnel available in their mediation role but despite their efforts the talks have broken down. From what I read I take it there is pressure on that government to intervene and take constructive action, but I have had no further report.

ELEVATOR CONSTRUCTORS' STRIKE—SUGGESTED FEDERAL PARTICIPATION IN INDUSTRIAL INQUIRY COMMISSION

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary question, Mr. Speaker. In view of the fact Nova Scotia has called for an industrial inquiry commission in order to look into this five month old strike and in light of the concern of the minister, would the minister communicate with the parties involved to see if this government can be either a party to the commission or at least be there as an observer. I hope the minister can take this under advisement.

Hon. John C. Munro (Minister of Labour): I think it is obvious that even the parties to this dispute are prepared to acknowledge that the federal government has no jurisdiction and that the provinces involved, particularly Ontario, are prepared to accept their exclusive jurisdiction and not call upon the federal government to help. There is absolutely no leverage for the federal government to make a constructive contribution in this matter at all.

[Mr. Munro (Hamilton East).]

Mr. Alexander: In light of the fact the minister has had some conversations with at least the authorities of the province of Ontario and therefore did set the tone, does the minister not now think this is the proper time for him to become involved once again in order to see whether his department can be of assistance in this matter?

Mr. Munro (Hamilton East): Mr. Speaker, in view of the obvious serious implications here, of course we would try to render whatever assistance we could. If the hon. member and other hon. members opposite view this in the light they have expressed now, they are in a better position than I to approach their political counterparts in the province of Ontario.

Mr. Speaker: Order, please. I will have to seek the cooperation of hon. members very soon. We are still on the second or third question. There are a number of members seeking to ask questions. We have had quite a few supplementaries on two or three questions. At this point I will recognize the hon. member for Cape Breton-East Richmond.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, my supplementary is addressed to the Minister of Public Works. Since this comes within the jurisdiction of his department, I should like to ask the minister whether he will take some action concerning the elevators within this building as well as other government buildings in Ottawa, and at least see that they are repaired?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, the observations of the Minister of Labour still apply. If hon. members on the other side have any influence with their provincial counterparts, they should ask them to move.

Mr. MacInnis (Cape Breton-East Richmond): I rise on a point of order, Mr. Speaker, because the answer given to me by the minister is quite out of line with the facts. There is no doubt about the fact that the Minister of Public Works is responsible for government buildings in this area, and it is time he got off his butt and did something about it.

Mr. Speaker: Order, please. Again, there are members seeking to ask supplementaries on this question. I hope hon. members will not feel hurt if I try to go on to the next subject. I shall recognize the hon. member for Prince Albert who probably has a non-controversial question to ask.

* * *

ENERGY

SUGGESTED CONSTRUCTION OF RAILWAY FROM NORTH WITH TERMINUS IN SASKATCHEWAN TO TRANSPORT OIL AND GAS—REQUEST FOR ESTIMATE OF COST

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my questions are always modest and only attempt to obtain information. In view of the fact that one of the

most important economic matters facing our country today is the question of the transport of oil, gas and so on from the Yukon and Alaska I wish to ask the Minister of Transport whether there is a task force now operating to the end that problems of environmental difficulty and so on will not come into being should the suggestion be accepted to build a railway from the north having its initial terminus in Saskatchewan which, with objectivity and great personal restraint, I suggest should be in Prince Albert?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as the right hon. gentleman knows, so far as oil and gas are concerned they come under the authority of my colleagues the Minister of Energy, Mines and Resources and the Minister of Indian Affairs and Northern Development. So far as other highways or railways in the north are concerned, we are negotiating with the British Columbia and Alberta governments.

I met with Mr. Peacock, the minister of industry and commerce, to see how we could develop highways to the north, including the Mackenzie highway, and how we can relate the British Columbia Railway to the CNR so that we can move farther into the north. Of course, this is all related to the resources that can be exploited, and we will have to wait a little longer to see what is discovered by the companies that exist now and by the department of energy.

Mr. Diefenbaker: Mr. Speaker, I thank the minister very much for his full answer. He mentioned Alberta and British Columbia. I should like to ask him whether or not the most appropriate route would not be through Saskatchewan, and what is the estimate today of the cost of such a railway through British Columbia and Alberta with the terminus I mentioned in Saskatchewan. Have any such estimates been made?

Mr. Marchand (Langelier): Mr. Speaker, as I said, I have met with the minister of industry and commerce from Alberta and with the premier of British Columbia. I have not yet met with the premier of Saskatchewan. I intend to do so. I think we will have to study the whole question of transportation in the north in consultation with the provinces. Whenever those studies are complete I will be happy to make a report to the hon. gentleman.

Mr. Diefenbaker: Has any estimate of the cost been made by these several task forces which have been set up apparently to look into this matter?

Mr. Marchand (Langelier): Yes. Some have been estimated and others have not been estimated yet.

PROPOSED ALASKA OIL PIPELINE—REPRESENTATIONS TO THE UNITED STATES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I was interested to hear the minister say he was in consultation with members of the governments of British Columbia and Alberta. I was most disappointed not to hear him say that he was in consultation with the elected representatives of the people of the north concerning these matters. My supplementary is directed to the Minister of Energy, Mines and Resources. In view of the report that President Nixon has indicated that legislation will be introduced in the United States which will have the effect of voiding the decision of the court in respect of the construction of the Alyeska line, and in view of the fact that President Nixon apparently stated his preference for the sea route, has the minister himself or has the Secretary of State for External Affairs renewed the protest Canada sent to the United States some time ago?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I mentioned to the hon. member for Calgary North yesterday, we made representations some 11 months ago to the United States administration leading to the construction of an oil pipeline down the Mackenzie corridor rather than through the Alyeska route. The United States administration decided then, and apparently has renewed the decision, to proceed by way of the Alyeska route, although I think it is fair to point out that this question will have to go back to the court of first instance. Mr. Justice Hart will now have to evaluate the possibility of a Canadian route, so it may be some years before there is a full judgment on this question. I would expect that the studies done in Canada will be very germane to that judgment.

* * *

TRANSPORT

WEST COAST MARINE PILOTS—GOVERNMENT ACTION TO AVERT POSSIBLE STRIKE

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question to the Minister of Transport. This question does come under federal jurisdiction. In view of the threat of a strike to take effect at midnight tonight by the B.C. Coast Pilots Association, and in view of the representations telegraphed to him by the premier of Saskatchewan, could the minister tell us what action he has taken to have negotiations resumed immediately?

• (1510)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think that the parties are meeting right now. However, I should emphasize that this is a very peculiar situation because both the pilots' organization and the employers' organization are companies registered under British Columbia laws. They are not unions as defined in the Canada Labour Code.

Mr. Benjamin: In view of the fact the B.C. Pacific Pilotage Authority reports to the Minister of Transport and that most of the proposals of the British Columbia Coast Pilots Association call for improvements in the working conditions, safety procedures and safety equipment, will the minister instruct the B.C. Pacific Pilotage Authority to resume negotiations? Will he also assure the authority that there will be adequate funds to meet the proposals of the pilots regarding safety procedures and working conditions?

Mr. Marchand (Langelier): I do not intend to instruct the pilotage authority, and I wonder whether I have this authority under the law. Negotiations are proceeding

right now and I certainly do not wish to intervene. I think that everyone should be very careful in this situation because the pilots on the west coast, as well as other pilots, are not wage earners making $2,000 or $3,000 a year but have an average salary of probably $25,000 or $30,000 a year. This does not mean they have no rights. They have some rights, and they are negotiating. I think it would be preferable if the hon. gentleman would wait until the negotiations are completed.

[*Translation*]

RAILWAY ACCIDENT AT SAINT-GERMAIN—REQUEST FOR INVESTIGATION BY MINISTER

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to ask a question of the Minister of Transport concerning an unfortunate accident which took place on December 9. It has to do with the railroad accident at Saint-Germain in the riding of Drummond where two persons were killed, implicating nine dependents. Early in December, the coroner's inquest had not been held yet. Does the minister intend to intervene in that sad matter?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will get more information because I do not know enough about it to give a satisfactory answer.

* * *

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT AMONG YOUNG PEOPLE—REQUEST FOR REPORT ON INTERDEPARTMENTAL COMMITTEE AND EMPLOYMENT PROGRAM

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is directed to the Prime Minister. Since the January figures for unemployment indicate that we are now into the fifth year in a row in which the unemployment crisis is most acute among Canadians under the age of 24, and since the Prime Minister indicated last year, as recorded at page 3081 of *Hansard*, that he would review the progress of the interdepartmental committee which was established to look at youth employment policies, I wonder whether the Prime Minister has activated that committee again or created a new one? In any event, when will he be in a position to announce to the House and to the country a comprehensive new program to find jobs for the 300,000 young Canadians who are now out of work?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as regards the latter part of the question, we expect that the budget will present Canadians with an economic statement which will help all sections of the economy.

Mr. Clark (Rocky Mountain): Mr. Speaker, since the Prime Minister's answer indicates that there has been no change in the government's lack of policy in this respect, I wonder whether I might ask the Secretary of State a supplementary question. Has he received a copy of the report of that interdepartmental committee, and will he either table it in the House or at least indicate when the government intends to introduce new programs to reduce the high rate of unemployment among young people which has been a feature of Canadian life ever since this government was elected?

Mr. Speaker: Order, please. The question as asked is not in order.

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AIRPORTS

VANCOUVER INTERNATIONAL—REQUEST FOR DELAY IN EXPROPRIATION PROCEEDINGS UNTIL ALL QUESTIONS ANSWERED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Transport arising out of the great concern in Vancouver about the proposed expansion of the airport, a concern that arises from the fact a number of major questions have not been answered relating to noise and the effect on land values. I should like to ask the minister again whether he is prepared to provide some kind of a moratorium there so that the people concerned can get answers to the questions that are concerning them so seriously.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I have answered the question already. A hearing is now taking place under the Expropriation Act. Nothing will be done before the completion of this hearing, the date of which I believe is March 4. After the public meeting took place a public information kit was distributed very widely in Vancouver to all those who are interested in the problem. It contains all the answers, and I will be happy to send a copy of it to the hon. gentleman.

Mr. Reynolds: On a point of order—

Mr. Speaker: The hon. member is rising on a point of order.

Mr. Reynolds: Mr. Speaker, the minister stated yesterday that the questions were answered. He has a telegram or the Prime Minister has a telegram from the greater Vancouver regional board which states that 15 major questions have not yet been answered. My point of order is that either the Minister of Transport is misinforming the House or he does not know what his own department is doing in Vancouver.

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VETERANS AFFAIRS

DEER LODGE HOSPITAL—NEGOTIATIONS ON TRANSFER OF RESPONSIBILITY TO MANITOBA—MAINTENANCE OF MEDICAL STANDARDS AND JOB SECURITY

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Veterans Affairs. Are negotiations going on at present between the federal government and the Manitoba government to transfer responsibility for the Deer Lodge Veterans Hospital to the province?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the answer is yes.

Mr. McKenzie: What measures are being taken to ensure that medical standards and the job security of hospital staff will be maintained by the province?

Mr. MacDonald (Cardigan): Mr. Speaker, this precaution is taken. Before the hospital is transferred to the other party we will certainly have this assurance.

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MANPOWER

REQUEST FOR TOLL FREE TELEPHONE SERVICE TO CERTAIN CENTRES

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration and it is very important to the people in my riding. Would the minister indicate whether or not he has considered installing a toll free telephone service to the Canada Manpower Centres, especially in such areas as the Hastings riding where some employers are 100 miles away from the Canada Manpower Centre?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will give the hon. member's representation due consideration.

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CANADIAN BROADCASTING CORPORATION

OPPOSITION OF CANADIAN TEACHERS FEDERATION TO TRANSFER OF RIGHTS TO FILM AND VIDEOTAPE TO PRIVATE COMPANY

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to ask the Secretary of State when he intends to meet with the Canadian Teachers Federation to discuss that body's brief opposing the granting of rights to the CBC film and videotape library to a private distribution company?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I have an invitation to attend the meeting but I cannot remember that we agreed to a date. I will report to the hon. member.

Mr. Speaker: The hon. member will be allowed a supplementary question and then I will recognize the hon. member for Norfolk-Haldimand.

Mr. Rose: Thank you, Mr. Speaker. Since there have been a great number of objections from school districts and teachers organizations to granting to a private distribution company the right to rent films and tapes that were paid for out of public funds, has the minister given any consideration to setting up a Crown distribution corporation or, alternatively, having the films distributed through provincial audio-visual services.

Mr. Faulkner: Not yet, Mr. Speaker.

FLOODS

DAMAGE CAUSED BY HIGH WATER LEVELS OF GREAT LAKES—REQUEST FOR COMPENSATION

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, inasmuch as the substance of my question relates to several departments of the government, I will direct it to the Prime Minister. In view of the fact that the abnormally high water levels on the Great Lakes have caused flooding and erosion of catastrophic proportions resulting in the loss of farmland, dwellings and harbour installations, what steps is the government prepared to take to compensate financially those individuals and municipalities who have suffered such a grievous loss?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, without getting into the question of compensation, because that is a matter to be discussed and established, I would say that the government is making a real effort to co-ordinate the actions of the various departments involved. A minister has been appointed in the person of the Minister of the Environment to co-ordinate these policies and to respond.

Mr. Speaker: Order, please. There are only two or three minutes left before the end of the question period. We could use them for supplementary questions but my thought is that perhaps we should allow a few hon. members on the back benches to ask questions.

• (1520)

Mr. Nesbitt: On a point of order, Mr. Speaker, this flooding is a matter of great urgency to hon. members and also to the province of Ontario. I know that a number of hon. members have supplementaries to ask, and I hope Your Honour will see some of the other hon. members who are involved in this matter.

Mr. Speaker: Perhaps the Chair could be allowed to recognize the hon. member for Swift Current-Maple Creek.

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GRAIN

LOW FINAL PAYMENTS—POSSIBLE LOSS TO FARMERS RESULTING FROM WHEAT BOARD'S DEALINGS IN STERLING

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I have a question for the Minister in charge of the Canadian Wheat Board. It is not a supplementary question. In view of the surprisingly low final payment announced yesterday on wheat and oats, with no payment on barley, can the minister tell the House if western farmers have had to absorb the loss resulting from the Canadian Wheat Board's unhedged and unprotected sterling balance when Great Britain devalued her currency during that pool year? Knowledgeable people in the trade have estimated that this has cost the farmers many millions of dollars.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, let me say fairly simply but directly that the suggestion is

quite wrong. For rather obvious reasons, I do not want to get into the business of commenting on the day-to-day operations of the Canadian Wheat Board in connection with its currency holdings, but I can assure hon. members that the Canadian Wheat Board uses extremely good advice, does use hedging operations, and in fact came out very well indeed in the case of these particular currency holdings.

PROSECUTIONS UNDER WHEAT BOARD ACT—REQUEST FOR REVIEW OF LEGISLATION

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is directed to the minister in charge of the Canadian Wheat Board. Due to the fact that a number of farmers in central Alberta are being charged in court under the Canadian Wheat Board Act, can the minister in charge of the Canadian Wheat Board, who is also the minister in charge of justice, assure this House that he will undertake a review of the act to ensure that it is formulated in such a manner as to be in the best interests of the grain producers?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as I have indicated previously in the House, I have had discussions with the Canadian Wheat Board about the problem of charges in certain cases such as the ones to which the hon. member refers, and about the Wheat Board's requirement to take action in certain circumstances to protect its position. I will, therefore, take very seriously the hon. member's suggestion that we consider, at an early opportunity, whether additional provisions should be put into the Wheat Board Act to deal with special positions like that.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Nickel Belt for a question, and then perhaps we might have two or three supplementaries on the question which was of interest to the hon. member for Oxford.

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HOUSING

ALLEGED SHORTAGE OF SKILLED WORKERS—POSSIBILITY OF IMMIGRANTS FILLING GAP

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. Keeping in mind last year's 250,000 housing starts and the prediction by CMHC that there will be several thousand more housing starts across Canada this year than last year, and also considering the imminently grave shortage of 10,000 to 25,000 skilled workers in the housing and building trades next summer, what steps is the minister taking to avoid such a shortage?

Mr. Speaker: Order, please. The Chair will allow the minister to reply briefly, but normally this information should be given by way of a statement on motions.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, officials of my department and I have met with the executive members of the Housing and Urban Development Association of Canada for the purpose of devising measures to combat this situation, although there is at present quite a discrepancy between the estimated shortage of skilled workers reported by the hon. member and, as a matter of fact, reported by the Housing and Urban Development Association of Canada, and our own records. We are attempting to reconcile this now and are developing programs to alleviate the situation.

Mr. Rodriguez: Can the minister tell the House whether there were any discussions in terms of opening immigration avenues to solve this problem?

Mr. Andras: There has been an allusion to the question of immigration. I am not sure that is a bad solution, but we certainly have to examine the situation a great deal more deeply before I give a positive response in terms of opening up immigration for that purpose.

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FLOODS

REQUEST FOR ACTION TO PREVENT FURTHER DAMAGE BY HIGH LEVELS OF GREAT LAKES

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I wish to direct a question to the Prime Minister. It relates to the question posed earlier by the hon. member for Norfolk-Haldimand. While all of us appreciate that the government is giving consideration to compensation and other matters because of the very high lake levels in southern Ontario, can the Prime Minister tell us what he plans to do in collaboration with several of his ministers, the Minister of Public Works, the Minister of the Environment, the Secretary of State for External Affairs and others, to prevent further damage, which will most certainly take place in the immediate future if something is not done? I draw your Honour's attention to the imminent spring breakup which when it takes place in Lake Erie, will cause damage of enormous proportions to houses and other property.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think my previous answer indicated that we do realize it is a serious problem, and that is why the government has set up this group under the Minister of the Environment to bring attention to it. Of course, meanwhile if the hon. member has specific suggestions to bring forth I am sure the minister would be pleased to hear them.

POSSIBLE ACTION BY INTERNATIONAL JOINT COMMISSION TO LOWER LEVELS OF GREAT LAKES

Mr. Ron Atkey (St. Paul's): Mr. Speaker, I wish to direct a supplementary question to the Minister of the Environment. In view of the fact that the city of Toronto executive committee yesterday requested the federal government to make immediate and urgent representations to the International Joint Commission with a view to lowering the dangerous high water levels of Lake Ontario and of the other Great Lakes, what steps has the government taken, and has the IJC been contacted?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, the IJC has been contacted in this regard. I might also say that the engineering staff supplied to the IJC on the Canadian side is in fact staff from the water management service of the Department of the Environment. It is possible, within narrow limits, to regulate the water levels in Lake Ontario, and we are doing our best.

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POST OFFICE

REQUEST FOR COMMEMORATIVE STAMP TO HONOUR CENTENNIAL OF ONTARIO AGRICULTURAL COLLEGE

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is directed to the Postmaster General. In view of the fact that the time honoured science of agriculture, in conjunction with the Ontario Agricultural College, will be celebrating their centennial next year, is it the intention of the Postmaster General to issue a commemorative stamp to honour this great science and this outstanding agricultural college?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I shall be pleased to take the hon. member's suggestion into consideration.

[*English*]

REQUEST FOR COMMEMORATIVE STAMP TO HONOUR INVENTION OF TELEPHONE

Mr. Derek Blackburn (Brant): Mr. Speaker, I wish to direct a supplementary question to the Postmaster General. In connection with the celebration of the invention of the telephone in the city of Brantford, Ontario, is the minister considering striking a special stamp in commemoration of that event?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I shall before long announce next year's commemorative stamp program. Therefore, I would ask the hon. member to exercise a little patience.

* * *

[*English*]

FINANCE

WINTER PROJECTS CAPITAL FUND—ALLEGED FAILURE OF ONTARIO TO PROVIDE APPLICATION FORMS TO MUNICIPALITIES

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I would like to direct a question to the Minister of Finance. In view of the fact the federal government announced the establishment of the $350 million winter projects capital fund back on December 6 last and two and a half months have subsequently gone by and the province of Ontario has not made available even application forms to municipalities—

Some hon. Members: Shame!

Mr. Cafik: —to take advantage of this program to reduce unemployment in the province during the winter months, would the minister take some immediate action to encourage the province of Ontario to play its role in reducing winter unemployment?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, not only is that a very good suggestion but I would encourage the opposition in the House to pass the appropriation bill in order to make it all possible.

Mr. Speaker: Order, please. We have really gone beyond the end of the question period, but perhaps the Chair might be allowed to call two other hon. members, without supplementaries, first the hon. member for Halton, then the hon. member for Vancouver-Kingsway, and then call orders of the day.

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AIR TRANSPORT

RECIPROCAL LANDING RIGHTS WITH ALITALIA IN MILAN TO CANADIAN CARRIER

Mr. Terry O'Connor (Halton): Mr. Speaker, my question is directed to the Minister of Transport. With respect to the anticipated awarding of reciprocal landing rights with Alitalia in Milan to a Canadian air carrier, is the minister yet in a position to advise the House when this award will be made and to whom it will be granted?

• (1530)

Hon. Jean Marchand (Minister of Transport): Excuse me, Mr. Speaker, but I did not hear the first part of the question. Would the hon. member mind repeating it?

Mr. O'Connor: I am sorry, Mr. Speaker. With respect to the anticipated awarding of reciprocal landing rights with Alitalia in Milan to a Canadian air carrier, is the minister yet in a position to advise when this award will be made and to whom it will be granted?

Mr. Marchand (Langelier): Mr. Speaker, as far as Alitalia is concerned the decision has been made. Alitalia can land in Montreal and Toronto. As far as Milan is concerned, this has not been attributed yet to a Canadian carrier but it will be eventually.

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COMBINES

ALLEGED COLLUSION AMONG OIL COMPANIES—REQUEST FOR INVESTIGATION

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, if this question is a little longer than usual it is because I cannot have a supplementary. The question is directed to the Minister of Consumer and Corporate Affairs. In view of a formal complaint made yesterday by the Consumers Association of Canada alleging collusion among the various oil companies in the recent price increases in gasoline and fuel oil and requesting an inquiry under the Combines Investigation Act, can the minister

assure us that he will do his best to see that this investigation gets top priority?

Some hon. Members: Hear, hear!

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, actually the formal request was received by the Director of Combines Investigations, I am informed, not yesterday but the day before. I am sure he is carrying out his statutory responsibilities but I will continue to be in touch with him for that purpose.

Mr. Speaker: Order, please. The Chair definitely will call orders of the day after the hon. member for Vegreville has been heard.

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AIR TRANSPORT

RECIPROCAL LANDING RIGHTS WITH ALITALIA IN MILAN—POSSIBLE CHANGE IN GOVERNMENT POLICY

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the Minister of Transport and arises out of a question posed by the hon. member for Halton. In light of the declared aviation policy defined in 1965 which in effect would place Milan in an area to be served by Canadian Pacific Airlines, and in view of the government's slowness in awarding the landing rights for the city of Milan, can the minister indicate to the House whether the government is now considering a deviation from that policy as defined in 1965?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker, we try to have a rational policy and I hope it will be known by the House shortly.

Mr. Speaker: Orders of the day. The hon. member for Gander-Twillingate rises on a point of order.

Mr. Lundrigan: Mr. Speaker, this is a point of order which affects all members of the House of Commons and, indeed, the Canadian nation. I trust that in hearing my point of order Your Honour will not interpret it as resulting from selfish motives. There is nobody in this House of Commons who has less reason to raise this point of order than I. If one looks back over the past five years one will find I have had my fair share of questions and comments in the House. My point arises from the fact that I look around every day and see about 20 or 25 members rise in the House at question time trying to ask questions.

Earlier today a question was raised about regional development, one which had serious implications not only for economic development but for national unity. Out of a sense of justice to all members, Your Honour was required to bypass this subject after several questions. I quite understood this and I think other hon. members did as well. However, there are other questions just as fundamental, and if hon. members cannot raise them in the House of Commons it is my contention, as a rookie in the House, that this will manifest itself throughout the country. A lot of the frustration that we have results from the fact we cannot get things resolved through the debating forum in the House of Commons. This frustration is going to build up in the country and result in a lot of unnecessary bad feeling.

Mr. Speaker, I am no relation at all to the hon. member for Winnipeg North Centre (Mr. Knowles), but I feel that if you go back to Magna Carta you will find that the fundamental rights of members of the House of Commons are the right to be heard and the right to speak. I can quote from several sections of the 1958 version of Beauchesne, particularly where it says that a great deal of latitude must be allowed in the House of Commons which is a forum where every phase of public affairs can be discussed and where every member has the right to be heard, even if in doing so sometimes the rigidity of procedure is disregarded.

I remember reading *Hansard* back in 1961 and 1962 when I was interested in one day becoming a member of the House. A few hon. members, amongst whom was J. W. Pickersgill who represented my district, raised hundreds of questions in the House of Commons day after day, questions which affected the people for whom they were speaking. We are getting to the point today, because of the 40 minute question period and because the opposition is larger than the government, where many members are not given the right to raise questions.

Some hon. Members: Hear, hear!

Mr. Lundrigan: Mr. Speaker, we spend hours of debate on subjects such as agriculture, manpower, fisheries and many other subjects which are boring and of interest only to one lonely member, unwatched from the press gallery and unobserved by people in the general gallery. This gives us hundreds of hours of debate which are meaningless, which are not reported and which do not give the country a chance for—I do not know what the word would be if I were using a medical term—catharsis', it does not give the catharsis which the country needs.

I would strongly recommend to Your Honour that while hon. members have a little bit of patience left the House leaders take this question a little more seriously than just hearing what I have to say today. I think that we should lift the ceiling on the question period on one day a week or even on two days a week. I think that the good, common sense of hon. members would not encourage them to go beyond responsible behaviour. If we cannot agree to have one or two days a week when we ignore the length of the question period, then consideration should be given immediately to extending it to at least an hour.

I get my share of questions because I do not ask the initial question but usually supplementaries related to questions asked by other hon. members. However, today I stood up and I was beginning to get concerned when I was not recognized, but as I looked around there were 40 or 50 other members standing up. Some of them sat down again and others walked out in disgust. Mr. Speaker, they are here to talk about issues as fundamental to their regions as regional development is to my region. I know that I am speaking for all Canadians when I say the question period is one time when we, as Members of Parliament, can bring forward issues that are of monumental importance in a forum in which they can be properly aired. The cutting off of questions at the end of 40 minutes is encouraging

the build-up of negative attitudes in this country, and we cannot afford that.

Mr. Speaker, I have the greatest respect for the way you handle the question period. I do not think anybody in the House could exercise more wisdom, more patience or more fairness, but I suggest that if the question period is to be meaningful, action should be taken in the next few days, even if that requires a reference from parliament, to alleviate the problem by extending the period twice or three times a week.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for St. Boniface.

Mr. Howie: Mr. Speaker, on the same point of order—

Mr. Guay (St. Boniface): Mr. Speaker, I hope that—

Mr. Speaker: Order, please. The hon. member for St. Boniface has the floor on a point of order and is entitled to be recognized.

Mr. Guay (St. Boniface): Mr. Speaker, I hope you will give me half the length of time the previous speaker had. I, too am not happy with the use of Standing Orders 43 and 26 by the opposition. There was a good example of that today. Many members used those Standing Orders today, knowing full well that they really did not have a particular point to bring to your attention. They make use of these rules every day, and lately we have been losing about 40 minutes on these motions before we even start the question period.

I should like to agree with the hon. member for Gander-Twillingate (Mr. Lundrigan) that the question period should be made longer. However, I feel that if the members of the various parties used the question period to bring only pertinent matters before the House, better use could be made of that time for further important matters, to the benefit of all Canadians. Mr. Speaker, I think this is a matter for co-operation. Perhaps the House leaders could speak to the members of their own parties in an effort to make sure that the time of the House is not taken up with irrelevant motions made under Standing Order 43 or Standing Order 26, which often waste an hour before the question period starts.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, for some time I have been wanting to speak on the same subject on a point of order. However, I would disagree with the hon. member who raised this point of order.

Mr. Speaker, it is obvious that the oral question period has become a mockery and has been abused. It will be said that members from the back benches cannot ask questions; I would remind them that members of the Social Credit party, which is an integral part of this House, have asked two questions today and this for the simple reason that the official opposition does ask too many supplementaries. If the members of Her Majesty's loyal opposition would understand how important it is for them and for others to give a chance to other members to ask a question, I do not doubt, knowing the tact, finesse and competence of the Chair, that all hon. members wanting to ask a question would be able to do so in their turn. But as long as the official opposition will abuse by raising five, six, eight or ten supplementaries from the beginning of the question period, which delays the first question of the New Democratic party leader for 15 minutes and that of the Social Credit party leader for 15 minutes more, finally some day the question period will be over and members from the back benches from both sides of the House will have no time left to ask their questions.

Mr. Speaker, I want you to know that we are supporting you and that we disagree with the critics of the hon. member and we urge you to see that those people refrain from abusing the question period by asking supplementaries so as to grant the same privilege to hon. members from the other parties.

[*English*]

Mr. Stanfield: Mr. Speaker, although I do not support any suggestion that the Official Opposition is utilizing a disproportionate amount of the question period, I should like to make a suggestion to the hon. member for St. Boniface (Mr. Guay): If he will speak to his group, I will consult with mine, to see if we can make any constructive suggestion to Your Honour that might be helpful.

Mr. Peters: Mr. Speaker, may I add this: I think there is general agreement that the question period has been badly abused. One can blame the leadership of the various parties and the neglect of party leaders with respect to the individual problems of backbenchers. I suggest that the House leaders be asked to meet with the procedure committee in order that we may change the rules governing the question period. The problem, which Your Honour cannot cope with because of existing circumstances, arises from the fact that the first question leads to a mini-debate, followed possibly by 10 or 12 supplementary questions. Then, another question is asked, which also turns into a mini-debate as several other supplementaries are asked.

The backbenchers in all parts of the House really do not participate, except by bottlegging related questions in the question period, or questions on other topics. If we are to avoid calamity in the question period I strongly urge Your Honour, as a member of that procedure committee, to bring the House leaders together for the purpose of revising the rules. Unless our rules are changed, the question period will become a shambles. All members in this minority parliament ought to be equal.

Some hon. Members: Hear, hear!

Mr. Peters: There should be, at least, partial equality of opportunity to ask questions, and there is not. But for Your Honour's kindness and guidance, many members could not ask any questions. This holds true for those members who are classed as independent as well for all those who sit in the back rows of this chamber. Perhaps Your Honour could use your good offices in such a way that we could split the question period into a leaders' hour which would be followed by a question period for backbenchers. The leaders' hour could be devoted to questions asked by members of the front benches and to supplementaries, and the rest of the question period should be so arranged as to allow an individual member

to present the problems of his individual riding and perhaps other parts of the country as well.

Mr. Stewart (Cochrane): Mr. Speaker, on the same point of order, I sympathize with the hon. member for Gander-Twillingate (Mr. Lundrigan). Certainly, a number of backbenchers wish to ask important questions, and they would like more time in which to ask them. I wish to make a point which is sometimes heard in the house but does not seem to receive too much attention, namely, that government members also would like to ask questions but they do not seem to have the opportunity in the question period to do so.

An hon. Member: Raise that in caucus.

Mr. Stewart (Cochrane): I understand that the attitude of some hon. members is that as we, on this side, are supporters of the government, we should be in accord with everything the government does. That is not the point. Some of us may question policies being carried out by the cabinet and we, as backbenchers, want to know about these things.

An hon. Member: Ask in caucus.

Mr. Stewart (Cochrane): Therefore, we have the right, as Members of Parliament and as supporters of the government to ask such questions in the House.

There is another point which is not well understood. In addition to the several opposition parties in the House, we must face an even stronger opposition, that of the fourth estate, which is powerful in this country. The backbenchers of the Liberal party have just as much right to the forum provided by this House for the purposes of asking questions and seeing their views expressed in the press as the other backbenchers of other parties.

Some hon. Members: Hear, hear!

Mr. Stewart (Cochrane): It seems to me that the present practice should be changed so that backbenchers on the government side may have an opportunity to put forth their views in the same proportion as members on the other side of the House. I welcome what the Leader of the Opposition (Mr. Stanfield) said, namely, that he will speak to his people, if the House leader on my side of the House will speak to the people on this side. Certainly, a number of questions asked in this House are not necessarily questions of national interest. Of course, we are all political beings; we all want to be given publicity in our ridings. At the same time, a question about a bridge over a little river in a certain riding is not a question of national importance. Many such questions are asked in this House during the question period. I suggest that if hon. members bear in mind that we are concerned about national matters in this House, we could perhaps solve part of our difficulty.

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): Mr. Speaker, as you know, for the third time in about a week a point of order has been raised at the end of the question period to do with the question period. This indicates not only that many hon. members have not had a chance to ask questions but the magnitude of the problem as well. I will not repeat what has been said, although I should like to add this: When the 40-minute limitation was established in the previous parliament, that parliament was constituted differently from the present one. Although we tried to devise rules that would find application in more than one parliament, to a certain degree the rules that we introduced in the previous parliament were surrounded by considerable controversy. Those rules reflected the fact that there were more than 150 members on the government side and slightly more than 100 in opposition. Today, the reverse is true. There are a few more than 100 on the government side and more than 150 in opposition. If individual members are to be allowed to ask their questions, the rules governing the question period in this parliament will need to be reconsidered. Under a simple rule of thumb we might extend the question period by 50 per cent, in recognition of the number of members who now sit on opposition benches.

Another practical suggestion is this: Perhaps the government House leader, in view of comments which reflect frustrations, might convene the standing committee on procedure, perhaps by unanimous consent. The government House leader could present a motion, either later today or tomorrow, so that this committee could immediately attend to this important question. I think that is important, in view of the nature of this parliament, and this question should not be allowed to drag on for weeks. I urge the government House leader to bring forward a straightforward motion so that the standing committee on procedure could convene early next week, say, consider this problem and present an interim report as to what action can be taken on this question.

I realize that in dealing with a question originally raised by the hon. member for Gander-Twillingate we are dealing with a matter that goes beyond Your Honour's jurisdiction. Nevertheless, I think it is important for us to hear an expression of Your Honour's views so that the members of the House, through the instrumentality of this committee, may resolve this difficult question.

• (1550)

Mr. Korchinski: Mr. Speaker, I want to comment on a few items that have not been mentioned during the course of this discussion. There may be a sense of urgency on the part of many members in this minority situation. Under normal circumstances, the pressure on each individual member may not be as great, that is if we were to assume that parliament would be here for four or five years. In that situation, members can expect to be recognized. There is not such a sense of urgency.

Another point is that which I raised yesterday in connection with questions being asked and notice being taken of them. Perhaps there could be an allocation of a few minutes time, either before or after the question period, at which time only those questions of which notice has been taken could be answered. In that way a member who has been jumping up and down like a yoyo for two weeks will not have to repeat his question. It is incumbent upon a minister to meet a commitment which he makes to this House and the country. It is not only the members of the press who read *Hansard.* It is read by people all across

this country. There are people who wait for these answers. Perhaps that extra few minutes will not be necessary on every occasion.

There is another point that arises. There are limitations on debates in the House. In addition, restrictions are imposed on members in committees in the sense that in some committees members are not permitted to ask questions which they were unable to ask in the House. In some committees, there is a rule that unless you are a member of the committee, you cannot ask a question until the questions of committee members have been exhausted. Some members are practical jokers. They continually ask questions and thereby frustrate other members. If you cannot ask a question in the House or in committee within a certain time, the question may become unnecessary. After a month has elapsed, there is no point in asking the question. It is no longer urgent. That is an added frustration for many members.

With regard to starred questions, I think there should be a limit of three or four days or a week in which they must be answered. I think that would facilitate their use. At the same time, possibly one supplementary question should be allowed when a starred question is answered. This is not always necessary, but it would be very useful on certain occasions.

Mr. Howie: Mr. Speaker, I congratulate the hon. member for Gander-Twillingate (Mr. Lundrigan) upon demonstrating the courage to raise this problem which concerns all members in the back benches. Your Honour will notice that there are a lot of questions on the order paper. I think there are nearly 1,000. These are being answered at the rate of 20 a week. A lot of questions asked during the oral question period do not really pass the test of relevancy or urgency, although Your Honour generously allows us to ask them. If there were more efficiency and promptness in answering questions on the order paper, there would be a lot less questions asked in the question period.

If we are going to be a good opposition, we need information in order to deal effectively with the budget debate that will commence next week. Many of our speeches will contain irrelevancies because we have not been given accurate information quickly enough by the government. I am not saying this is by design, but some questions have been on the order paper since January 4. A good opposition cannot tolerate that kind of thing and, therefore, it is necessary for us to ask questions during the oral question period. Some members have been forced to resort to other methods because they cannot get recognized during the question period. Because they cannot get recognized, they rise daily under Standing Order 43 and Standing Order 26.

I hope that as a result of Your Honour's long experience here, and the great respect we all hold for you, that you can give some guidance to us as to how we can solve this problem. Our purpose is to be good members and to represent our constituents well. We find we are having difficulty doing this.

Mr. Wise: Mr. Speaker, I rise on a point of order. I do not rise to continue the lecture. However, I am one of the backbenchers who was overlooked during the question period. My concern arises from the fact that I did not have the opportunity to lend some support to my colleagues, the hon. member for Oxford (Mr. Nesbitt) and the hon. member for Norfolk-Haldimand (Mr. Knowles), who pointed out to the government, the Prime Minister (Mr. Trudeau), members of the cabinet and other members of the government the very serious erosion situation on the north shore of Lake Erie.

I see that the Minister of Public Works (Mr. Dubé) has left the chamber. I am happy to see that the Minister of the Environment (Mr. Davis) is here. Perhaps Your Honour will allow me to say that I hope the Minister of the Environment, in keeping with his past record, will show interest and leadership in this problem and will ask for the participation of the provincial authorities to at least commission a study as to the course of action most suitable to correct this situation. I want to go on record as pointing out the necessity of solving this great problem and supporting my two colleagues, the hon. member for Oxford and the hon. member for Norfolk-Haldimand.

[*Translation*]

Mr. La Salle: Mr. Speaker, I could not resist the temptation and shall say a few words on the opinions expressed. I know that all political parties have put forward their arguments. I believe that there remains an important point which was not dealt with. The hon. members active within their parties have been mentioned, but not those who had enough courage to seek election outside the framework of a political party. Mr. Speaker, you know, indeed, to what I am now referring.

Nevertheless, I should like to note that whatever amendments might be brought in, in my opinion, a great wisdom accompanied those remarks, and since I shall definitely not be invited to the committee on procedure and organization to discuss the matter, I should like to indicate to hon. members from the various parties that should they introduce a measure requiring unanimous consent of the House, I would deem it important that they send me a copy of the draft. I shall certainly not agree to any measure without previous consultation.

In any event, and as usual, I feel confident that Your Honour will continue to keep me in mind during the oral question period, because I aim at a positive contribution in the House.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacLean: Mr. Speaker, I rise on a point of order. I wish to ask the government House leader what business he proposes to place before parliament tomorrow, Monday afternoon and Tuesday, on the assumption that the House will have dealt with the supply bill.

Mr. MacEachen: Mr. Speaker, in reply to the hon. member for Malpeque (Mr. MacLean), following the completion of the appropriation bill, I would like the House to return to the debate on the amendments to the Criminal Code, Bill C-2. If this is not completed, we can probably

continue with it on Monday afternoon and Tuesday, if necessary.

As we are aware, Mr. Speaker, the Minister of Finance (Mr. Turner) has already indicated his intention of making a budget presentation on Monday evening. It is proposed that the budget debate will begin on Wednesday and will continue through the end of the week. In order to permit the delivery of the budget, I take this opportunity in accordance with Standing Order 60(2) to request you to designate an order of the day. I also suggest, in keeping with past practice, the House might make it an order that debate on whatever government business is before us at 5 p.m. on Monday be adjourned at that time so that the Minister of Finance may commence his speech when the House resumes at 8 p.m.

• (1600)

Mr. McGrath: A question to the government House leader. I feel the hon. member has a good deal of responsibility which he does not seem to wish to accept in relation to the discussion which took place in this chamber prior to the question directed by my hon. friend from Malpeque. I should like to ask the hon. member whether it is his intention, in the light of that discussion and the continuing concern of members of all parties who took part in the debate, to accede to the request of the hon. member for Egmont to call an organization committee meeting of the Standing Committee on Procedure and Organization immediately. The committee has been struck, but obviously someone has to take the initiative in calling the committee together so that it can elect a chairman and get down to studying the serious questions raised by hon. members today.

Mr. MacEachen: In answer to this question, Mr. Speaker, perhaps I can say it is my intention at a very early date to initiate a meeting of the Standing Committee on Procedure and Organization. That committee has a number of urgent matters to consider and I would certainly give my support to it considering the matters which have been raised with respect to the question period.

I shall resist the temptation to give my own views on the operation of the question period. I am sure each one of us has his own observations to make on this subject and it would probably be more productive to allow the committee to wrestle with the matter because there are real difficulties attached to it. I imagine that more than an extension in the time period would be required in order to overcome them. I believe you have been very generous in extending, by consent, the time allotted to the question period. Usually, I believe, it goes beyond the normal 40 minutes, and I doubt whether another 20 minutes, if we were to approve such an extension, would enable us to resolve the difficulty which the House now faces in dealing with this matter. Perhaps the committee should begin an examination of the question and perhaps we ought to arrange for a more extended discussion of the subject some time soon.

You have an unhappy responsibility in deciding every day which members are to be recognized among the very large number who rise in their places to ask questions. We on this side of the House have never pressed forward a claim that each hon. member should be seen by the Chair. We have accepted the tradition which has long been understood and practised that the question period is primarily, though certainly not exclusively, an opportunity for members of the opposition to interrogate the ministry. We do think, however, that from time to time hon. members on this side of the House should have an opportunity to put questions!

Some hon. Members: Hear, hear!

Mr. MacEachen: We have no desire to upset the tradition you have observed, Mr. Speaker. But on this side of the House, as well, hon. members frequently impress upon me the necessity of having an opportunity to ask questions. Well, each of us is a member. Each of us has the same rights, and if we were, every day, to attempt to assert our individual rights there would be no end to the question period, and—

Mr. MacDonald (Egmont): I am glad you resisted the temptation to give your views!

Mr. MacEachen: —I would have to secure acceptance by the House of a much more strict observance of the rule of urgency attaching to questions.

The hon. member is concerned about the prospect that if parliament should end quickly some hon. members might not have had an opportunity to make their presence felt. This is a real concern on the part of every member. He does not want to go back, if we do go back, and admit to his constituents that having sat in the House of Commons for two or three months he has not been able to utter a single word, not even to ask a question. That is hardly a platform on which to seek acceptance. It is a real problem.

I sat in this House, I think, for six months before I even raised my head from the back benches. I was so far back I was almost outside the chamber. But members develop much more rapidly now, and they expect to catch the Speaker's eye the very first day. Well, we all cannot do that. I sympathize with hon. members in their problem. I do not think we want to snuff out the opportunity to ask questions. I think it could be done more rapidly, though. Maybe if we were to encourage the practice of giving notice it would help a bit. It is only by exception, today, that ministers receive notice of questions and despite the fact that we all try to take on the appearance of omniscience nobody has at his fingertips all the information which is required. If a minister is asked a question which involves gathering information, the matter is merely postponed until another day when another question might be asked.

As I say, we could perhaps benefit by adopting the British practice of making a greater use of notice. The Committee on Procedure examined this question a few years ago. It was as a result of a report from that committee and a decision of the House that a definite time limit for the question period was established. This was done in the belief that a shorter question period would make the question period brisker, and sharpen confrontation—that the intensity of the interrogation would be increased. Apparently, this has not happened. Anyway, I have not resisted the temptation to express my own views, but I extend an apology to you. I will co-operate in trying to get

the question examined by the Committee on Procedure and Organization.

Mr. Howie: Would the minister permit a question? Would he care to comment on the length of time some of the written questions remain on the order paper? If we could speed up answers to questions on the order paper it might help matters during the oral question period.

Mr. MacEachen: I have attempted to get answers as quickly as possible. Hon. members—and I am sure this is true in the case of the hon. member for Prince Edward-Hastings—understand how slowly at times government departments respond to the necessity of supplying information. Every Monday I try to sit down with my parliamentary secretary and review the progress we are making in answering questions. There is no desire to withhold information. Some questions require a lot of digging. Others are difficult, and have to be considered by a minister. But the main job is extracting information quickly from government departments. I do not say this in any political way today, but I have examined the record of the last parliament and productivity, in terms of answering questions, has been very high. Mind you, the number of questions set down on the order paper is increasing. The number of notices of motion for production of papers is increasing rapidly. If I may say so, part of the reason is the fact that Members of Parliament now have research staffs which, it seems to me, develop their imaginations by thinking up questions to put on the order paper. In order to get rapid answers it would be sound if we kept the number of questions on the order paper to the absolute minimum; then, I think we would get better results.

• (1610)

At some future time I hope to have the opportunity to talk about the very vexing problem of notices of motions for the production of papers. We want to give as much information as possible, but if you look at the order paper you will see there is really an enormous demand for information. The more economical we are in asking for information, the more rapidly the answers will be forthcoming. In addition to that, much of the information that is requested in questions on the order paper is a matter of public record in any event. It is available in government documents and publications, but if one pointed that out he would be accused of withholding information needed by Members of Parliament.

I believe there are a lot of things we could do to improve the process. In respect of starred questions, we ought to, and we are trying, get the answers out as quickly as possible. Many of the questions that are starred are obviously of a highly political nature. Many of them are not put on the order paper for the purpose of soliciting information. Despite his disclaimer, my friend the right hon. member for Prince Albert (Mr. Diefenbaker) usually has all the information he needs before he asks a question, but he asks questions to score political points. In part, the purpose of the question period is to score political points, and I think we ought to understand that.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I very briefly say just two things. First, in respect of the discussion we have now had for more than the length of a question period, I trust that the government House leader will endeavour, perhaps by consultation with other House leaders and with Your Honour, to provide a term of reference that might be presented to the House very soon which would result in an early meeting of the Standing Committee on Procedure and Organization.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The other thing I should like to say relates to the inquiry by the hon. member for Malpeque (Mr. MacLean) concerning the business of the House. As the government House leader knows, there have been some discussions about the possibility of passing Order No. 20, which has to do with a reference to the Standing Committee on Veterans Affairs, without debate. I think we might find that either now or tomorrow that would be the case and it could be passed without debate. If we could do it now, at least we would have accomplished something today.

Some hon. Members: Agreed.

Mr. MacLean: Mr. Speaker, I only rise to say that this is agreeable to the Official Opposition.

Mr. Speaker: Before seeking the concurrence of the House, I should like to make one brief comment. I thank hon. members for their very valuable and generous suggestion for the consideration of the Chair.

I think the point has been made, and this has become apparent during the discussion, that the problem to which reference has been made is not one for the Chair to solve. The Chair is here entirely and exclusively, to the extent this can be done, to see that the rules adopted by this House are respected. It is not for the Chair to change the rules, to either shorten or prolong the question period, change the provisions of Standing Order 43 or speed the returns to the House.

My duty, and this is the commission I have from hon. members, is to see that the rules adopted by the House are as nearly as possible respected, taking into account the mood of the House and the particular circumstances. If it is the intention of hon. members that changes or amendments should be made in the Standing Orders, this can be done by the House, normally after consideration by the Committee on Procedure and Organization. I will certainly offer my full co-operation to see that the committee meets early.

The suggestion was made during the discussion that the Speaker is either the Chairman or a member of that committee. This is not so, of course. I am very pleased that the Speaker is not a member of that committee because he escapes the criticism that might attend recommendations which are made to the House following the discussions and considerations of the committee. I feel that the other problems to which reference has been made should be considered at an early date by the committee. It is my opinion that the committee is very useful and has worked well and efficiently in past years. I think it can be helpful in the days and weeks ahead in solving some of the difficulties to which hon. members have alluded, and I can assure them once again of my wholehearted and enthusiastic co-operation.

Is the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles) agreed to?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

VETERANS AFFAIRS

MOTION TO REFER REPORT OF JOINT STUDY GROUP ON BASIC RATE OF PENSIONS TO STANDING COMMITTEE

Mr. MacEachen (for Mr. MacDonald, Cardigan) moved:

That the Report of the Joint Study Group on Basic Rate of Pensions, tabled January 31, 1973, be referred to the Standing Committee on Veterans Affairs.

Motion agreed to.

* * *

SUPPLY

APPROPRIATION ACT No. 1, 1973

The House resumed, from Wednesday, February 14, consideration in committee of Bill C-141, for granting to Her Majesty certain sums of money for the Public Service for the year ending 31st March, 1973—Mr. MacEachen (for Mr. Drury)—Mr. McCleave in the chair.

The Chairman: When the committee rose last evening Vote 20a, Department of the Environment was under consideration.

On clause 2—*Schedule.*

Mr. Harding: Mr. Chairman, I should like to take this opportunity to deal briefly and generally with the Department of the Environment. Some progress has certainly been made since the department was set up and some encouraging steps are being taken but, on the whole, the over-all accomplishment in the environmental field is rather disappointing. I should like to outline several areas where I feel fundamental weaknesses exist, and also suggest some changes which might help to eliminate these weaknesses. First, I should like to make a few general comments.

There has been major neglect of environmental problems in every part of Canada over the years. All levels of government, and the public generally, have allowed this environmental deterioration to continue. Those who did speak out were accused of standing in the path of progress or of trying to deliberately remove job opportunities from some specific local area. For the most part, in the past, the general public accepted with very little protest the right of industry to pollute our air and water, for employment and job opportunity was of paramount importance. The feeling was that pollution of our environment was a small price to pay if jobs were produced in the process. Few people realized that the real accounting from pollution would have to come years later, and that the cost would be tremendous.

Years of neglect and lack of action by government at all levels has led to some major pollution problems, not only in Canada but in most of the industrialized nations of the world. In fact, the situation is becoming so serious the very existence of our civilization is threatened. The warning signs are to be found everywhere, yet many nations including our own are not giving real leadership in meeting this challenge. To a large extent, the real problem is being ignored, for governments of the day are not yet prepared to make those major changes in our society which are required to provide a clean, healthy and safe environment in which to live and work. This federal government is not prepared to take action or to give the leadership required in many important environmental fields, and as a result, Canadians in the future will be saddled with the unenviable task of trying to clear up environmental problems which can be prevented if adequate measures are taken in time.

• (1620)

This government has had the opportunity to give real leadership in the environmental field. It has failed to adequately meet the challenge. At a time when Canadians were looking for a national and a unified approach in the field of environment, this government has failed to act. At the very time that the United Nations was calling for a common international outlook and direction, and stressing the need for a unified approach on a global scale, we find the government of Canada deliberately fragmenting our national approach to the problem. We had an opportunity to set national standards when the Canada Water Act was by the last parliament, but instead the government opted for the right of each province, in effect, to set its own standards, and fragment the jurisdiction and control more than ever before. The result has been that the Canada Water Act, which was to be the main weapon in the fight against water pollution throughout Canada, has remained on the statute books, without being effectively used by the department.

I have said on other occasions that Canada needs an integrated environmental policy. This is essential, if we are to meet the many changes facing us in the environmental field today. Our earth has limited carrying capacity for human beings. The basic elements potentially supportive to life, were placed on earth eons ago, and through the agents of evolution, systems have been developed which constantly recirculate these basic elements. The interplay between organisms and this environment has given rise to complex life support systems, in which the air, water, nutrients and energy supplies for the inhabitants of earth are normally maintained by the function of the inhabitants themselves. Man is so utterly dependent on these natural processes that the policies he devises to govern his actions, must ensure their maintenance at all times. This is not being done and there is increasing evidence that some life support systems are being severely damaged. It is for this reason that work on our environmental problems is so important.

Most of the resources on earth are indefinitely renewable through natural cycles, but some of them are not. For example, the continuous provision of high grade mineral

supplies, are finite. We will have to devise artificial cycles for recovery and reuse of these minerals. Fossil fuels, such as coal and oil are exhaustible and will be in extremely short supply in less than 28 years from now, when we reach the year 2,000. We are developing alternative sources of energy to replace them, such as nuclear power, but here again we must take care that the byproducts of heat and radiation do not defeat our purposes by destroying the natural cycles not under our control. Other sources of non-polluting energy must be researched and perfected to serve mankind in the future.

An integrated environmental policy, whether it be national or international includes many things. One of the most important is population growth. The present growth rate means that our earth must provide every year the resources required to support 70 million new individuals. This is roughly three and a half times the current population in Canada. Every year we must provide new food, power, fuel, air, water, minerals, space, doctors, hospitals, teachers, schools, transportation, industrial plants and many other cultural resources for a population three and a half times that of the current population of Canada, just to maintain the present ratio. Twenty-eight years from now at the end of this century, the world's population could be double that which we find on earth today. The big question arises, do we have the resources to feed, clothe, and house these people adequately, and the answer is obviously "no", for even in this day and age, two out of every three human beings on the face of the earth go to bed hungry every night.

Another important problem, particularly in the more industrialized nations, is that of resource use. For example, in Canada, with a relatively small population of some 22 million people, our individual drain on resources is estimated to be about 26 times greater than that of a resident of India or China or Pakistan. It is 30 times greater than that of a Nigerian, and about 10 times greater than that of a Brazilian. This means that Canada's 22 million people make roughly the same demands on the resources of this earth as some 572 million Chinese living in Asia. We cannot ignore indefinitely the enormous per capita demands that the world's growing population makes on the world's limited resources, both inside and outside our borders. We cannot ignore the fact either that it is absolutely impossible for the people living in the underdeveloped nations of the world to ever reach the standard of living which we currently enjoy in Canada. The net resources of this earth just cannot provide that type of standard, even for those living in the world today. When we consider the likelihood of the world population being doubled within the next 28 years, it becomes obvious that hundreds of millions of human beings on the face of this earth can look forward to nothing but abject poverty, disease and pestilence on an unheard of scale. The escalating world population is a major environmental problem facing every nation in the world today. It must be placed high on the agenda of the United Nations for solution, as it obviously needs top priority attention.

There are many other serious environmental problems in the international field, including the severe and serious problem of our oceans. Agreements must be worked out among all nations to adequately protect our ocean environment. Tough international laws must be set and enforced, for the very existence of mankind is threatened unless early action is taken. For far too long we have allowed the oceans to become dumping grounds for pollutants of all kinds.

Now, Mr. Chairman, I would like to deal briefly with what I consider are some serious shortcomings in the present Department of the Environment. The chief weakness lies in the lack of the over-all authority required to do an effective job to protect our environment. This is becoming more obvious every day and legislative action should be taken this session to rectify the situation.

Let us look briefly at the Department of the Environment, and the job it is supposed to do in protecting our environment from damage or unwise use. To begin with, I feel the minister cannot effectively administer the Fisheries and Forestry departments and at the same time handle the environmental problems affecting those same departments. There is bound to be a conflict of economic and environmental interests on many occasions. It seems to me that no minister should be placed in this position for it could lead to those half measures of compromise which never do a real job of cleaning up a situation. For this reason, I suggest that the Department of the Environment should not be combined with any other portfolio. It should have complete over-all authority in all federal areas and should be setting and enforcing the necessary regulations to bring and keep our environment in the proper state of balance.

It is nonsense for the Department of the Environment to not have complete control over environmental problems in our northern areas which are under federal jurisdiction. It does not make sense to have officials in the Department of Indian Affairs and Northern Development or in the Department of Energy, Mines and Resources with as much, if not more, power of decision making as far as environmental controls in the north are concerned. I saw this when the land use regulations were being laid down by this government only last year. I, personally, feel that to have other departments play the major role in setting the pollution standards for effluents in the north does not make sense from an ecological point of view. If the object is to fully protect our environment, then half measures are not good enough. Again, there would be the conflict of interest about which I spoke earlier. We cannot afford these compromise solutions when it comes to protecting the Canadian environment adequately. Firm and sensible regulations must be laid down without tremendous pressure coming from commercial interests to have these regulations watered down just so they can make some additional profits out of our natural resources.

• (1630)

Another major weakness in the Department of the Environment is its apparent lack of direction and action on several vital environmental problems which exist in Canada today. A good example of this is to be found in the James Bay area. It is obvious that the Department of the Environment is not playing the effective role in this major development which Canadians expect. The federal government has clear jurisdiction in several aspects of this project, but it has delayed taking action primarily because of political reasons. The minister himself stated that environmental impact studies should be carried out

well in advance of any project, such as the James Bay project, and that studies should be properly evaluated and assessed before any decision to proceed is made.

We have had an excellent example in British Columbia with the building of the Bennett Dam on the Peace River. Environmental impact studies were never carried out on how the dam would affect the lower reaches of the Peace River and the whole Mackenzie River system. As a result, immense ecological damage has been done to the Mackenzie River system, including the Mackenzie delta, Lake Athabasca, not to mention the ecological damage to the vast area behind the dam itself. The minister will tell us that environmental studies are under way on the James Bay project at this time, but the tragedy lies in the fact that this project started before surveys were made and evaluated. It is crystal clear that the tremendous cost of ecological damage in the James Bay area, the upheaval and dislocation of the way of life of several thousand Indians in the area, were not taken into consideration when the feasibility of the project was being studied. I am certain that if the immense costs of this ecological upheaval, including the loss of some 3,000 to 4,000 square miles of flooded timber, had been included, it would have put the cost of hydro power to be produced in such a high category that the entire plan would have had to be scrapped. It is obvious that the Quebec government has deliberately played down the costs of environmental damage to the general public so as to make the plan more acceptable.

The lack of action by the federal Department of the Environment and the Department of Indian Affairs and Northern Development in the James Bay Project is an indication that the federal government is going to stand on the sidelines and will again allow some very undesirable and unnecessary environmental damage to take place. The department shelters behind the excuse that provincial jurisdiction is involved. When any government gets into trouble, it always tries to hide behind the constitution. This is not good enough in this day and age. Increasing numbers of Canadians are demanding action at all levels to ensure that our environment is not destroyed just because some exploiter wants to make a few fast dollars or some government wants to retain office for a short period by using a major public works scheme as bait for the electors. In any event, there will be much more said on the James Bay project in this session of parliament.

In the time remaining, there are one or two other points I would like to raise. For years our party has been suggesting to the minister that the government should set up an environmental council of Canada which would be completely divorced from politics and based along the lines of the Economic Council of Canada. We feel that an environmental council of this nature would be able to report not only to the government but to the Canadian people and to advise on an environmental policy for this country. It could point out those areas where immediate action should be taken, and it could be critical of the lack of government policy if the council felt that the government were not properly looking after the environment.

I am not sure that the department is receiving sufficient advice from outside the government. We need a council the members of which would sit down with research staff and do a top notch job of advising and setting guidelines, so that all Canadians will be made aware of the direction in which we should be going in this respect. Again, I want to point out that this is a pretty important problem because, after all, the care that we take of the environment and the state in which we leave it after we pass away will determine whether civilization will continue to exist on this globe for any length of time.

There are several other problems that we have drawn to the attention of the government and on which we do not think enough action has been taken. I spoke earlier about the Canada Water Act. The government was going to set up water quality management areas under this act to deal with specific and grave pollution problems. Practically nothing has been done. There are some prime areas in Canada along some of our rivers and in practically every province where this type of action should be taken. There should be no further delay in dealing with these problems.

Then we come to the problem of sewage. Everyone knows that grants are made to municipalities and that a fund is available to municipalities for the setting up of sewage treatment plants, but not enough money is made available and this is one of the prime causes of pollution in a number of major rivers and streams throughout Canada. Let us take a look, for example, at the city of Montreal. Over 300 million gallons of untreated sewage flows into the St. Lawrence every day, which is over 90 per cent of the sewage coming from that great city. If it is a matter of money, I see no reason why there should not be a vast fund of low cost money made available so that municipalities could proceed with sewage treatment projects. I cannot think of a better method of helping to alleviate the unemployment situation in Canada than to make this type of money available. This grant would be repayable over a long period of time so that the municipalities could get on with the treatment of sewage.

Now, I should like to return to British Columbia again and to deal, in the few minutes remaining, with an issue that has been raised in the House. I raised it again last week in a motion, which I hoped would be unanimously supported in this House, on the oil tanker route.

The Chairman: I regret to interrupt the hon. member but the time alloted to him has expired. He may continue with the unanimous consent of the committee.

Some hon. Members: Agreed.

Mr. Harding: Mr. Chairman, I will not abuse the time extension granted by hon. members because I know there are others wanting to speak. May I deal very briefly with the oil tanker route. Since the court of appeal in the United States has stopped the building of the trans-Alaska pipeline for a time, I feel that if this parliament and Canadians generally are really interested in trying to stop this oil tanker route, we should make the U.S. government aware of that fact by passing a motion unanimously in the House that we are opposed to it.

Mr. Davis: This was done.

Mr. Harding: The minister indicates that we moved such a motion in the last parliament. This is a new parliament

and that is why I moved a motion last Monday that we have a unanimous vote by members of the House to indicate that the new parliament of Canada does not like the idea of this tanker route along the west coast of British Columbia. It is obvious that members of the opposition cannot get this motion through the House. I suggest to the minister that he can introduce such a motion. We will support it, and I am quite sure that he will obtain the unanimous support of all other parties here because we are all interested in trying to stop this tanker route along the west coast of British Columbia.

I will close on that note, Mr. Chairman, and thank you for allowing me this additional time.

• (1640)

Mr. McCain: Mr. Chairman, it is not my intention to take up much of the time of the committee, but the first thing I wish to say pertaining to this debate on fisheries and environment is that it is very obvious that questions of the environment are uppermost in the minds of Canadians and of hon. members. This makes it extremely difficult for those engaged in commercial fishing to get their points of view before the House. It seems to me that the Department of Fisheries should have its own minister. Through no fault of the present minister, or of the policy initially intended, it is quite obvious that there is conflict between the two departments of Environment and Fisheries, inasmuch as the emphasis upon one puts the other almost into virtual oblivion.

The problem in the area which I represent, and in neighbouring areas, is one of very serious consequence to those who make their living from the sea. I grant that there are environmental problems involved. It is most unfortunate that some of the employment opportunities created by government emergency programs have not been directed to the correction of some of the environmental problems, because the cost of correcting these problems is beyond the financial means of the local communities and areas.

Fishing is restricted because of environmental problems in my area. This is something to which the government should give serious consideration. The most pressing question arises out of the restrictions placed on the taking of certain species of fish in the New Brunwick area, particularly the taking of salmon. Not only have fishermen been forced to abandon their fishing operations but they have encountered many problems in arriving at the final settlements to which they feel entitled. I would like to ask the minister if he would advise the House, preferably today, what the terms and conditions of the final settlements will be. The salmon fishermen understood that if they submitted an estimate of their income for a certain period of time they would forthwith receive cheques for half of the amounts they estimated. In general this has been done. However, it has been extremely difficult for the salmon fishermen to prevail on the responsible authorities and make them understand that the estimates they submitted as income were, in fact, their income. They are being asked to settle for less than they feel is just.

In the terms of settlement, I believe there must be a certain element of estimate allowed to the fishermen. Since the earliest days of the industry, it has been habitual that people in the surrounding area buy some fish directly from the fishermen, and the balance of the catch is sold to the commercial trade. It is with respect to this local sales income that the fishermen are experiencing difficulty in receiving a fair sum on an annual basis. When it was agreed that there would be a settlement arrived at on the basis of income, regulations had to be laid down. That is understandable, but these regulations have created many hardships. I give one example. The father of a family passed away. The mother and sons retained all the fishing equipment which the father had owned, in anticipation of the day when one of the sons would be old enough to take up lobster fishing. Now, that equipment is aging and neither the eldest son nor the mother can get a licence to fish for salmon or lobster. Further, they are not entitled to compensation because for one year the father's licence was allowed to lapse. This is a serious hardship for them.

Now, I wish to mention the Kouchibouguac National Park on the east coast of New Brunswick. Here again there is a conflict. People are being told that they will be remunerated for giving up their fishing business on the basis of its value to them over the years. Does this mean that they will receive income comparable with their income from fishing? Does it mean they will be established as individuals in fishing somewhere else? If a man lives in the neighbourhood of the park and sells his salmon fishing privileges will he have an opportunity to take the five year settlement on an annual basis? The people concerned are confused. They anticipated that by the latest on Christmas Day they would receive cheques in lieu of their income from salmon fishing. This would have been as a final settlement. They have not received those cheques yet. The fishermen are deeply concerned.

Then, there is the question of building new wharves and repairing old ones. It is difficult, if not impossible, to get three departments of government to give approval. First, the Department of Fisheries has to estimate the income involved and determine the viability. Then, the Department of Transport has to appraise the proposal from its point of view. Finally, the Department of Public Works comes in to the picture. As I say, it is extremely difficult to get all three departments to agree that a particular wharf should be built or repaired. The obstacles to fishing, and to convenience in fishing, are immense and almost insurmountable.

One of the questions frequently asked is this: is there statistical evidence that additional lobster traps in the area where lobster fishing prevails would, in fact, deplete the resource? Is that information available? Are the salmon which are tagged in their ocean habitat returning to New Brunswick, to the east coast of New Brunswick, to Nova Scotia, to Newfoundland, or are they going elsewhere? Have we in fact, identified the ocean habitat of Atlantic salmon, or have we just identified the habitat of salmon, meaning salmon that may come from somewhere else? There are questions that must be studied and answered.

I understand the desire of the House to make progress with these estimates, so I will not take up any more time. But, Mr. Chairman, let us not underestimate the interest

of the thousands of people along the shorelines of the Atlantic area who make their living out of fishing and who, by virtue of regulations drawn up without consultation with the actual fishermen, are being put out of business, are being inconvenienced by one regulation after another emanating from the Department of National Health and Welfare, the Department of Consumer and Corporate Affairs, the Department of Fisheries and the Department of the Environment. For them it is an intolerable and insurmountable problem. I maintain that there must be liaison between research and the fishermen, and here I do not mean the corporate fishermen. I mean the fisherman who puts on overalls and goes out to fish by himself. This is the man who must be consulted. Mr. Chairman, do you know that when a man buys a licence to fish he does not even get a copy of the regulations so that he may know what he can and cannot do? He pays whatever the stipend may be, but is not furnished with the regulations pertaining to his occupation.

My purpose in rising to speak was to emphasize the need for attention to be paid to the fishermen by the Department of Fisheries and by the minister. I hospitably invite the Minister of Fisheries to come with me, at his earliest convenience, and take a tour along the coast of New Brunswick, particularly in the county of Charlotte, to talk to the fishermen and to see what can be done for them. There has been a great deal of discussion about the lack of opportunity for the young people of Canada, but the young people are coming to me and saying that they would like to fish with their fathers. Some of them are now old enough, are married and have children and want a licence to fish but the regulation does not permit it. This is the case with the widow, who has kept her equipment. Her sons will never fish with it under present regulations and she will never be remunerated, in spite of the fact that her husband held a salmon fishing licence in that community for a longer period of time than any of the other salmon fishermen. When the civil servant responsible for settlements was invited to visit her home and discuss the problem, he visited the community and avoided her. Mr. Speaker, this is harsh treatment for poor fishing people who need the help of the department, and the understanding of the department, to make regulations which will enable them to make a living rather them be regulated out of a living. I appeal to the minister to give these people consideration at his earliest possible convenience on the question of settlement.

• (1650)

Mr. Davis: Mr. Chairman, I should like to answer the hon. member for Carleton-Charlotte, who raised several questions, as succinctly as I can. First of all, the individual case that he described today of a widow and her son who were not adequately compensated in respect of the loss of their salmon fishing privilege for the next few years is one of perhaps a dozen cases. This will make the thirteenth, submission that has been made directly to me.

We have an appeal committee in the area, and if people with legitimate complaints like this do not receive an appropriate hearing or indeed a decision that satisfies them, they can appeal, directly to me or through their local member. I will take cognizance of this particular case. If the circumstances are as described, I imagine they would be recognized as having a valid licence and either their gear would be bought out or they would receive as many as five years' payments in lieu of income. These are individual cases and each has to be dealt with on its merits. However, we have only a dozen cases of that character pending which have been appealed to me personally. There are literally hundreds of cases which have been settled to the satisfaction of the fishermen.

On the question of lobster traps, I point out that the fishermen themselves in that area have voted overwhelmingly to reduce the number. It is essentially as a result of surveys and actual consultations with the fishermen that the numbers have been reduced. If it is their wish to increase them, they will be running counter to sound economics but we will consider it.

Tens of millions of dollars have been spent on researching Atlantic salmon over the years and a great deal of work has gone into the tagging of salmon. There is now a wealth of information on how the salmon move into the ocean from the rivers. Those in the Saint John River, I understand, essentially stay in the Bay of Fundy area while these in the Restigouche and the Miramichi Rivers, the large salmon, go to waters off Greenland. The smaller salmon do not go to Greenland, even if they originate in Newfoundland rivers. We know a great deal more than I have the time to relate today.

The hon. member for Kootenay West raised several points, and I will address myself to them. He frequently says in the House that no use has been made of the Canada Water Act. This is absolute nonsense, Mr. Chairman; the Canada Water Act made possible the agreement between Canada and the United States on the Great Lakes. It gave us parliamentary approval for a structure which was negotiated with Ontario and with the United States for the clean-up over half a dozen years of the lower lakes. The Canada Water Act has been used extensively to create water management areas in Lake Ontario, Lake Erie, Lake St. Clair and so on. I wish he would name the instances in which he says it has not been used. There is also the Saint John River, New Brunswick where we are proceeding to a water quality management area agreement between the federal government and that provincial government. There are other instances, Mr. Chairman. Studies are proceeding on the Okanagan Lake in the context of the Canada Water Act and so on. There is a long list of applications of the Canada Water Act, such as the case of the lower lakes agreement, proceeding all the way to the establishment of a multilevel international federal-provincial agreement setting up water quality management areas.

Mr. Harding: Would the minister permit a question? Would he tell us how many water quality management areas have been set up?

Mr. Davis: Mr. Chairman, I am simply naming three lakes for example, and interconnecting rivers from Sarnia right down to the Thousand Islands which are covered by a series of water management areas. They do not have to be spelled out in capital letters in an agreement to indicate that they are water quality management areas. The water quality targets are identified in agreements between Ottawa and the province of Ontario, and between Canada

and the United States. The means of reaching those water quality objectives have also been spelled out in the number of agreements, financial and otherwise. They are in every way water quality management areas.

Mr. Harding: Another question, Mr. Chairman. We spent a great deal of time on the Canada Water Act. Has machinery for operation within these water quality management areas been set up?

Mr. Davis: Yes, Mr. Chairman, all the machinery is in place for the execution to the letter of the Canada-Ontario agreement and the Canada-U.S. agreement in respect of the clean-up of the Great Lakes. As the hon. member knows, the final arbiter of the success of the performance is the International Joint Commission. It has to do the follow-up work to make sure that the water quality objectives are met.

We are exploring a number of areas. I should like Ottawa to have an agreement with the province of British Columbia for a water quality management area in the Strait of Georgia and, for example, the lower Fraser leading into the Strait of Georgia. If we had that, we could then go the Americans and say that we have been able to put our own house in order, so we should extend the program to the Puget Sound area as being something equivalent to the Great Lakes agreement on the west coast. I think we would then be a long step down the road toward dealing with the tanker problem in that particular inland sea between Vancouver Island and the mainland and international waters where an international agreement is essential to the proper control and operation of tankers.

Mr. Harding: A further question. In these water quality management areas provision was made for effluent fees. Can the minister inform the House if these are being paid by any industry in any of these water management areas?

Mr. Davis: No, Mr. Chairman, we do not regard effluent fees as a good idea. I realize that provision for effluent fees exists in the act, but our basic policy is that the polluter will pay. We do not simply want them to make some nominal payment to ease their conscience. The lower lakes agreement provides that the polluter shall pay for the clean-up and the parallel in the case of Ontario must be certain quality objectives stated in physical terms, but no funds are available from the federal or provincial governments to help with the clean-up.

The Chairman: Order, please. It being five o'clock it is my duty to rise, report progress and request leave to consider the bill again later this day.

Some hon. Members: Agreed.

Progress reported.

• (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—National Defence—Suggested redeployment of armed forces elements to Newfoundland to consolidate strategy and promote economic development; the hon. member for Portneuf (Mr. Godin)—Manpower—Inquiry as to efficiency of manpower centres; the hon. member for Grenville-Carleton (Mr. Baker)—Housing—Land assembly program—Reconsideration of investment of funds for proposed Gloucester Township project.

The Chair has received notice, under Standing Order 26, that the hon. member for Vancouver South (Mr. Fraser), seconded by the hon. member for Victoria (Mr. McKinnon), intends to move a motion for the adjournment of the House. It is the understanding of the Chair that it is agreeable that this matter be dealt with by Mr. Speaker at the commencement of tomorrow morning's sitting. Is that agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being five o'clock p.m. the House will now proceed to the consideration of private members' business. Pursuant to the special order made earlier this day, the House will now proceed to the consideration of the order for second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-136, an act respecting Canada Flag Day.

PRIVATE MEMBERS' PUBLIC BILLS

CANADA FLAG DAY

MEASURE TO ESTABLISH

Mr. Ed Nelson (Burnaby-Seymour) moved that Bill C-136, respecting Canada Flag Day, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, the purpose of Bill C-136 is to establish February 15 or the Monday following as a legal holiday, to be known as Canada flag day. I have sensed, sir, that there is general approval of the idea embodied in the bill and am grateful. I will, therefore, forgo the privilege of speaking at length and respectfully request that the bill be given second reading today, this February 15, and sent to the Standing Committee on Justice and Legal Affairs.

[*Translation*]

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I would like first to thank hon. members for having unanimously

agreed to the resolution I moved yesterday regarding the display of the Canadian flag in the House.

In the history of the Canadian flag, the dates of February 14 and 15, 1973 will be remembered. I want to stress the measures taken in the past by the hon. member for Cochrane (Mr. Stewart) in order that the flag be displayed in a place of honour in the two houses of Parliament, and I thank him for having supported the motion I submitted yesterday.

Today we are studying Bill C-136 so that February 15 can be observed as "Canada Flag Day". I express my heart-felt congratulations to the hon. member for Burnaby-Seymour (Mr. Nelson) who has introduced this bill which I hope will be referred today to the Standing Committee on Justice and Legal Affairs.

The purpose of the bill is also to pay tribute to the Right Hon. Lester Bowles Pearson, the father of the Canadian flag, which is one of his many achievements.

On February 15, 1965, the first page of a new era in our nation's history was engraved in gold letters. This typically Canadian single leaf flag was first blessed by the chief chaplains to the Canadian armed forces and then raised at 12 o'clock noon on the main platform in front of the Peace Tower.

On that occasion, the Governor General His Excellency George Vanier called for unity, and I quote from his speech:

I urge all Canadians to give up any prejudice, narrow mindedness and intolerance that might exist and to develop a spirit of brotherly love and mutual confidence.

I hope that all Canadians will give an example of friendly co-existence and that our flag will symbolize for us and before the entire world unity in thought and determination to live up to the noble destiny to which we are called.

Mr. Speaker, the flag which has been waving for eight years in the Canadian sky, over our embassies, which identifies our ships that sail the seas of the world, which is carried by our athletes in Olympic stadiums, which is the flag of our armed forces, is an emblem of unity, of courage and strength for our nation. It inspires in our youth a deep feeling of patriotism and attachment to their native land.

This flag is displayed for the first time in the House of Commons. It proves that hon. members have forgotten the quarrels of the 1964 debate and that we are moving towards the unity of the various ethnic groups of the country.

Mr. Speaker, before leaving the floor to another member, I would like, if I may, quote a few lines of the speech delivered by the Right Hon. L. B. Pearson on the day the Canadian flag was inaugurated. I quote:

If, by God's grace, our nation should last a thousand years, this day, February 15, 1965, will always be commemorated as an important step in the realization of the national progress of Canada.

I find it impossible not to be deeply moved by such an occasion and to be indifferent to the honour and privilege of being a participant.

[*English*]

Mr. Speaker, I am in favour of the bill the hon. member has brought forward in the House today. May our youth and all Canadians be proud to observe Canada flag day.

[*Translation*]

In conclusion, Mr. Speaker, may I be permitted to salute the flag on your right in these words:

[*English*]

To my flag and to the country it represents, I pledge respect and loyalty.

Wave with pride from sea to sea and within your folds, keep us ever united.

Be for all a symbol of love, freedom and justice.

God keep our flag.

God protect our Canada.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I commend the mover of the bill for his initiative in bringing forward this suggested piece of legislation. I commend him, too, on the alacrity with which his bill has risen to the coveted spot that it now occupies, inasmuch as many important private members' bills languish many, many weeks and we often find that sessions expire before we are given a chance to place our deliberations before our colleagues.

It is hardly to be gainsaid that all members of the House honour the flag of the country, respect its place in the world and love, serve and cherish the country which it symbolizes. It need hardly be said that all members of the House and the people they represent honour the achievements of the great statesman named in the bill, cherish his memory, salute his achievements and feel proud to acclaim him as a fellow Canadian.

I am not sure, however, that I would have used the same technique as the hon. member used to honour a great Canadian, namely, that of attaching his name to an honoured symbol of our nation, the flag. There are many achievements of the late Right Hon. L. B. Pearson which will retain for him a lustrous place in the hall of honour of our nation, indeed, of the world. His involvement in the process leading to the adoption of a distinctive Canadian flag is but one of his contributions to Canada and to the world. Yet, I would not like to think of the late Right Hon. Lester Pearson as merely a great Canadian. I think of him as a great Canadian certainly, one whom I was honoured to know and admire and for whom I had great affection. But he was, Sir, also a man of the world, a man whom Canada gave to the world, a man whose exertions on behalf of peace were humanitarian, whose actions and performance made us all a little better and who always, substantially, made us feel proud that he was one of us. Therefore, I would like to reflect a bit more on the suggestion that this great man's memorialization be confined only to one particular act in which he gave leadership within his own country.

• (1710)

It is a very important question that a nation faces as to what types of holidays it should set apart for national celebration. I believe our country should celebrate holidays and should allow for a symbolic expression of those things which make us a country and a nation. What are the great days in our historic past? Surely, the time when our political forefathers met together, beginning in Charlottetown and later in Quebec, to form a country out of regions and small communities was a great occasion. Therefore, I think that Dominion Day remains prime

among those days in which we honour our heritage and salute the people who brought about this country.

Some hon. Members: Hear, hear!

Mr. Macquarrie: An eminent historian, a great pillar of the Liberal party, although I sat in his classes many years and was much convinced by him, but never converted, A. R. M. Lower, once said that if Canada had an independence day like the great country to the south of us, it would be December 11, the day in which formal indication was given that this country and other members of the Commonwealth were declared to be free and autonomous communities, in no way subordinate one to the other.

The process whereby Canada obtained its independence was a most impressive process, led by a great man from Nova Scotia, Sir Robert Borden. He had asserted vigorously the great nationalization which was required to lead us from a colonial status to something more noble and challenging. He often said the great warriors were in fact the true warriors, the men of Vimy Ridge and many other horrible blood baths in Europe where Canadians made an impact in courage and bravery far beyond their numbers. Therefore, the day of the Statute of Westminster, which was the culmination of the process, would be an important day.

I was much moved in this House when the right hon. member for Prince Albert (Mr. Diefenbaker) produced what we so long wanted and needed, the Bill of Rights. I think the Bill of Rights is now seen to be greater even than it was then because of interpretations of the courts. That, too, was a milestone.

Some of my colleagues will not be surprised at my mentioning that the birth of Sir John A. Macdonald is something of significance. Many Americans celebrated Lincoln's birthday last week. All Americans will be celebrating Washington's birthday next week. The father of the country deserves at least passing recognition.

I am not sure that the linking of the homage to a great man and the movement toward a national holiday commends itself to my judgment. I am hardly against flags. I honour the flag. I wear it when I go abroad. I wear it in my lapel of course. I do not carry it on a staff. I am happy to be designated as a Canadian. Holidays are certainly a fine thing. Heaven knows, I would not be against the memory of Lester Pearson for whom I have the warmest recollections. He was a great man whose greatness became him. He walked with kings and kept the common touch. He was a man of genius, humour, compassion and comprehension. I would like to say that he was a typical Canadian, but in many ways, although he would be the last to declaim it—I trust I used the right word; I said declaim not disclaim—he was in many proportions greater than his fellows.

It is my thought on this particular measure, although I would be the last to criticize the hon. member or be critical of the amazing alacrity with which this particular bill got before us—this kind of speed is not typical of this House—I suggest that it is the kind of thing we should be thinking about but thinking more about. While a mid-February holiday is a delightful thing, in our anguish for one whom we loved and admired is very much upon our hearts, perhaps we should reflect upon it in a little broader perspective. I wonder whether we should think not only of more events in our past, such as some of those I have mentioned. but of other individuals in our past for whom we might properly, appropriately and with meaning pause and reflect upon for a national holiday.

I do not want to prolong the discussion, although if I start talking about Borden, Laurier and Macdonald, I will soon exhaust my time. I just wish to say that I believe it is a good idea to let us ponder this a little further because in a matter of hours, February 15 will have passed by for this year and perhaps by next year the fruition of our thoughts will come up with something even better.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, we have no objection to passing this bill now before the House on second reading since in the last decade nobody has insisted more on the absolute necessity to bring back dignity and unity in this country than the members of our party. This is why I make only one wish, Mr. Speaker, in order not to delay the passing of this bill, that this symbol will not be only a symbol but an indication of true understanding and true unity, and heaven knows we have not reached that point yet.

The last election campaign has shown that unfortunately there is still many politicians who have not yet recognized the existence of French Canadians, the existence of the French language, in a very concrete way.

The fact that the government itself is postponing the issue regarding the implementation of all regulations respecting the official languages proves, Mr. Speaker, that we still have a long way to go if we really want the flag to be a true reflection of what exists in this country. I hope that all aspects of true national unity will materialize very vividly and concretly.

• (1720)

[*English*]

Mr. Ralph Stewart (Cochrane): Thank you, Mr. Speaker. I shall be very brief. Today is, I believe, an historic day in the history of Canada and it is fitting that time should have been allowed for a short debate on the question of a flag day for Canada. Other countries set aside a day on which they honour their flag. Canada would do well to adopt the same practice. That it should be February 15 or the Monday following is also fitting, because of the anniversary we are celebrating today.

I am pleased that the Canadian flag is at last being displayed in this House, the centre of government. I have visited other countries and seen their flags in their respective legislative chambers. Yet visitors from abroad come here and wonder why the Canadian flag is not displayed here of all places. I congratulate the hon. member for Burnaby-Seymour (Mr. Nelson) for bringing forward this bill today. I want to thank the hon. member for Gaspé (Mr. Cyr) for proposing the motion in connection with which we have both worked so hard over the past six years.

The flag is one of those symbols which are so important to the patriotism of our youth. Canadians should grow up

with a fervent love of their country and of their flag. I feel that the most fitting way in which I can end these remarks is by quoting a short statement uttered by the late Hon. Lester B. Pearson on the day the flag was inaugurated eight years ago.

As the symbol of a new chapter in our national story, our Maple Leaf Flag will become a symbol of that unity in our country without which one cannot grow in strength and purpose; the unity that encourages the equal partnership of two peoples on which this Confederation was founded; the unity also that recognizes the contributions and the cultures of many other races.

Under this flag may our youth find new inspiration for loyalty to Canada; for a patriotism based not on any mean or narrow nationalism, but on the deep and equal pride that all Canadians will feel in every part of this good land.

God bless our flag!

God bless Canada!

Some hon. Members: Hear, hear.

Mr. Maurice Dupras (Labelle): Thank you, Mr. Speaker. I, too, intend to be brief and I shall only say a few words on the subject because I wish this bill to be adopted.

[*Translation*]

Mr. Speaker, when I was in the Canadian Air Force and we spent our evenings in the officer's mess, groups of men would often talk about the kind of Canada we would find when we returned, if we ever did, and the kind of country that was going to be built for us, after having helped other countries to fight against the assailant and to rebuild a united Europe like the one we know today. And at that time already, my friends, whether they came from Halifax, Vancouver, Toronto or Winnipeg, were as sorry as I was, that we did not have a real Canadian flag.

We wondered whether the Canadian people would ever be Canadian enough to have their own flag. Of course, we had colours which identified the members of Canadian Armed Forces, whether they belong to the Air Force, to the Army or to the Navy; but we felt a little like the head of a family who walks along with the picture of his neighbour's children in his pocket. Yet we had something to show that identified us, but it had nothing really Canadian, nothing peculiar, nothing that represented the Canadian unity.

This is why I am so proud today to see the Canadian flag displayed in this House, and I want to congratulate the mover and the seconder, the hon. member for Gaspé (Mr. Cyr) and the hon. member for Cochrane (Mr. Stewart), for being responsible for what will surely be an outstanding event in the life of the Canadian parliament. And I am sure, Mr. Speaker, that my predecessor who is now our ambassador in Paris and who was vice-chairman of the committee on the Canadian flag must have really felt Canadian this morning in our embassy when he learned that for the first time and for ever, the flag of which he was one of the advocates, will be displayed in the House of Commons.

But it is not enough that our colours should be diplayed in the House of Commons, Mr. Speaker; a day should also be set aside to honour them. Even more should be done; we must also ensure that our colours are on display in every classroom in the country, that the place of honour in every school, every province, every territory in the land is reserved for the flag. Indeed, parliament must take the steps required to ensure that everywhere in Canada, in the east as well as in the west, we can unfurl that flag, symbol of the pride and unity of all Canadians.

I also think that there should be a law to punish those who show a lack of respect for our flag, who violate, tear or burn it. Those measures should be passed as soon as possible.

As I hope this bill will be passed, I shall conclude my remarks by saying how proud I am of this typical Canadian flag now unfurled in this House of Commons.

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I shall be brief. I don't want to miss the opportunity to say a few words on the bill setting apart a special day to commemorate the adoption of the Canadian flag.

One of the reasons I rise on this occasion is that, with the hon. Minister of Public Works (Mr. Dubé), I am the only member to have had the privilege of sitting for six weeks on the special joint committee which in 1964 studied the thousands of models submitted and chose the single maple leaf design followed by a recommendation to the House in the fall of the same year. Those who were then in this House will remember for a long time, not to say all their life, all the debates which took place, the adoption of the project at the end of 1964 and the proclamation on February 15, 1965.

This day is most important to me and I am quite proud to have lived this period of 1964 when we chose this flag and I am all the more proud as I am among the 15 members who approved the design and recommended it to the House. Moreover, I always keep at home a picture signed by those 15 members, a picture which is so valuable to me that I would not part with it at any price. There are only 15 copies of this picture and only those 15 members have one and even today—eight years later—three or four members of this committee are deceased.

Mr. Speaker, I can tell you that at that time we listened to interesting debates and I am quite happy to see this flag now in the House of Commons thanks to the motion adopted by all hon. members and I can only approve the place chosen by the Chair for the flag, to the right of Mr. Speaker himself. I think it was not possible to make a more sensible choice.

• (1730)

[*English*]

Mr. Stan Schumacher (Palliser): Mr. Speaker, it is not uncommon for certain bills to be introduced in this or any legislature, for that matter, which on their surface seem to be very attractive, indeed compelling, but which, when one looks into all their implications and their motivations, really say a lot more than hon. members, perhaps even the hon. member proposing the bill, would desire. It is in this category that I fear I must place the bill we are now discussing. On the surface it is very nice, very moving, very appropriate; and all the more so, I might add, Mr. Speaker, in view of certain events earlier today and yesterday. But for all of that, there is something missing.

As hon. members will remember, the flag debate aroused passions in this dominion seldom seen before or since. But when that flag was passed into law I believe all of us respected that decision and I know we all honour the flag as the flag of Canada. Perhaps, Mr. Speaker, I should

not have said "the flag", for there is another flag, just as Canadian, with even more history behind it; a flag which symbolizes much to many Canadians, so much in fact that parliament in its wisdom chose, immediately after adopting the maple leaf flag, to enshrine this flag too as a flag of Canada and specifically as a symbol of the Commonwealth and monarchy.

In the explanatory note to the bill under discussion, the hon. member for Burnaby-Seymour (Mr. Nelson) says that his act is designed "to emphasize the unity of the Canadian nation," and the preamble to the bill speaks of "the Canadian nation strong and indivisible under one flag."

It is my contention, Sir, that our very strength lies in the fact that we are a big enough, strong enough, indivisible enough land, one dominion united from sea to sea, that we do have two national flags in essence and in reality. One is the product of a recent parliament and bears no less love and no less respect than the other, an ancient and storied emblem, symbol of past ties which some hon. members despise but of which I, for one, am not ashamed.

Let us remember how young a country we are and yet how strong, rich and prosperous we have become over the few years of our existence as a dominion, when compared to Great Britain, France or China. Then there are all the other reasons why we should not forget our antecedents. I always like to remember, Mr. Speaker, the words found in that noble collection of the English language, the Anglican Book of Common Prayer, where in the "Prayer for All Sorts and Conditions of Men" the great Cramner wrote:

Guard from forgetfulness of Thee all those who are strong and prosperous.

I often think some hon. members would be all too ready to do this, to throw overboard all our past, all our traditions; in some cases they would substitute nothing, in others a mess of pottage. I submit this is the precise defect in the hon. member's bill. He would establish a national flag day, but only to honour one flag.

In the first place, I invite hon. members to consider just how many "days" we want. One of our strengths as a dominion, I think, is our avoidance of the razzle-dazzle nonsense in which the Americans sometimes indulge. We avoid this, partly because of our national character and partly due to another factor I shall mention in a moment. But it seems to me unfortunate, when the post office calendar ignores Victoria Day and Dominion Day—and that is the correct name, for certain hon. members' information—that the hon. member for Burnaby-Seymour wants to set up another day.

What will be the cost of promoting it? Will children have another holiday? Will the mails cease to move, or move even more slowly than their accustomed snail's pace? Is this how the hon. member would honour our flag? Surely the honour due to a flag lies in its frequent display. No greater tribute can be paid to either of our two flags than the lump in the throat, the throbbing of the heart or the tear in the eye as we see them in the course of our normal rounds and duties and remember for what they stand and the brave men who died under them.

I know that certain hon. members of the NDP caucus, a party always ready to negate and yell down our cherished traditions in Canada—although I do not think their attitude was so obstreperous under the leadership of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas)—think that the Union Jack means nothing to Canada, and the maple leaf flag everything. But I do not think, Mr. Speaker, that any flag, including the Red Ensign, as the poet put it "dipped in the blood of fearless men", under which generations of Canadians were proud to fight and die can lightly be dismissed from Canada's history or our consideration here today: for the Commonwealth and monarchy, which are but part of this history, are its chief testators today.

The Commonwealth of Nations, which the hon. member's bill ignores, is the great and free association of nations which share a common colonial past, a common free present, a common reverence for parliamentary institutions and, in most cases, an instinctive suspicion of the quasi-presidential type of government to which we have been treated over the last years in this House and dominion. It is a viable third force in a world increasingly bound up by alliances and power groups. Its most utilitarian phase, trade and commerce, may have passed, but perhaps that enables us even more to appreciate its ethereal qualities in the present.

The Union Jack flies freely over the member nations and, the current antics in Australia excepted, the countries and the citizens thereof are not as paranoid as certain members on my left who have a suspicion of anything older than yesterday, the writings of Marx, Lenin and Trotsky always excepted. I think that any bill which is to be passed by this House, if it must set up a day to honour our flags, cannot lightly omit the Union Jack for this reason alone.

There is another reason, Mr. Speaker, and it concerns the monarchy. This House in 1964 specifically designated the Union Jack as a Canadian flag which has special significance in a royal sense. I am very proud to be a member of a party which does not have members such as the hon. member for Skeena (Mr. Howard) who yesterday in this House called royal prerogatives and recommendations affronts to hon. members and the public.

If we want to set aside a holiday, how can we do so without honouring the flag which represents our head of state? For it is the fundamental genius of our system that the Crown, intangible yet personified perfectly by our gracious Queen, to whose visits this summer we all look forward, is the ultimate source of law, virtue and honour in this country, separate and distinct from the head of government who must necessarily be political at least part of the time.

• (1740)

The monarchy stands first and foremost in the hearts of Canadians, first in affection, first in their prayers and first in every good and decent act in this dominion. We do not depend on the right hon. Prime Minister (Mr. Trudeau), on the Leader of the Opposition (Mr. Stanfield) or even on the hon. member for York South (Mr. Lewis) for our laws and liberties. They are enshrined and protected in that body so mystical and yet concrete, the Crown, and I could not vote for any flag bill which does not recognize the monarchy, the systemization of the Crown, by including the Union Jack in its provisions.

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I do not want to let this historic moment pass without saying a few words to express my personal satisfaction about the bill now under consideration.

I have just heard my colleagues' comments and I agree with their suggestions.

It is obvious now that we have a Canadian flag that we must foster feelings of respect and pride for it, since it reminds Canadians of the memory of those who sacrificed their life in several ways to defend our rights.

When I refer to the defence of the Canadian people's rights I mean those who died on the battlefields and I also wish to think of those who, in others fields of public life, have devoted their energy and their efforts, either as parliamentarians or in another capacity, to make this country more tolerable, the government more easily controllable and the Canadian people happier.

If it is true, Mr. Speaker, that we respect and are proud of our flag, it is not because of what it is but rather of what it represents.

For us, our flag is a symbol. It is the symbol of Canadian unity. And I must admit, Mr. Speaker, that listening to the comments of my colleagues a while ago, I was a little sad. I wished those complimentary words intended for the flag could be renewed the year round in this country, and I was remembering some incidents showing that it was so easy for politicians, be it during election campaigns or in other instances, to forget that their duty was to ensure Canadian unity. I was also remembering, but with much sorrow, the unfounded charges that were uttered from right and left. I was also remembering some disparagement campaigns; I remembered how easily mud could be thrown at others during election campaigns or at other ements, and with what care division seemed to be nursed among the Canadian people.

Mr. Speaker, I was reflecting that no doubt it is nice to hear members of Parliament today pay homage to the flag, speak with reverence of those who contributed to providing us with that symbol, but that it would be much more desirable that altogether, with no exception, on the occasion of this debate on the subject of the Canada flag day, we resolved to transpose into facts and in our daily life those noble feelings being expressed today. In such circumstances, Mr. Speaker, perhaps would we less often witness on the political scene those sad examples that are offered us, those deplorable sights which, unfortunately, endure, while apparently, hon. members bend their efforts much more on dividing the Canadian people than on uniting them.

In the same line of thought, Mr. Speaker, I do remember some words that were uttered not so long ago and which, unfortunately, among the people of Canada, contribute not only to reducing the importance and the influence that the Members of Parliament can enjoy, but also giving an erroneous notion of what we mean by Canadian unity.

Therefore, on this occasion, may I make the wish that every day, every member will read the flattering remarks made by all in the greatest spirit of cordiality. May those words come back to our mind every day and guide our deeds because I am convinced, Mr. Speaker, that we will be judged much more on our deeds than our words.

It would be fruitless and useless to quote, either from *Hansard* or elsewhere, speeches by hon. members praising the Canadian flag if on the same day or the same occasion one can read in the debates or the papers the speeches delivered by those same members which served to divide the Canadian people.

In making that wish, Mr. Speaker, I endorse the remarks made by my colleagues. However, I should like to point out a paradox which is quite evident. This bill was put on the order paper with great haste and I think it was only right to pay tribute to the great man the right hon. Mr. Pearson was, an authentic liberal—and I mean "authentic"—but although that tribute was called for we must also realize that there is on the same order paper a bill coming from my excellent colleague the hon. member for Hillsborough (Mr. Macquarrie) which brings to the attention of the House the deeds and accomplishments of another statesman, Sir John A. Macdonald, and I think on this occasion if our colleagues are willing to talk about Canadian unity and show a concrete example of Canadian unity it would be desirable to have both bills examined at the same time, deferred to the committee at the same time, dealt with at the same time so as to really enshrine in reality this unity which we so often praise in our speeches.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as one who had the honour to second the motion for second reading of this bill, I might say just a word or two. I should like to congratulate my friend and colleague, the hon. member for Burnaby-Seymour (Mr. Nelson), for presenting this bill before the House of Commons. I feel I must extend to him also another word of congratulation, because if as a new member he should get a private members' bill through during the first session he is here, what a future he has ahead of him. Indeed, some of my colleagues have been suggesting to me that if I stick around long enough I might have the same success.

• (1750)

Earlier today the hon. member for Cochrane (Mr. Stewart) rose and asked permission to withdraw a bill of his because its purpose had been accomplished, namely, the decision to display the Canadian flag in the House of Commons. At first, the thought occurred to me that perhaps I should withdraw half of a bill of mine that is on the order paper, but I have been reminded by the hon. member for Palliser (Mr. Schumacher) that I had better not do that.

I do have a bill, Bill C-79, which calls for two holidays in addition to those that we already have, namely, a holiday in August and a holiday in February. Now that we will have a holiday in February when this bill passes, as I said, some hon. members may think I should withdraw my Bill C-79. But I would point out, prompted by the hon. member for Palliser, that the bill we are now discussing does not give workers the day off and does not provide all of the things that go with certain holidays. It just declares it to be a legal holiday.

I hope that after we are used to the idea of Canada flag day being an important day in the Canadian calendar, we will take the further step suggested in my Bill C-79 and make it, as well as an August holiday, a holiday under the provisions of the Canada Labour Code so that all people across Canada will be able to enjoy it.

However, for the moment all one needs to say is that just as it was an historic day eight years ago, which some of us well remember, here on Parliament Hill, so this is an historic day and I suppose congratulations should be extended to all hon. members that this House seems to be ready to pass this bill.

Mr. Nielsen: Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Cochrane (Mr. Stewart) and myself had discussions prior to commencing this private members' hour, the result of which was altered when the hon. member for Cochrane subsequently came back to us and altered conditions upon which the previous discussions were held. I am not rising to prevent the passage of the bill and the sending of it to the committee, but it was my understanding that we should be using, except for five minutes, the whole of the private members' hour for estimates. That went by the board, and I explained to the hon. member for Kenora-Rainy River (Mr. Reid) that the rest went by the board as well.

So we are prepared on this side to let the bill go to committee, but we are rather impressed by the fact that there have been several motions and several bills passed and sent to committee which were introduced by hon. members on my left as well as hon. members opposite. I think that some fairness should be shown here. My colleague, the hon. member for Hillsborough (Mr. Macquarrie), has had on the order paper Bill C-95 in this session and similar bills in previous sessions respecting Sir John A. Macdonald day. Surely there can be no greater Canadian in our historical past who would merit a legal holiday and this matter would merit the attention of the committee.

Therefore, before the expiry of private members' hour, having regard to the sense of fairness in having legislation of private members from all sides considered in a fair way, I propose that we permit the bill of the hon. member for Burnaby-Seymour (Mr. Nelson) to go to committee provided that hon. members are in agreement that Bill C-95, sponsored by the hon. member for Hillsborough, will also go with it as decided in the same private members' hour.

Some hon. Members: Hear, hear!

Mr. Nielsen: If there is general agreement, I will say no more and simply resume my seat to see whether or not there is that agreement.

Mr. Reid: Mr. Speaker, the hon. member has put me in a somewhat impossible position. Perhaps I might explain to him and to the House the way in which we have been attempting to proceed with the private members' hour of late. We have worked out an agreement with the government House leader and the cabinet that we will examine each proposal put forward by hon. members to see whether or not they are acceptable. We have done this with the first 20 items of bills and notices of motions. What we have done is to make a list of these; we have examined them and we are trying to come to some agreement with the cabinet to either accept or reject them.

It is our hope that as this new practice becomes established we will be able to accept many more private members' bills and notices of motion than has been the case in the past. Unfortunately, I am in the position where I cannot accept the offer made by the hon. member for Yukon (Mr. Nielsen) until I have had an opportunity to discuss it with the House leader and with members of the cabinet.

However, I can say that I would certainly have no objection to the same procedure being followed with respect to Bill C-95 as was followed with the bill under discussion. I have no objection to private members' bill or notices of motions from all parties being discussed and cleared in this way. I regret that under the circumstances I cannot accept the proposal put forward by the hon. member for Yukon. However, I hope that in explaining the way in which we are trying to treat private members' hour to make it more significant for members, hon. members opposite will permit this bill to go forward, and I promise in the future to give every consideration to bills that come before us and hope it will become the practice, and not the exception, in the private members' hour.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I rise on a point of order. I shall refrain from asking what happened to the agreement that I thought we had. I do not like this, but I suppose something must have changed. I hope, however, that the fundamental aspect of that agreement, namely, that this bill be allowed to have second reading and go to committee, might be sustained. I wonder therefore, since the hon. member for Kenora-Rainy River (Mr. Reid) is not in a position to agree to the passing of the bill in the name of the hon. member for Hillsborough (Mr. Macquarrie), whether a compromise could be reached by giving second reading to the bill we are now discussing and by the House passing an order right now putting the bill of the hon. member for Hillsborough at the top of the list of public bills so that it will come up for discussion next time we come to this hour.

Mr. MacLean: Mr. Speaker, I want to make one observation on the suggestion made by the hon. member for Winnipeg North Centre (Mr. Knowles). The placing of a bill at the top of the list gives no assurance whatsoever of its passage. It will be talked out almost certainly. We would have to have an assurance that it would be dealt with if it were given such priority, that the motion would come to a vote and that it would be sent to the committee at the next private members' hour. We had the spectacle only yesterday of generosity being returned by the very opposite action on very similar matters. Regretfully, I have to say that before I go blindly into such an arrangement I want to know what all the consequences might be.

Mr. Nielsen: I have another suggestion to make, that rather than going along the route suggested by the hon. member for Winnipeg North Centre, we stand this bill—if permission is necessary to get approval of my original proposal—and deal with it in the next private members' hour.

Mr. Reid: Mr. Speaker, we would have no objection to having the bill stood and retain its present place.

• (1800)

Mr. Deputy Speaker: Does the hon. member for Winnipeg North Centre (Mr. Knowles) wish to comment on this suggestion?

Mr. Knowles (Winnipeg North Centre): If I may, Your Honour. Naturally, I shall not object to that. I am unhappy at what seems to have happened to an agreement that we thought we had, but may I suggest that we order two things, that this bill stand at the top of the list and that the bill regarding Sir John stand as No. 2 so that we can consider them together next time.

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is agreed and so ordered. The hour provided for the consideration of private members' business has now expired. Perhaps the House will permit our going back into committee of the whole before I call it six o'clock. Is that agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

SUPPLY

APPROPRIATION ACT No. 1, 1973

The House resumed consideration in committee of Bill C-141, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973—Mr. MacEachen (for Mr. Drury)—Mr. McCleave in the chair.

On clause 2—*Schedule.*

The Chairman: Order. It being six o'clock, the committee stands adjourned until eight o'clock p.m.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: When the committee rose it was considering the schedule, vote 20a related to the Department of the Environment. The hon. member for Burnaby-Richmond-Delta.

Mr. Reynolds: Mr. Chairman, I am very pleased that we are talking about the environment tonight because one of the things that has concerned me since I have been in this House is airport expansion. Airports have a great effect on our environment, and one that concerns me most is the Sea Island airport in Richmond which is in my riding.

[Mr. Nielsen.]

Mr. Marchand stated yesterday that only a small number of people were concerned about the expansion of our airport. He said that he did not see why some who wanted to obtain more money for their property used those pretexts in order to get it. I think that Mr. Marchand—

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Reynolds: —is very wrong when he accuses people in my riding of seeking more money. The people in my riding are seeking an environmental impact study on the relationship of the new airport to the environment. The main thing that is wrong with the way the government is expropriating land is that they expropriate first and do their studies later.

I have asked the hon. Minister of Transport questions regarding the environment and he has stated they are all answered. I should like to put on the record of this House some of the questions on the environment that people of my riding are still asking: (1) noise: (a) did not provide technical data on CNR noise cones; (b) new NEF noise cone reports still unavailable; (2) air pollution: no studies, data to justify statement that airplanes are not a contributory factor; (3) engine test-beds: no studies of effect enlarged airport will have on use, expansion or inconvenience caused by test beds; (4) environment: no studies, research, data on environmental effects of airport on Vancouver, Sturgeon Bank fishing, river pollution due to expected container cargo ports, etc.

Then (5) Burkville: long-range plans for this area absent. Mr. McLoud hinted that there may be long-range plans; (6) decision-making process: no information on process of planning for airport—especially whether or not Mr. Marchand has taken a direct interest in decision-making; (7) diminution of land values: neither guarantees nor information about DOT's responsibility for land values; (8) comparative costs: no information on whether comparative cost studies done—comparison of building new airport versus letting air carriers pay penalties versus cost to community. MOT said a study existed, but was not available to be taken home; (9) no data on zoning restrictions and requirements for parallel runways—these exist but have not been made available.

Then we got to (10) Boundary Bay: no studies on whether reserved area at Boundary Bay could be developed into a freight airport thus diminishing the necessity to enlarge Vancouver; (11) cargo ports: no information on proposed cargo ports, environmental effects, effects on property values of nearby Vancouver, etc; (12) population: no data to show that expected growth of airport use is based on realistic estimate of future population growth in greater Vancouver area; (forecast for needs of airport based only on predictions by airlines. This data not supplied either); (13) air space: no studies have been made of available air space (MOT seems to have sought only verbal opinion of air controllers); (14) taxiways: no plans, data, studies of effects of taxiways especially north of new runway.

Then we have (15) landfill: no studies on environmental impact, cost, source of landfill, etc; (16) sinking runway: no explanation of contention that old runway is sinking and this is the reason for the haste in building a new runway; (17) property use: no data, schedule of when and

if expropriated or purchased property will be used; (18) public annoyance: no data on how MOT acquires negative information on public annoyance, whether current complaint procedures are adequate and represent actual annoyance; (19) land purchase: no clear explanation of policies used to buy up land, whether it was equitable or not.

Mr. Chairman, these are questions put to the hearing in Vancouver right now, and we still do not have any answers. The Minister of Transport says there have been environmental impact studies done, yet his department fails to produce them at the hearings and that is why we have sought to have them halted. There seems to be a conflict here, because the Minister of the Environment said last Friday night in Vancouver, as reported in the *Province* of Saturday, February 10:

> Environment minister Jack Davis said Friday night the ministry of transport will not expand Vancouver airport without a full environmental study, including public hearings.

A further quote from the Minister of the Environment reads:

> I think we've got at least 18 months to do this study.

If in fact, Mr. Chairman, the study has not been done, why are we expropriating the land of people in that area? We should give them a chance. The hearings require that these people be told everything that is going to happen so that they have a proper reason to object. They have not a proper reason to object now, because they do not have these answers in their hands.

For the Minister of Transport to state a few people are seeking more money for their property is scandalous, and I think they deserve an apology. The mayor of Vancouver is concerned about it and his council has passed a resolution seeking that the government delay the hearings. The greater Vancouver regional board has asked that the hearings be delayed until the environmental studies are complete.

The people of that area would like to go along with this government. They agree there is an airport needed. A year ago, in 1972, they came to an agreement with the director of the property and commercial law section of DOT on how the property would be disposed of. The government has not seen fit to bring that agreement before this House. It would have provided an agreeable solution to the problem. My last point in talking about the airport is that it is not a local problem. Members of our party and of the NDP have been raising it here since January. It is a national issue.

In the province of Quebec a priest, the Reverend Georges Duquet, has demanded a probe into the airport at Ste. Scholastique. Yet all we hear is that everything is going all right in that area. The Reverend Duquet challenged the Quebec department of justice to investigate the expropriation of thousands of acres of land for the Mirabel international airport. I read from the press report.

• (2010)

> At a press conference, the fiery parish priest charged that "many hands were greased" with expropriation funds and urged the justice department to look into the takeover of 93,000 acres in the Mirabel region.

The Deputy Chairman: Order, please. I am having difficulty relating the hon. member's remarks to the matter before the committee. I know he has been referring to the environmental situation relating to the setting up of an airport, but I hope he will keep to the subject matter before the committee and not discuss the process of establishing airports.

Mr. Reynolds: Mr. Chairman, I will try to abide by your suggestion, but I feel that when we talk about expropriations we are dealing with the environment, and the people of my area are as concerned about this question as Father Duquet is about Ste. Scholastique.

Mr. Guay (St. Boniface): You cannot compare the two.

Mr. Reynolds: The hon. member for St. Boniface says you cannot compare them. The people of both areas are concerned about the environmental impact and about the treatment they are receiving at the hands of this government in the matter of expropriations.

Some hon. Members: Hear, hear!

Mr. Reynolds: I have the greatest respect for the Minister of Transport and for the hon. member for St. Boniface. They have discussed this issue with us but still have not solved the problem. I wish one of them would go to my area and find out what is happening. The people of my area are concerned about the environment. I am speaking of the people of Sea Island, the people of Vancouver and the people of British Columbia. They want action. I hope that tonight's discussion will result in the Minister of Transport going to the area soon and finding out for himself the problem facing the people of British Columbia.

Mr. Davis: Mr. Chairman, the hon. member for Burnaby-Richmond asked several important questions. He is concerned about the preparation of environmental impact statements before the bulldozers move in. I think this is essential; it is basic to the federal government's position on environmental policy. It is important, however, to separate two very distinct happenings on Sea Island. One is the removal of a certain number of old homes, probably 50, by expropriation, and the other, at a later date, the expansion of the international airport there.

The expansion of the airport will be a sizeable undertaking and it will have a substantial impact on the immediate surroundings. The environmental consequences could be serious if the airport is not properly planned. But if we deal with one thing at a time, namely, the expropriation of homes and the removal of private residents from that island, the environmental impact of removing those homes will be zero, or positive. That, obviously, is good.

When we come to the expansion of the airport which will begin, say, in 18 months' time, we will need prior to that date a published environmental impact statement. I hope it can be prepared within 12 months; that is the deadline the task force is working to. It must gather all the information available to date. After the publication of that information we must hold hearings. I would hope at the same time that intervenors, be they municipalities, the

provincial government or private individuals, will also bring forward ideas as to environmental consequences.

May I point out that very few developments in this country so far have been preceded by environmental impact statements. We are embarking upon a new course, hoping in this case that we will have done all the right things in the right time sequence. Certainly, in the case of the construction of a major runway costing many millions of dollars and extending into the ocean, there must be a proper environmental appraisal, a public debate on the matter and changes if those changes are necessary.

Mr. Reynolds: On a point of order, Mr. Chairman, the minister referred to my constituency as Burnaby-Richmond, and forgot the "Delta" part of it. There are many fine people in the Delta and they do not like to see their part of the riding left out when the riding is mentioned. Another point of order is that the hon. member for St. Boniface thumped his desk when the Minister of Environment suggested that the government is trying to do things the right way. I am sure it is; there are hard working people over there. But obviously the people of British Columbia do not agree with the hon. member, otherwise, they would not be complaining.

The Deputy Chairman: Order, please. The hon. member is making an argument or a case. I think he should take the floor on a subsequent occasion and make his comments about the remarks of the minister.

Mr. Grier: Mr. Chairman, I wish to say a few words on a matter affecting the environment. It is not mentioned as frequently as some others. It has to do with noise control, noise pollution, noise abatement and the general impact of noise on the environment.

Mr. Nielsen: Beginning with the hon. member.

Mr. Grier: After spending six weeks as a member of the House of Commons, I have become more familiar with the effect of noise on the immediate environment than I was before coming here.

Mr. Nielsen: Especially as the hon. member sits where he does.

Mr. Grier: The problem of noise pollution is one of which we have become increasingly aware in recent years, especially in cities where industrial, residential and commercial uses of various kinds intermix one with another. Increasingly, environmental authorities, including those of the federal government, ought to be concerned about the problem of noise.

In the cities and metropolitan areas the problem of noise pollution is especially severe, particularly in those parts of cities where industrial and residential areas are intermixed. This is most likely to happen in older parts of cities or in older suburbs because there, among core industries, substantial residential developments have grown up. For that matter, one will find noise pollution even within residential areas themselves as innocuous devices such as domestic air conditioners can, over a period, create an intolerable nuisance to people in the immediate neighbourhood.

Notwithstanding the problem of jurisdiction as between federal and provincial levels of government, and the further problem that a certain amount of noise abatement control is undertaken at the municipal level, there are steps which could be and ought to have been taken by the federal government. I am particularly anxious to see action in this area because there are problems which have arisen in my constituency. I hope hon. members will forgive me for referring to my own constituency in this connection. I am sure, however, that most Members of Parliament representing urban constituencies will find similar problems in their areas.

In my constituency, the residents living on a number of streets are severely disturbed by noise coming from Canadian National Railways marshalling yards and the Go transit yards operated by the Ontario government. Over a number of months I have, in conjunction with members of other levels of government and a number of citizens, been trying to take some kind of action to deal with this problem. Our efforts have been frustrated. First, there do not appear to exist any uniformly accepted sets of standards as to what are acceptable noise levels and what are intolerable noise levels. Second, there is great confusion as to which authority, municipal, provincial or federal, is responsible for dealing with the problem.

• (2020)

These residents and others have found that it is almost impossible to get any level of government to take constructive action on a problem that is of serious concern to many residents, one which is causing depreciation in the value of their property and appears to defy the rational solutions which one ought to expect to be brought to bear upon the problem.

This is a matter which the federal government is obliged to deal with, and I suggest it could be dealt with in one or two ways. Under the authority of the Department of the Environment, some kind of national noise control code or set of standards should be established. This should govern the operation of enterprises and activities within the federal jurisdiction. It would serve as a set of standards for the guidance of other jurisdictions, industries in the private and public sector and the general public. For example, when citizens appeal to their municipal government for assistance in the matter of noise control, they are frequently told that there is no satisfactory set of standards, the matter is not yet fully probed and no immediate action appears to be possible.

Without suggesting that the federal government can interfere with those enterprises or activities which fall within the jurisdiction of another level of government, I think a set of standards which have integrity, which are acceptable to experts in the area and which can be publicized would be of substantial benefit to citizens who are seeking redress of grievances arising from noise pollution. At the same time, such a set of standards ought to be enforced upon all enterprises that fall under federal jurisdiction.

I do not exempt the railways from such a suggestion. In my view, the railways are frequently among the worst offenders. We are not now dealing with the railways of 50 or 60 years ago when steam engines inevitably made a

certain amount of noise. We are now dealing with problems of a more sophisticated and complex nature which I believe can be overcome and controlled. As result, residents within the immediate environment of the noise-emitting agency would be given some protection which they are now denied.

As I speak, and I hope this is not a reflection on my oratorical ability, the level of noise in the House of Commons appears to be rising. Perhaps it is appropriate as I deal with this problem. In any event, I want to draw to the attention of the minister that there have been undertaken in other countries very substantial efforts to control noise pollution. I draw to his attention the maximum noise level standards established by the Swiss anti-noise commission. That federal country seems to have had no serious difficulty in establishing and enforcing substantial anti-noise devices and control in recent years.

The United States Congress set standards in that federal country under the national environmental protection act. They are enforced by the environmental protection agency. They apply to virtually all forms of noise pollution except those surrounding the operation of airports and aircraft. In Great Britain, the British Standards Institution has set out a comprehensive method of rating industrial noise affecting mixed residential and industrial areas. As I said at the beginning of my remarks, I think this matter is of most immediate concern in our country. Those standards are elaborately described in a document published by the British Standards Institution which I commend to the Department of the Environment.

I am aware that many problems surrounding the general area of noise pollution and noise control must be solved at the provincial and/or municipal level. However, I believe that federal leadership is required and can be extremely beneficial. I believe that federal leadership, as an example to a wider community, by way of direct action in connection with those enterprises and agencies which fall within federal control, and by way of moral support to a growing number of citizens in Canada who take the environmental issue seriously and who are devoting their attention to this particular and less tangible form of pollution which none the less may have as serious an impact on our over-all environment as any other, would enable those seeking action and redress at any level to enlist the support of an authoritative set of standards in their struggle to protect their neighbourhoods and point to an example set by the federal government in this field.

Mr. Fraser: Mr. Chairman, I do not want to be overly long tonight, but I think the matter raised by the hon. member for Burnaby-Richmond-Delta deserves some comment in this debate on the environment. I do not mean to go back into a great deal of detail as to what is wrong with regard to the proposed plans for the Vancouver airport. The point I want to make is that we are now reacting after the event.

The Minister of the Environment said that before this project goes ahead, we will need to have a fully fledged environmental study and these matters will all have to be considered. My position is that this shows the basic weakness in our environmental planning, our administrative system and our legislative system. The decision to go ahead with this new runway was made a long time ago, before members on the government side or members of the bureaucracy who have to do these things in a detailed way had any idea of what the impact would be on the surrounding municipalities. What is the use of coming along after the event and promising that we will have another study? According to newspaper reports we will be spending $3 million to $4 million to expropriate this land. We will have destroyed a neighbourhood in the process.

• (2030)

Now there is to be an environmental study. I say, with respect, that the only reason there is to be an environmental study is that there has been so much commotion raised about the matter in the House of Commons during the last month or so. The point is that we have not yet come up with an answer to the question: How shall we make decisions in a proper sequence? It is not enough to come along after the event, at the tail end of the decision-making process, and run around trying to satisfy some irate voters by giving them a sop and saying there is to be an environmental study. Let me give an example. The *Province* of February 12, writes:

> The problem of noise levels is being re-examined this weekend by Minister of Transport's Warren Christopher, a senior planning officer from Ottawa, who will try to produce an updated noise exposure forecast by today in partial answer to objector's demands for information.

Why was this not done a long time ago? When we are talking about the environment, we must remember that unless all hon. members in this House recognize that our decision-making process is all wrong we shall be unable to satisfy the public and we shall be unable to solve environmental problems. We have been talking tonight about Vancouver, but this could apply to any area across this nation.

The last point I want to make is this. All hon. members in this House have an obligation to the electorate of Canada to look as though they are trying to do things properly. The protest which is growing in my city does not come only from a few people who are objecting to the expropriation of their property. Hon. members, especially those on the government side, must realize that protests have come from the municipality of Richmond, the city of Vancouver and the executive committee of the greater Vancouver district. The city of Vancouver passed unanimously a resolution last week asking that this whole process be stopped until they can discuss it; and today a telegram has been sent to the Prime Minister from the executive committee of the greater Vancouver district saying: "Stop it until we know what is going on."

These are not protests coming from silly people who are only concerned about the value of their property. These protests are coming from an entire community. If we go on doing things the way we have been doing them—we must all take some of the blame for this—the faith of the ordinary person in the validity of our decision-making will become less and less. So it behoves us all, especially members on the government side, to remember what the consequences are likely to be, because we have an obligation to show the electorate that we can make decisions in a way that makes sense to the people who have sent us here.

Some hon. Members: Hear, hear!

Mr. Davis: Mr. Chairman, the hon. member for Vancouver South made a lot of sense. He said many of the right things. We must make environmental studies before we undertake major construction projects. If we had enough expertise, enough biologists around, we should carry out environmental studies in connection with everything we do.

The hon. member was president of the Garibaldi Olympics Association, and they were very active promoting a development in connection with the winter Olympics in a pristine part of British Columbia, Whistler Mountain. But they never did an environmental impact study.

Some hon. Members: Oh, oh!

Mr. Davis: However, in fairness to the hon. member, environmental impact studies were not in vogue in 1970. Today, people are looking further ahead and asking more important questions. All I want to say to the hon. member is that he must not take for granted that a decision to build a runway in a location is final, and by a date that is settled forever. If, over the next year, we come up with reasons, or others come up with reasons of an environmental character, telling us why this should be done and should not be done, we will have to change our plans. That is basic policy and that is what I believe will be done. And I know I will have the support of the hon. member.

Some hon. Members: Hear, hear!

Mr. Lundrigan: Mr. Chairman, the first thing I would like to do is to congratulate my hon. friend from Vancouver South for the tremendous contribution he has made in recent weeks to the debate on environmental matters. I am sure he exemplifies the quality of representation we need in the House of Commons. Second, I would like to congratulate my colleagues from western Canada who during the last few days while we have been engaged in discussion of the supplementary estimates have shown much initiative in displaying their concern about the direction being taken in rural Canada and about the problems being faced by our agricultural industry. If I were a voter from western Canada I would be very happy about the quality of representation being brought to the House of Commons by western members in recent days.

Some hon. Members: Hear, hear!

Mr. Lundrigan: I wish to make, Mr. Chairman, what one colleague of mine in the provincial legislature once called a second maiden speech. This is my second maiden speech. It is the first time I have taken the floor this year except for a few points of order and a couple of questions during the question period.

I make this speech feeling there has been an area in this session of parliament which has been sadly neglected. I am, of course, referring to the fisheries of Canada. I know when I talk about the fisheries in this country I am talking about a topic which has never been high in popularity on the parliamentary menu of the House of Commons. In fact, I am reminded of the day when colleagues from my own province took part in a debate on fisheries questions and were mocked by members across the way. I remember the constant din that was set up by those hon. members, repeating the word "fish", "fish", "fish". I suppose one could only call it fun-poking at us for participating in a fisheries debate.

I must even admit, Mr. Chairman, that as I stand here tonight talking about fisheries I do not feel quite as much in order as I would if I were talking about other matters. I am sure that if I were a representative from, say, Toronto, I would feel more in order talking about something like Pickering airport, or perhaps Ste. Scholastique because those things are big, they cost something like $600 million and everybody has come to understand that kind of importance. I suppose it is because this country has become a great big country. It has large cities, great concentrations of people, sophisticated questions about language and urban development, bilingualism, disunity, regional development and all manner of nonsense. But when you talk about fish, that is something which identifies only with little guys.

Mr. McGrath: Just a four-letter word.

Mr. Lundrigan: Yes, Mr. Chairman, just as my hon. friend from St. John's East has said, it is just a four-letter word.

Some hon. Members: Oh, oh!

Mr. Lundrigan: Of course, the Prime Minister would understand that language, even though he might not know much about the fisheries.

But I remember, Mr. Chairman, when I first came to the House of Commons in 1968 I felt a great deal of pride in being able to identify with the fisheries. As many hon. members who have come here since then, as well as those who have been here a long time, will know, the fishing industry was what gave birth to what has become the Canadian nation.

There is documented evidence available which goes back to the year 1,000 A.D., ample evidence which goes back to 1497 and 1610 in Canadian history, showing the value of Canadian fisheries. It was the first staple industry ever to be established. It was followed by the fur trade, then the great concentration on timber because of the wars and the naval development in Europe. Later we saw the great migration to western Canada and the building of the railways. This was a great, exciting period. But it was only yesterday. Such developments have taken place only in the last hundred years. The fishing industry, however, was what gave birth to the Canadian nation.

I remember just a while ago, relatively speaking, we heard a statement by the Minister of the Environment that he intended to disband the ministry of fisheries. The province of Newfoundland joined the confederation of Canada in 1949. In 1867 the Fathers of Confederation saw fit to establish a Department of Fisheries. Now, in 1973, the man who sits across from me today calls himself the minister of the sexy department, but there is no longer a fisheries department.

• (2040)

Mr. Davis: You haven't asked a question this year about fisheries.

Mr. Lundrigan: The minister tells me I haven't asked a question about fisheries this year, and that is exactly the point I am trying to make. You do not talk about fish in the House of Commons any longer; you talk about the environment.

An hon. Member: What's wrong with that.

Mr. Lundrigan: I'm all in favour of it. I am one of the greatest environmentalists in Canada because I live in a province that is one of the last frontiers. It is uninhabited and unmolested, with thousands and thousands of square miles of beauty that is unpolluted by mankind. I tell you that I am going to be here a long while before I ever allow some of the things to happen there that have been happening in some parts of Canada.

When the minister brought in his Department of the Environment every Canadian knows that he eliminated the department of fisheries. Consequently, today even some of our most vocal spokesmen on fish find it almost impossible to stand here with any support from the House of Commons and talk about fish. You do not hear any questions about fish.

An hon. Member: Why not?

Mr. Lundrigan: The minister does not want to hear about fish in this House.

Mr. Crouse: There is no department of fisheries, that is why not. You have no interest in fish. You cut out whaling, you cut out sealing and you cut out everything. You are the biggest doomsday guy in the House, and you know it.

Some hon. Members: Oh, oh!

Mr. Crouse: That's why you don't hear about it.

Some hon. Members: Shame!

Mr. Crouse: You betrayed the fishing industry; you made a mockery of it.

Some hon. Members: Order.

Mr. Lundrigan: Mr. Chairman, my colleague, the hon. member for South Shore, was chairman of the fisheries committee for four years and in my opinion he exemplifies the kind of character, steadfastness and ability we need in the fishing industry of this nation. He has now pretty well expressed the view I wanted to express.

The Minister of the Environment is not interested in fisheries. He does not want to be involved in fisheries. I am sure around the cabinet table he never mentions fisheries legislation. We have eliminated the ministry of fisheries. We have excellent people in the department who are involved with fisheries, but the point I am trying to make is that we have lost our initiative in Canada as a nation which depends so heavily on fisheries. The minister made a tragic blunder when he eliminated the department of fisheries.

Some hon. Members: Oh, oh!

Mr. Lundrigan: During the last election campaign the leader of our party went across Canada and said—

An hon. Member: Which one?

Mr. Crouse: You know which one. There is only one leader in our party. But we could not find your leader over there today.

Some hon. Members: Oh, oh!

An hon. Member: How about some order?

Mr. Crouse: You just can't take it. Where is your leader? You haven't got one.

An hon. Member: Oh, go get your dory.

Mr. Crouse: Never mind my dory.

Mr. Lundrigan: During the last election campaign our leader stated categorically that we would adopt a policy to rejuvenate the department of fisheries which would in no way impinge on the ability of the government to handle environmental problems. The Minister of Fisheries said categorically that there was no need for it, and my hon. friend from Newfoundland in that cabinet had no choice but to honour his responsibility in the cabinet.

The end result was that after the election was over we came back to the House of Commons and we were told that the government was going to restructure the department a little. We were not going to have a minister or a deputy minister of fisheries; there was to be a Minister of the Environment and a deputy minister of the environment. But we were told that we would have an assistant deputy minister of the environment and an assistant deputy minister of fisheries and related services, or some such nonsense.

It was made quite clear that the minister realized he had made a mistake, but he was not big enough to stand up before the House of Commons and the Canadian people and say he had made a mistake and intended to restore the department of fisheries. Perhaps he could not get support from his Prime Minister. I am sure he could not get support from the Secretary of State for External Affairs because that is where the biggest problem lies. The minister should have to stand today and tell the whole story about the problems he is having in cabinet with Mr. Sharp, because that is where the problem lies.

I will get around to that subject in a few minutes, and I apologize for using the hon. gentleman's name. When talking about external affairs we should remember that there are a whole lot of external matters that come under that department which do not apply to the fishery. Let me place a few things on the record that have caused us concern.

The hon. member for Northumberland-Miramichi was a great salmon fisherman and a great sportsman. He is not here tonight but he has been here and has raised problems in respect of salmon, just as the hon. member for Saint John-Lancaster has. I want to inform hon. members of this House that I am going to rise on a point of order every time someone stands up and directs a question to the Minister of Fisheries, because he is not alive and does

not exist. He has been dead for over a year. I am going to rise on a question of privilege every time someone asks a question of the Minister of Fisheries.

Mr. Davis: It is in the act.

Mr. Lundrigan: What act? He is in the act? I know he is acting all right and that he is a great actor, but where is the Minister of Fisheries mentioned? This ministry does not appear in *Hansard*. Where the hell is he? This table of ministers indicates that the Hon. Jack Davis is Minister of the Environment, and this is the official record of *Hansard*. It lists the ministry according to precedence, and it appears in Wednesday's *Hansard* every week. There is no mention of fisheries. Show me where he exists? The Minister of the Environment should be a little careful as to what he is talking about. Obviously he does not exist.

Mr. Davis: It is in the Government Organization Act.

Mr. Lundrigan: He is in the Government Organization Act? Where is that buried? Everybody agrees that the minister is a cold fish, but he is certainly not a very active one. Let's get on to the real issue. We had the Danes involved in the high seas fishery for salmon. The United States very quietly and behind the scenes sent a delegation to Denmark and took their stand against the Danes being involved in the high seas salmon fishery. What did the Minister of the Environment do or say? He said he was going to cure this problem in respect of the declining salmon fishery off the Atlantic coast. He said he would do this by destroying the livelihood of Atlantic salmon fishermen. He said he would take them out of the salmon fishery, and that this would replenish the stock. He gave the impression that he was doing this because he was out to stop the Danes. I suppose he thought they would become very humble because we were punishing our fishermen and that they, the Danes, would then withdraw from this fishery. Instead, they said that he could go straight to hell and that they would have nothing to do with him. They have not done anything about it. The Danes have not reduced their fishing fleet and they are continuing in this salmon fishery as they have over the years. Not only have we not stopped the Danes or turned them back, but they are getting the benefits of this fishery and we are being accused of being criminals.

The minister and officials of his department said the other day that the fishermen of New Brunswick were inflating their estimates of the cost of their fishing gear. He said the costs were so high they could not settle the claims. The *Globe and Mail* came out with a headline to the effect that the fishermen of the Atlantic region were trying to take advantage of the Department of the Environment. Everybody across Canada, especially those in Toronto, now thinks we are a bunch of crooks down in the Atlantic region because of the attitude taken by this minister. That is the kind of publicity we can well do without if we are as interested in national unity as those of us from the Atlantic region. What has happened to the seal fishery?

An hon. Member: Oh, don't mention that.

Mr. Lundrigan: Last year I received a letter from a favourite friend of mine in British Columbia who writes me periodically about the seal fishery. There is a lot of interest in the seal fishery in British Columbia, especially around Capilano, and don't tell me the minister is not concerned about what goes on in Capilano. In any event, this lady said there had been a secret treaty signed with Norway allowing the Norwegians to take 60,000 of our seals inside our 12-mile limit. Canada has a 12-mile limit, and this is about as archaic as the cannon. That is how we got the three-mile limit. In the days when we had cannons we used to shoot three miles out into the Atlantic and if anyone came within that distance he was endangering himself. As a result, it was said that we had a three-mile limit.

Fishing has been carried on since 1000 A.D., but since 1400 we have only been able to establish a 12-mile limit. The minister is advancing at the rate of about one-eighth of a mile every hundred years. We might be up to a 15-mile limit in the next two centuries. In any event, the minister has decided he is going to do something about Norway and has said that we want Norway out of the Gulf of St. Lawrence. For over a year he has been talking of this gulf as being a Canadian area. He has made the statement that it is exclusively Canadian waters, but we have found that he has made an agreement with Norway whereby they are still to be allowed in the gulf until some time to come. When is the minister going to get them out?

• (2050)

Mr. Davis: They have not been there for ten years.

Mr. Lundrigan: The minister says that they have not been there for ten years. Well, that is the greatest revelation I have ever heard, because the Secretary of State for External Affairs and the Minister of the Environment have been telling us that in order to get them out of the Gulf of St. Lawrence we had to give away our seal fishing rights. We were told a special concession had to be given. Last year secret talks were held in this connection and then they were allowed to take 60,000 of our seals nine miles inside our territorial sea. I do not know of another occasion on which we have allowed people to declare war on us by agreement.

Then we might talk about the whaling industry. There is no whaling industry in my riding. The hon. member for South Shore has a whaling industry in his riding.

An hon. Member: He does not have it now because it was taken away from his constituency.

Mr. Lundrigan: He had one. The hon. member for Bonavista-Trinity-Conception, who sits across the way, is not here tonight. I am waiting for him to make his maiden speech. He had a whaling industry in his riding. The minister read Farley Mowat's book on Burgeo and the killing of a whale. I have read Farley Mowat's books for years. The first book I read was "The People of the Deer". I love his writings. He is a dramatist and an author. His writings are partly based on fact and largely on fiction. There is also a lady in Toronto who has been involved in saving the whales.

There have been 50,000 whales killed by the nations of the world, and 500 by Canadians. The minister decided to set an example. One day he held a press conference on

whaling in Canada. The people were told that we must protect our non-renewable resources so he cut out whaling. The minister did not have the decency to tell the people what the scientific evidence was, what the situation was and what we should do. He did not say we must have a plan. He said when people are put out of work there must be an alternative arrangement for them so they will have employment. There are hundreds of thousands of people walking the streets today as a result of the behaviour of this government. When I think of the behaviour of this minister I am ashamed that I have not violated that little space between us.

Now I shall move on to the matter of the swordfish industry. This does not have anything to do with us in Newfoundland. The minister does not allow us to sell our swordfish. He tells us the reason is that there are certain mercury levels and contaminants, and yet swordfish are being sold in other parts of the world.

Mr. Davis: The Americans will not allow it to be sold in the U.S.

Mr. Lundrigan: Well, are swordfish being harvested by other nations? I thought they were.

Mr. Davis: Tell us.

Mr. Lundrigan: I will not tell anything. I do not know anything about fisheries. I am from the east coast. I am not involved in that. I eat T-bone steaks and filet mignon.

Then we have the lobster fishery. We do not know what we are doing in respect of that industry because we do not know when the minister will pull the plug and destroy the industry. Regulations are being made without any consultation. Last year the minister would not allow anybody in our province to take salmon who had not been involved in the industry prior to the bringing in of the regulations. There are people in my province who have never done anything except fish, and now many of them cannot obtain a licence to fish salmon. There used to be a man who would come around and ask if a person wished a salmon licence. We are not as sophisticated as the people are in Capilano and other places. This man would come around and we would get a licence from him. However, if a man did not get a licence in a particular year, he was barred for all time; the minister decided to put him out of business even though he had all the salmon nets and gear sitting in his yard. This is the type of regulation this department brings in. We can talk about national unity, but how can we respect this kind of attitude?

The Deputy Chairman: Order, please. I must interrupt the hon. member to tell him that the time allotted to him has expired. Is the hon. member rising on a point of order?

Mr. Lundrigan: Yes, Mr. Chairman. Is it not customary for an hon. member to carry on, with unanimous consent?

The Deputy Chairman: Of course, the hon. member may continue if there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Deputy Chairman: The Chair is of the opinion that there is not unanimous consent. The Chair now recognizes the hon. member for Sarnia-Lambton.

Mr. Lundrigan: Before you do so, Mr. Chairman, may I say that I think it is a silly rule because I will probably be back on again in 20 minutes. May I ask what member in the Liberal Party denied the unanimous consent needed for me to continue? Is it possible for you to tell me, Mr. Chairman?

The Deputy Chairman: Order, please. The hon. member knows that the Chair is a servant of the House and must abide by the rules of the House, which provide for a limit of 20 minutes on the speeches of hon. members in committee of the whole. I must call upon the hon. member for Sarnia-Lambton.

Mr. Nielsen: I rise on a point of order, Mr. Chairman. Since we all want to get on with the consideration of these estimates and have the discussion completed as quickly as we can, I believe there should be some co-operation. The rules provide that an hon. member may speak as many times as he chooses—

The Deputy Chairman: Order, please. The hon. member for Yukon knows the rules. There is no provision in the rules to extend an hon. member's time unless there is unanimous consent. I must abide by the rules and recognize the hon. member for Sarnia-Lambton, who also has a right to speak in this House.

Mr. Drury: Mr. Chairman, I think there is agreement on this side for the hon. member to continue.

Mr. Nielsen: I was simply about to suggest to the committee that it give unanimous consent in order that we may get on with our business and not take any more time than is necessary.

The Deputy Chairman: I could again ask whether there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Lundrigan: Mr. Chairman, I did not realize I was allowed only 20 minutes. I had assumed I would be allowed 30 minutes. I thank hon. members for the privilege they have given me of continuing. There are two or three points I should like to talk about. I could speak for five or six hours because I think the question of fisheries is that important.

A couple of days ago I received a letter from the Department of Public Works. I had written the department on behalf of a small fishing community asking for some facilities. I was told in the letter from the department that they did have some opinions, but could not do anything about it because they had not received an expression of opinion from the Department of the Environment; therefore could not make a decision. Two years ago it was my understanding that the Minister of the Environment assumed responsibility for matters of facilities which came under fisheries. My understanding was that they were going to take unto themselves what is now the role of the Department of Public Works in constructing these

facilities, Apparently this has not happened, either, because of conflict within the cabinet, difficulty with regard to jurisdiction or difficulties in structuring.

• (2100)

The fact is that today on our coast—and I think hon. members from the Pacific coast are of the same opinion—you cannot get anything from the Department of Public Works. All of our facilities, thousands of wharves and breakwaters and other fishing facilities that are absolutely essential for the continuation of the industry, are going downhill and are not being replaced. If you write to the Department of the Environment or the Department of Public Works they will tell you that there has been no increase in the fishing activity and therefore the expense cannot be justified. Every move is being made to destroy the fishing industry of this nation, and that is our major concern. I ask the minister to clear up once and for all this nonsense regarding who is responsible for fishing facilities.

Some hon. Members: Hear, hear!

Mr. Lundrigan: I will pass over several things having to do with marketing and the flow of dollars into the pockets of our fishermen and go on to another issue which is major in consequence. It has to do with unemployment insurance for fishermen. About two years ago we started raising questions about some plan that the minister might have for the fishermen of our country so that they could be treated in the same way as workers in other industries in terms of unemployment insurance benefits. The Minister of the Environment stated at that time that his department was studying the problem.

Three or four weeks ago I met Mr. Guy Cousineau, chairman of the Unemployment Insurance Commission, and raised the question with him. He told me that the commission had studied the problem extensively. I make no negative comment about Mr. Cousineau's involvement, which is a very recent and a very honourable one but the fact is that the department has not yet come to grips with the problem.

I should like to tell hon. members a fact which I am sure some of them do not know. If a labourer or construction worker has eight weeks' stamps, he can qualify for up to 44 weeks benefits under the Unemployment Insurance Act. Some hon. members may ask why fishermen are involved at all. I wonder whether they know what fishermen can get with eight weeks' stamps. Does anybody in the House know what a fisherman can get with eight weeks' stamps? There is a special ruling for fishermen. They get in benefits two-thirds of the number of weeks they have worked. For example, if a fisherman pays for nine weeks' stamps—I will try to make it easier for those hon. members who are not as mathematically inclined as the minister—he can get only six weeks' benefits. He cannot start receiving benefits until December 1, and this ends in May.

There are all kinds of restrictions; it does not make any difference how long a fisherman works, how industrious he is. In the fall, the fisherman who goes out to fish in the North Atlantic—the same thing would apply in the Pacific—begins to find his unemployment insurance benefits limited. In the fall, the weather on the North Atlantic deteriorates, the big storms start, storms that have a wind velocity of 80 or 100 miles an hour sometimes. This gets a little rough, and fishermen can only work a few days a week. We talk about rough times in the House of Commons. Let me say that this is a pleasure trip in comparison. Nobody here understands how rough it gets out there. These fellows can go out to fish in the Atlantic only on certain days.

What do you think the UIC does? When fishing stops in the fall, they take the fishermen's last 20 weeks of work and they average out what benefits they have had. Consequently, the fellow who gets in his boat and goes out into the North Atlantic in the fall, in November or December, is running the risk of losing his life but is penalized for that. The reason is that he is too industrious. However, the fellow who decided that it is a little too cold out yonder and gives up fishing in August is all right because he has had the beautiful, heavy summer, fishing stamps at a time when there is a glut of fish around the shores.

This is the kind of benefit that the minister is ready to provide for our fishermen. Does he not feel guilty about these kinds of injustices? If I were sitting there as Minister of the Environment and either had not enough interest or enough pull in the cabinet to rectify these matters, I would feel embarrassed and really ashamed.

Some hon. Members: Hear, hear!

Mr. Lundrigan: Any fisherman in Newfoundland who really understands what fishing is all about would feel the same as I do. My colleagues from Nova Scotia are certainly well able to speak for themselves, but I know they have the same attitude. The same is true in the province of Ontario in which fresh fish marketing is all messed up. Manitoba also got itself into a mess because of fresh fish marketing. Yet this minister does not want to talk about it because the sexy thing right now is the environment. When you talk about the environment you can cloud the fishing industry issue. If we had a minister of fisheries today, he would be roasted alive in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Lundrigan: That is not happening to this minister because the environment issue is so popular and so much on the minds of people nowadays that we hardly have time to talk about fish. I understand what the hon. member from the Vancouver area is talking about every day and what his colleague from Vancouver means. These are vital issues, and consequently fishing has become irrelevant. It is a ruptured appendix which should be cut out, so far as the minister is concerned.

Mr. Chairman, there are two or three other issues to which I should like to refer. One is the sort of thing with which the hon. member for Hull across the way should be able to identify. I am referring to the hon. doctor who sits here daily, the distinguished member. Even my colleagues from parts of Canada that have never seen the rolling waves of the Atlantic ocean should be able to understand this. In 1947—

Some hon. Members: Oh, oh!

Mr. McGrath: They don't know what you are talking about.

An hon. Member: That is before Stanley Knowles.

Mr. Lundrigan: I am getting a charge out of watching the Minister of National Health and Welfare who until recently was one of the super group.

Mr. Hees: "Was" is the operative word.

Mr. Lundrigan: He was better off in the Prime Minister's office where he had the protection and security of being behind the scenes.

Mr. Hees: We need you back there, Marc.

The Assistant Deputy Chairman: Order, please. I have only recently assumed the chair and I must ask the hon. member whether we are now on the subject of the environment or on National Health and Welfare.

Mr. Lundrigan: I am talking about fishing, Mr. Chairman, but I should be talking about pollution, I recognize that. However, I will get to the point. We have a problem, and I should like hon. members in their daily deliberations to give this problem serious consideration. The fact that our country has developed economically is due mainly to our fishing resources. I remember hearing my colleague, the hon. member for Burin-Burgeo, the eloquent Minister of Regional Economic Expansion, say, one day when we were asking for subsidies, that if we were here when John Cabot came across we would be looking for subsidies for fishing baskets which were used to sink into the water to catch the fish which were there in great abundance. Unwittingly he reminded us that the resource was rolling up on the beaches of North America. It was the same as gold except that the shape and weight were different; it attracted people the same way that gold attracted people to Alaska. It was another major form of wealth. We had millions and millions of dollars worth of fish.

The ancestors of many members of the House today constructed boats and developed the technology to harvest that resource. They fought the elements, they scratched and dug into an environment which was completely foreign to many who came from Europe, especially those who came from southern European countries, and thus they eked out a living. Some of them survived, some did not. They distinguished themselves as aggressive, competent people. About 20 years ago—and this is not due to this government—we became part of Canada. Since that time, the fishing industry in Atlantic Canada is something that people blush about when they talk about it.

• (2110)

The Soviet Union discovered there were resources out there. Mr. Chairman, we discovered that 500 years ago. But the Soviet Union discovered them ten years ago and put millions of dollars into a great naval fleet, not to declare war on Canada militarily but to declare war on our fishing resources. That is what the Soviet Union and other nations have done off our coasts. Hon. members get all excited when we send troops to Viet Nam. But, Mr. Chairman, we have been at war for years. The Russians have been sending naval fleets to attack our resources.

The Russians destroyed the whole resources of the Hamilton Inlet banks, which was the spawning ground for the traditional Labrador fishery. In one year the Soviet Union and other nations took enough fish off that bank, and other banks, to keep the largest fish plant in my riding going for 100 years, employing 300 people. They took away one billion pounds of fish. So that hon. members can understand the magnitude of this, I repeat that that amount of fish could have kept the largest fish plant in my riding going for 100 years, employing 300 people working eight or ten hours a day. The end result was that that fishery was completely destroyed.

Is it any wonder that in the last three years members from my province have been standing up in this House asking for special assistance for our fishermen on the Labrador coast? Our fishermen traditionally used to go up the Labrador coast and harvest these resources in small boats. I have heard stories in which my ancestors described the quality and quantity of those resources. Today there is nothing left. Today, as we say, we cannot get a fish for the pot on the Labrador coast. The whole fishery is destroyed. Foreign nations moved in 250 miles off our shores and destroyed the spawning grounds.

The government has imposed some limitation on this, and I agree with that action, but overfishing continues to take place on all our banks and spawning grounds. The Secretary of State for External Affairs has not the gumption to stand up and tell us what propositions Canada will be presenting to the next International Law of the Sea Conference. The reason is that the government has no proposition to present. It is ashamed of the fishing industry. This is true; this is a fact.

Ministers don't talk about this in cabinet. They are not going to present any case at the next Law of the Sea Conference because the fishery does not fit into their major strategy for the Canadian nation. Iceland had no alternative but to take action. Icelanders depend on fishing for their livelihood. A year ago they established a 50-mile limit. They said to the British and Germans, "You send your bloody ships in here and we will sink them." And, Mr. Chairman, Iceland does not have a large enough navy to occupy the Rideau canal!

Mr. Drury: I rise on a point of order, Mr. Chairman. I hesitate to interrupt the hon. gentleman, particularly as we have agreed to allow him to continue, but I would point out that we are under some time pressure on this particular question. If we do not succeed in completing our consideration of supply before we get into the budget debate, all these programs we are considering will not be able to start until after the budget debate. I would hope the hon. gentleman would be able to conclude now because I do not think he was making a leader's speech.

Mr. Lundrigan: I will respect that opinion, Mr. Chairman. We have been under a time pressure for about 500 years, but I am going to respect the minister's opinion. I think that I have gone beyond the normal privilege that one should take when one has been given extended time.

I just hope that one of these days we will get a Canadian government and a Canadian minister, and Canadian

people, who realize that there is more in Canada causing disunity than just a language problem. There are a lot of serious economic problems and a lot of cultural problems. I and my six fellow colleagues from Newfoundland are the youngest Canadians here. As Canadians we are just 24 years old. We have a lot of social welfare problems, a lot of economic problems, but we would feel a lot more at home in confederation if we saw a manifestation on the part of any government, whether it be a government made up of hon. members opposite or a government made up of hon. members on this side, that it knew our problems were real. All Canadians have their own problems, but they are not getting the response from the government that they should be getting. I plead with hon. members to pay attention to our problems because they strike at the roots of the system in this federal country.

Mr. McCain: Mr. Chairman, I wish I had the sense of humour and the ability to deliver a speech displayed by the hon. gentleman who has just spoken, but I do not. One thing I resent is that no man delivered a speech with more sincerity than he and was faced with more mockery by hon. gentlemen to your right, Sir. They took it in a very lighthearted fashion. I exclude the minister from that, but those who sit behind him treated the speech with laughter. That is a disgrace to this House and an insult to the fishing industry.

I would like to pose just a few questions that hon. members might consider. Place yourself in the position of a clam-digger in the Atlantic area who is eligible for unemployment insurance. It is in the law of the land that you are eligible. So you try to find out why it is impossible to draw benefits. You go the Minister of Fisheries, if there is one, and he tells you, "You have a complete season. There is no reason why you should not get unemployment insurance." But you know that you have a very limited fishing season because the minister has closed down the fishery.

When you try to find out from the Minister of National Health and Welfare why you cannot get unemployment insurance stamps, you are told it is because the terms and conditions regarding unemployment insurance for clam-diggers have been set by the Department of National Revenue, and not even the Department of Fisheries can help you. Laugh that off, I say to hon. gentlemen opposite.

The fisherman is confused beyond reason by the host of regulations emanating from Ottawa, regulations drawn up without consultation with the fishermen. We are told in the Bay of Fundy that we should catch only a very limited number of fish of various species. But when one talks to fishermen who have been placed on quota, they say, "The best description of our quota that we can give you is that a Gloucester fishermen once said, 'The Russians don't need sonar. For generations we have been able to find schools of fish, but now when we find them the Russians overrun us and we cannot catch them.'"

The catch in that area is down to 20 per cent of what it was 25 years ago. It is less then 50 per cent of what it was before international fishing fleets invaded those waters. While our fishing boats are halted at the 12-mile limit off the United States coasts, U.S. boats are allowed to fish up to the three-mile limit off our coasts. I do not know how the hon. gentleman from Newfoundland would describe that, but it is a most unfortunate situation.

When confederadtion was formed there were free tie-up privileges at the docks of this nation, from coast to coast, for fishermen. Why is it that fourth generation fishermen, for the first time are now being charged for tie-up privileges at their home docks and are being hauled into court for non-payment? Why are these regulations invoked? They give rise to frustration, defeat and discouragement. We have a situation in one province where the average age of farmers is 55 years. It is virtually impossible, by virtue of regulations, for a young man to get into the fishing business today, following the practice of his father or grandfather, because he cannot get a licence.

• (2120)

I am quite prepared to recognize that the minister and his department are taking a very serious look at conservation, which of course is important. I submit, however, that it is vital that the minister and his staff get out into the fishing area, get to know the problems of the people and achieve liaison between the department and the fishermen in order to understand their problems and meet them on their own ground.

It has been so long since a general survey of docks has taken place in many areas that the badly needed repairs will be very expensive indeed. While a minimum of work is going on, it is not enough. In many instances, harbours along the coast are no longer capable of accommodating the boats. If you were a fisherman and were told by the Department of Industry, Trade and Commerce that you could buy a boat and it was such a good boat that the department would pay 50 per cent subsidy, and if you managed to get a little conversation going with the then department of fisheries—a department that has now disappeared—and your department of fisheries financed you and bought the boat for about $350,000, you would think the government was going to pay the 50 per cent and everybody had financed it for you. You would fish with it for two and a half years and then would come the Canadian steamship inspection service and say, "I am sorry that your boat is not seaworthy. We are going to tie it up at the dock."

You might ask what you were going to fish with, but that does not make any difference; your boat is not seaworthy so you find yourself out of pocket $350,000 for a boat that you bought with the assistance of the Department of Industry, Trade and Commerce but with no assistance from the Department of Fisheries. In good faith you bought the boat. Do you blame the people in the Bay of Fundy area who wonder what is going on in the Department of Fisheries in Ottawa? Do you blame the salmon fishermen who wonder which way they are going when the minister says, and I am sure he means it, "We will treat you fairly"? Then along comes a representative of the department who says that there is only $125,000 allocated for this work and it is impossible to give you any more money. That is what a representative told a fisherman in our area—"The money is all spent." Now that statement has been taken back.

I beg you, Mr. Chairman, to call the committee to order and not to take the subject of fishing so lightly as it was

taken today when the hon. member from Newfoundland was discussing it. I think he deserves an apology from some members to your right.

It is high time a minister of fisheries was reinstated in the cabinet so that he will no longer have a conflict of interest as between fisheries and any other department of government, or at least, if there is a conflict of interest, fisheries will have a voice in the halls of government to say, "You may be right, but let's try to find some sort of solution," so that the fishermen can make a living. Let us not just leave them among the rocks and shoals to drown.

Mr. Nesbitt: Mr. Chairman, I do not wish to take much of the time of the committee. I enter the discussion only because of the matter that was raised in the House this afternoon, that is, the question of having an opportunity to question the minister. If we cannot do it in the House, the only recourse is to do it on estimates. Canada apparently received an invitation recently to take part, with the United States of America, in the study of the pollution effect of aircraft in the upper atmosphere with particular reference to supersonic aircraft, military and otherwise. Is Canada taking part in this?

Mr. Davis: Mr. Chairman, we have in fact received an invitation and we have one man in the department who is quite an expert on this subject. We will be looking at the SST, but essentially in a defensive posture. We have no intention of buying them and we hope we can prevent their flying over Canada.

Mr. Nesbitt: I take it from the minister's reply that we have accepted the invitation to study the possibilities of pollution and its dangers in co-operation with the United States authorities?

Mr. Davis: No, Mr. Chairman, we have not yet replied whether we would join with the Americans in this study. But if we do, that is the gentleman who would be involved. He has already done some work in this field.

Mr. Nesbitt: I raise the matter because of press reports in the major newspapers in the last few days, that pollution of this kind, so the scientists say, could cause as many as 300 deaths per year from cancer, not to mention other aspects. In view of these reports from reputable scientists, Canada should take part, because when supersonic aircraft fly over North America this kind of pollution does not take cognizance of the famous 3,000-mile border between this country and the United States. This stuff can creep into our atmosphere, and in major military exercises of course it does. In view of the real danger of this kind of pollution, I think we ought to take part in this study.

The other matter is one that I tried to raise this afternoon and on other occasions, but this has not been possible because of the short question period. I want to emphasize this again. I am thinking of the great danger to southwestern Canada from the high level of the lakes. Since the Prime Minister was kind enough to tell me this afternoon, in answer to my question, that the Minister of the Environment is designated as chairman of sort of a cabinet subcommittee on the matter, I am addressing my remarks to him.

Up to the present time there has been no co-ordination on this matter because so many ministers are involved; the Secretary of State for External Affairs, because he is in charge of foreign affairs and the IJC, the Minister of the Environment, the Minister of Public Works, the Minister of Transport, because he controls the Navigable Waters Protection Act, and the Minister of Manpower and Immigration. The latter minister, in reply to a question on this matter the other day in the House, indicated that he would be very happy to extend LIP to allow some local work to be done in the area to protect cottages and permanent residences and to supply emergency materials to keep out the waters.

Recently I had a letter from the minister which was probably written by someone in his office—maybe the minister did not even see it—and it indicated that he was backing out of the undertaking made in the House. This afternoon the Prime Minister asked me if I would suggest something that the Minister of the Environment might do. Rather than write the minister a letter, I am happy to make suggestions now.

First of all, he might persuade his colleague the Minister of Public Works to send engineers to the Canadian shore of Lake Erie and Lake Ontario where the water level has risen four feet. A few feet difference in the water level is important, particularly when there are nasty storms in the Great Lakes and in the straits. Ice piles up and breaks into cottages. One place I would refer to is Long Point Island, where there are three or four thousand summer cottages. In a short while ice will be piling up there as a result of winds and water. Many cottages have been innundated already.

• (2130)

It is unfortunate that these things happen. We must prevent further damage. I think we should have foreseen that this would happen, knowing that the levels of the Great Lakes had risen and that damage could be done. Perhaps the minister will take a number of steps which may help. Let him send engineers from the Department of Public Works to those areas to see what can be done. It is most urgent that we prevent further damage being caused. What has been caused has been caused and the losses are great, but we should prevent further damage.

The best thing to do would be to use a number of people who are unemployed and ask them to work temporarily erecting barricades or piling up sandbags to stop the water, or something like that. It is quite likely that after June or July the waters will recede. The critical period is the time between when the ice goes out, probably in one month or six weeks, and midsummer. If something could be done, it would be very helpful. It is not just a few people who are involved. Probably at least 50 members of this House are involved. That is why I think this is a political matter and it is as important to the government as to the opposition that something be done. I hope the minister will take the urgent steps that are needed. The situation is dangerous.

Mr. Harney: Mr. Chairman, I had a good deal of difficulty being elected to this chamber, having tried five times. It is rather odd to be seated at its edge, but I am somewhat uneasy when I have difficulty in being recognized by

those who operate the translation and public address system.

There is a small matter I wish to bring to the attention of the Minister of the Environment and Minister of Fisheries. I will not take up the time of the committee by quoting extensively. I have read with considerable interest a news release issued by Environment Canada. There are two, actually, one dated January 3, 1973, the other, Thursday, February 8. The first, to do with "National air quality objectives announced," reads in part:

National air quality objectives for four major air pollutants: sulphur dioxide, particulate matter, carbon monoxide and total oxidants have been announced by the Honourable Jack Davis, federal Minister of the Environment.

The communiqué goes on to say that this is a significant step in the taking of the inventory of air pollutants in this country. The news release of Thursday, February 8, says that a nationwide inventory of five major air pollutant emissions has been completed by Environment Canada. After repeating the substances contained in the inventory, it says in the fourth paragraph:

Commenting on significant findings, Mr. Davis noted that transportation accounted for 57 per cent of total air pollution emissions of 31.2 million tons. The federal government is actively engaged in the control of motor vehicle emissions.

We are told, particularly in the document I just referred to as well as in the other one to which I referred earlier, that one of the major aspects of motor vehicle exhaust emission is that of carbon monoxide. Carbon monoxide, we are told, is the by-product of the incomplete burning of carbon containing fuels and some industrial processes. The following words are significant:

It decreases the oxygen-carrying capacity of the blood and at levels often found in city air, may impair mental processes.

That last sentence has much to do with the point I wish to make. As it is significant I shall repeat it:

It decreases the oxygen-carrying capacity of the blood and at levels often found in city air, may impair mental processes.

I have done some research into this matter. Recently I talked to the driver of one of our parliamentary buses. He told me these buses are to be replaced by new buses at the end of this month. I asked, "What kind of buses will these be replaced by?" He said, "New and better buses." I said, "Run by gasoline motors?" He said, "Yes, run by gasoline motors, of course. What else?" I suggest to the Minister of the Environment that if the federal government is concerned about the control of motor vehicle emissions, why could not we of this parliament, in this city, in a small way give an example to other institutions, to other cities and other communities and introduce, not gasoline operated buses but electrical vehicles? They exist. They can be purchased. In our own, small way we should by example show what can be done. This matter may not be of national import. On the other hand, we are Members of Parliament and we ought to lead the way because our mental processes, weak as they may be, may be further impaired if we use gasoline-powered vehicles.

Mr. McGrath: Mr. Chairman, I shall try to be brief. Many of the things I wanted to comment on were covered adequately in the excellent speech of the hon. member for Gander-Twillingate this evening. I commend it to the Minister of the Environment and Minister of Fisheries.

[Mr. Harney.]

There are two or three items which I feel should be brought to the minister's attention. Since we have experienced difficulty in making our points in the limited time at our disposal during the question period, and since the minister of late has seemed preoccupied with matters concerning the environment, I believe we should take advantage of the opportunity presented by the supplementary estimates to put before the minister our views and concerns relating to fisheries.

We are witnessing, Mr. Chairman, the systematic destruction of Canada's most ancient industry. I hope the House, and particularly the government, will view what is happening with alarm. The industry is threatened not only by overfishing and the inability of the government to protect our own resource in this regard and take necessary action to prevent undue exploitation by foreign nations, but also by environmental pollution, something that I am sure is close to the minister's heart.

On Tuesday last, in the absence of the minister, I directed to the minister's parliamentary secretary a question concerning a statement issued the previous day, February 12, by the United States government regarding the pollution of plankton, the very essence underlying the life of our marine resources. Evidence had been unearthed by the United States government to indicate that plankton, that minute form of marine life with which begins the entire marine ecological process, was being polluted with minute particles of plastic and oil and that this pollution extended from the eastern seaboard of the New England states all the way down the coast of the continent to the Caribbean.

In the absence of the minister I asked the parliamentary secretary, if this very serious threat of pollution exists in Canada, what investigations have been carried out in this country to determine the effects of oil on plankton and on minute forms of sea life and what the effects of plastic pollution are on these minute forms of life. If this pollution extends all the way to our Atlantic coast we face a problem of monumental proportions. This will make the problems of mercury pollution minute by comparison. If in fact plankton has been polluted by oil and plastic, this can affect the whole ecological process and ultimately destroy all the major marine resources. It will certainly have a devastating effect on groundfish.

• (2140)

I also raised another question which is directly related. On January 10 I asked the Minister of the Environment what he was doing in connection with the substantial reduction in the total catch for last year. The total catch for last year suffered a reduction of 25 per cent. To my mind, this reduction in our total catch epitomizes the seriousness of the problem. It can be attributed directly to our inability to control this resource, to extend control over our continental shelf and our inability to say to the nations of the world which fish off our coast, "This is essentially our resource. We are prepared to share it with you, but you must recognize our right and, indeed, our obligation and responsibility to manage it."

If we do not do that, Mr. Chairman, the result will be total destruction of the fishing industry and the many thousands of Canadian jobs that are dependent on it. The

foreign fleets will vacate our shores and head for other fishing grounds to do damage there, and our fishery will in fact have been destroyed.

I had hoped the minister would have taken advantage of the occasion to express his concern, even though my question was couched in terms of what the minister was going to do to compensate the loss to fishermen as a result of the 25 per cent decline in the total catch. The minister replied:

I am happy to report that the total income of fishermen on the east coast is up appreciably. It is up 10 per cent over that of last year.

That was not the answer I wanted. That was a misleading answer. If I may say so, it was irresponsible. I wanted the minister to express his concern over the 25 per cent decline in the fishery and to say what he, as the minister responsible, was doing about this decline which is directly attributable to overfishing by foreign fleets off our shores.

We are now on the verge of oil discoveries being made off the east coast of Canada. We are not satisfied that the minister, in his environmental responsibilities, has satisfied himself as to the consequences on our marine resources of an oil strike on the continental shelf. I feel the minister should address himself to these questions. This is a very serious matter and I hope the minister will respond to these questions tonight. I hope he will tell us whether the pollution referred to by the United States authorities extends to our coast and, if so, what steps he is taking to do something about it.

I hope the minister will tell us what it is proposed to do at the next Law of the Sea Conference. We have not been able to establish the government's position. We have a right to know, in light of the evidence before us which indicates that at the rate we are going there will be no more fishery in ten years. Cod resources will have been destroyed. At the rate we are going, this industry will have been destroyed as well as many thousands of jobs that are dependent upon it.

I believe it is the responsibility of members of this House who represent constituencies that are dependent to a large extent on the fishing industry to bring these questions to the attention of the minister. I certainly make no apology for so doing. I hope that in the few minutes remaining the minister will address himself to these very serious questions.

Mr. Davis: Mr. Chairman, I would like to make only one very important point. In the past 18 months we have managed to get together all of the nations fishing in the North Atlantic. They have agreed not only on a basic principle, a principle of sustained yield operations, but also on the shares of a sustained yield operation. In other words, they have agreed to stabilize the fishery. More than that, they have agreed to help rebuild the stocks of all species in the North Atlantic. Canada in the future will have the largest share under this sustained yield plan. One of our problems at the moment, and this is particularly true of Labrador, is that our allocation is very much greater than we have ever managed to catch in the past. We have a great challenge concerning our fishery on the coast to move out and take the quota allocated to Canada.

We have a sustained yield operation in the North Atlantic by international agreement. The first agreement of this nature was last June under the ICNAF authority. We now have a larger share, a larger quota, a larger amount of fish to take which is allocated to Canada than has ever been the case in the past. It is up to the industry on the east coast to show what it can do now that we have a larger quota.

Mr. McGrath: Mr. Chairman, I wish to ask the minister what we are doing to police this agreement regarding a sustained yield. As the minister well knows, most ICNAF agreements have been characterized by the inability of the member nations to live up to the agreement.

Mr. Davis: Mr. Chairman, we are making progress. As the hon. member says, in the past it has been a lawless operation in the Atlantic. Two years ago we got agreement among all of the fishing nations that protective officers from any country in the North Atlantic could board vessels of another country. We have the opportunity to board vessels. We are also organizing overflights. We have a new liaison between National Defence and our fisheries service which keeps track of all foreign vessels in the bank areas anywhere off the east coast. We do not yet have all the vessels we need to carry out the on-board checking operations. We have a large allocation of funds to build larger vessels which will enable us to go far from our coasts to inspect these foreign vessels and carry out police action. Because of the drawing of the fisheries lines, we do not have the same problems in our inland waters and we will be able to devote more time to the offshore operations.

Mr. Marshall: Mr. Chairman, when the North Atlantic countries met last year in Bonn, Germany, an all-party resolution, which the hon. member for Laprairie was instrumental in drafting, was presented asking all NATO countries for an investigation into the depletion of marine resources in the North Atlantic. It was accepted by all countries in the North Atlantic which are affected by the depletion of marine resources. I gave the Minister of the Environment a copy of this resolution. There has not been anything since that time to indicate that the Canadian government is aware of this resolution. As this was done on a non-partisan basis, will the minister indicate, prior to the Law of the Sea Conference, whether Canada, which is greatly affected, will get the co-operation that is expected?

Mr. Davis: I should like to tell the hon. member through you, Mr. Chairman, that Canada is taking a leading role. We are probably putting a far greater scientific input into the next Law of the Sea Conference, in so far as fisheries is concerned, than any other nation. The hon. member should bear in mind that Canadian initiative was responsible for the meeting of more than 60 fishing nations which is taking place right now in Vancouver. We have managed, through the United Nations, to get the fishing countries of the world together to talk about principles of sound management and sustained yield operations. That is what the current meeting in Vancouver is all about.

• (2150)

Some hon. Members: Hear, hear!

Mr. Davis: At that meeting we are not talking in terms of slicing up the pie but in terms of how to make the pie larger—how best to manage the fisheries of the world. We

are talking about basic principles, especially about a principle which would really place the coastal states in the position of managing all the living resources of the sea near their coasts. That kind of objective is the objective of the conference.

Mr. Lundrigan: Can the minister tell us about the policing of the northwest Atlantic? Will he tell us how many ships Canada has to police this area, which is about 500 miles one way and 1,000 miles the other, and where some 20 nations are fishing?

Mr. Davis: We have a large number of vessels, but as the hon. member well knows, very few are capable of going any great distance out to sea. Our new construction program is aimed at overcoming this deficiency. We do carry out overflights with aircraft, however.

Mr. McGrath: The minister reiterated that new ships are about to be built. What is he doing about the situation in which our naval patrol vessels only work an eight-hour day at the present time and tie up at five o'clock every day? He knows as well as I do that the principle infringements of our coastal waters take place after dark. What is he doing about the present ludicrous situation?

Mr. Davis: This is a problem which stems from union negotiations. Those craft are unionized. We have incurred additional costs so as to operate in other hours, and this has affected our budget very considerably. I meet this problem every time I go to Newfoundland and Nova Scotia. It is chronic. We have had to spend a great deal more money to get other crews to operate at night. But the problem is one which we cannot dismiss lightly. It is built into the structure of the civil service.

Mr. Peters: We are dealing, now, with the estimates of the Department of the Environment. I am not prepared to argue whether or not the department of fisheries should logically be part of the Department of the Environment or whether it should be separate. It is true there has been a good deal of discussion on the subject.

Mr. Nielsen: It depends on whether the fish are fresh.

Mr. Peters: It depends on whether I come from a fishing area or not. For my part, I am not opposed to the establishment of a department of fisheries under a separate minister. I agree with those who come from the Maritimes that fishing is an industry of historic importance to our nation and that there ought to be a separate ministry under a responsible minister.

There has been little discussion of what the minister is actually doing to improve the environment. I notice we have been buying buses to serve Parliament Hill. The buses are run by petroleum and the waste products will cause pollution. Every member of this House, most Canadians in fact, drive to gas stations to fill up their cars and it works out that in at least one trip out of five they are buying gas, not to run the car but to run the pollution control device. These pollution control devices have become very expensive. All smart young people, those familiar with automobile engines, have found out how to override the control, thereby reducing gas consumption. However, this is not the field I am interested in discussing tonight. I wish to turn to the events which have taken place in the last few weeks and months in connection with the proposed James Bay development.

I regard it as unfortunate that attention is now being focused upon the rights of the Indians and the aboriginal claimants rather than upon the effect of the project upon the environment of the area. As far as I am concerned, ownership of the land constitutes an entirely different question. From an environmental viewpoint I could not care less whether the Indians own the land, whether Quebec owns it or whether Canada as a whole owns it. I should like to know whether the changes contemplated in the area are likely to have an adverse effect upon the environment. This question would remain to be answered no matter what was eventually decided about ownership provided, of course, the scheme went through. It might, of course, be advantageous. I have heard it said that it might cause the temperature in the region to rise five or ten degrees as a result of the creation of a large additional body of water. On the other hand, the bay is only some 15 feet deep at levels where it is fairly deep, and two or three feet at levels where it is shallow, and if the flow of water into the bay is restricted, what is presently James Bay may be only a river 10 or 15 years from now. The change might have a considerable effect upon the climate of that part of the north.

I am not suggesting for a moment that the question of ownership is not important. I am not saying that the federal government, which made an arrangement to give the whole of the land owned formerly by the Hudson Bay Company in that region to the province of Quebec, with certain conditions stipulated, is willing to live up to its end of the bargain. It seems to me they are almost as bad as the Queen, who never lived up to her bargain, because her relatives were running Rupert's Land for many years and she was not in a position to live up to it. Surely there should be an indication of what is to happen on the northern side of the James Bay area where there are deposits—

The Assistant Deputy Chairman: Order.

Mr. Peters: May I call it ten o'clock?

Mr. MacLean: I am rising on a point of order, Mr. Chairman. It may be doomed to failure before I make it. I thought there might be a consensus in the committee that you should not see the clock for a little while, so that we might make some progress.

Some hon. Members: Agreed.

Mr. Peters: Ten o'clock.

Mr. Nielsen: On a further point of order, Mr. Chairman, since there does not appear to be unanimous consent to your not seeing the clock, might I suggest that the committee pass without debate, now, vote 5A relating to the Department of External Affairs, vote 12A relating to the Department of Finance and vote 1A relating to the Department of Justice.

Some hon. Members: Agreed.

• (2200)

Mr. Peters: Mr. Chairman, I rise on a point of order. There have been at least four or five occasions to date when private members have asked for the unanimous consent of the House to consider certain matters and that consent was refused. I now refuse this request for an extension of time.

The Assistant Deputy Chairman: There is not unanimity to continue.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL DEFENCE—SUGGESTED REDEPLOYMENT OF ARMED FORCES ELEMENTS TO NEWFOUNDLAND TO CONSOLIDATE STRATEGY AND PROMOTE ECONOMIC DEVELOPMENT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, we will consider some satisfactory resolutions now. While everybody is leaving the House, I should like to inform you that on February 8 I asked the Minister of National Defence (Mr. Richardson) if in his intentions to promote federal industrial development in his western region he would also consider the development of the eastern part of Canada, particularly the province of Newfoundland. I wanted to know whether he intended to promote some economic development through the Department of National Defence by deploying elements of the Canadian forces to that part of our nation, not only by way of economic impact but to complete, as it were, the consideration of a Canadian forces' presence in all of Canada.

While I realize it is doubtful whether the island would be in a more advantageous position, strategically, than it is with the present deployment of our forces involved in our committed tasks, there are several areas where the expenditure of our unfrozen defence dollars would or could be utilized to the economic advantage of that province and the nation as a whole.

The first obvious justification of our Canadian forces mission is our intended thrust toward northern development. For some strange reason or other, in our visions of the north and its development we keep talking about only one segment of Canada. The supposed experts, whoever they may be, seem to forget that there is a portion of our nation called northern Newfoundland and Labrador, which I hope is still part of Canada, which needs development just as seriously. What better way could we utilize the resources of our Canadian forces than by building roads, bridges and providing vital communications to this

part of our nation, and providing normal heretofore denied communications links such as telephone and television? The situation as it now exists should be an embarrassment at this time to everybody responsible.

I wish I had more than seven minutes to tell-off those people who are disturbing everybody. Can you imagine that after five years of frustration during my presence here, before my presence here and certainly since confederation, the CBC and CNT have not been able to come up with the fundamental capability of providing television and telephone facilities for those Canadians living in northern Newfoundland? I suggest this can only be considered preposterous.

Secondly, what an opportunity the engineering capability of our Canadian forces would have in directing the provision of a connecting road between Quebec and Labrador, a continuation of this link between the two land masses by a tunnel or causeway, and a further continuation of a decent paved highway along the great northern peninsula of Newfoundland.

So I say to the minister or his parliamentary secretary, whoever is here, let us use some meaningful common sense, ingenuity and imagination and develop all of Canada so that we will see some realization of the pledges of the government of equal opportunity for all Canadians regardless of where they live.

Our Minister of the Environment and Fisheries spoke just a few days ago of the threat of the extinction of our fisheries. Is it not, then, fundamental logic that the Canadian forces could provide the surveillance capability in Newfoundland to prevent the depletion of our marine resources by foreign draggers who are literally raping our Atlantic fisheries?

To turn for a moment to the utilization of our Canadian forces from a military context and in support of our NATO mission, Newfoundland was found suitable for training exercises of our fighting troops because of the similarity of our climate and terrain to that of our task in our NATO commitment. I ask the simple fundamental question: Is there any reason elements of our Canadian forces could not be stationed in Newfoundland as a nucleus of a training cadre to provide logistic and training support on a continuing basis for present and future commitments, as well as provide administrative support to the reserve forces?

I find the Minister of National Defence, Mr. Speaker, is one who rightfully shows more than a token responsibility to his part of the country, even though he is committed to direct his attentions more on a national basis. For this reason I can only give him full marks. He has made his presence felt here by being successful in having provided a mint to his native Winnipeg. While I would like to have a mint in my province, Mr. Speaker, this might come, depending on the fortunes of our political future; but I only ask the minister, to use a military drill term, to make an about turn from the central part of our government and look to eastern Canada and provide a justifiable share of the expenditure through his department to those Canadians that seem to be continuously left out in sharing the wealth of our nation. I ask for a proper answer.

Adjournment Debate

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Before responding directly to the representation of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) on behalf of his home province of Newfoundland, I personally, as parliamentary secretary, would like to take this, my first opportunity so far as he is concerned, to recognize his long standing interest in the department and his dedicated service as both a commanding officer and the militia adviser in his province.

I am sure the hon. member has had an opportunity to examine my response to the question put by his colleague from St. John's East concerning search and rescue capability. I do not intend, other than by reference to page 1215 of *Hansard* for February 12, 1973, to deal with that matter in detail. There is one point, however, that has been made many times before but does not appear to be clear in many members' minds, nor indeed in the public mind; that is, the actual responsibility of the department in terms of search and rescue.

The department, by cabinet direction, is responsible for providing search and rescue facilities capable of responding to air distress incidents in accordance with Canada's international responsibilities as agreed with the International Civil Aviation Association, and also in terms of our own domestic requirements. In addition, on behalf of the government the rescue co-ordination centres provide co-ordinating services for both air and marine incidents. This department does not receive a resource allocation, nor does it have the responsibility—I want to emphasize this—to deal with marine incidents. That is the responsibility of the Department of Transport. I know that the hon. member appreciates, however, that when there is a distress call, be it air or marine, the search and rescue facilities of the Canadian forces are immediately alerted and provide whatever assistance is possible.

• (2210)

The financial constraints under which the department has operated for the past few years has resulted in an over-all reduction in forces strength and also has necessitated consolidation of bases to achieve the most effective return for each defence dollar spent. I am sure that the hon. member would recognize that to reduce operating overheads it is more economic to provide centralized support services at five major bases in the Maritimes than to maintain a series of smaller, and hence more costly, bases in that area.

In terms of strategic considerations, the department does have the capability of performing both maritime and air surveillance in the Atlantic area to meet the primary defence role.

The Acting Speaker (Mr. Boulanger): Order, please.

[*Translation*]

MANPOWER—INQUIRY RESPECTING EFFICIENCY OF CENTRES

Mr. Roland Godin (Portneuf): Mr. Speaker, on February 6, I asked the hon. Minister of Manpower and Immigration the following question:

[Mr. Marshall.]

In view of the fact that since the beginning of December a new regulation compels the unemployed to take personal steps to find work, could he tell us if in his opinion the application of this regulation will be enough to boost the economy . . .

Mr. Speaker, I asked that question because a new regulation enforced by the Unemployment Insurance Commission since last fall is causing problems to a great many unemployed. I would even say that this regulation is ridiculous in view of the present situation.

Speaking of only a few sectors of the labour market, I would mention first of all that of the footwear industry where the demand for labour is decreasing and employment is becoming seasonal. To my mind, it is absolutely senseless to force an old timer to find work elsewhere, when there is none available, and especially when he can be rehired by his former employer within a month or two.

Recently, several persons were denied unemployment insurance because they limited themselves to seeking employment with the manpower centres and the civil service. Mr. Speaker, if the workers have developed the habit of going to the manpower centres, it is because they have been trained or forced to do so.

For instance, when an unemployed person goes to the arsenal at Valcartier, the guard, at the gate, will tell him to go to a manpower centre because the arsenal does not hire people directly.

At the Quebec Department of Transportation a worker looking for a job on government ships goes through the same motions and gets the same answer.

At the Department of Public Works or the Department of the Postmaster General the unemployed cannot enter the building to apply for a job. The guard does not let them in but recommends that they see the public service or the manpower centre.

The same problem exists in the construction industry. An unemployed cannot move around the sites. A guard will tell him: see your union.

During the weekend I met a construction worker who, looking for a job had gone to the manpower centre. The receptionist did not even bother to refer him to a consultant. He was told: Friend, look up the billboard when you come in, that is all we have.

Lumberjacks are being forced to look for jobs which no longer exist.

In fact, any normal person knows that it is impossible for a five foot and a half lumberjack to move in six feet of snow. A lumberjack is not a mole, he is a human being.

If companies hired a lumberjack to work in six feet of snow with snow shoes he would violate the labour security legislation.

In addition to that, the provinces have their own statutes. Since there are regulations governing the height of stumps, a man cannot cut a tree at the height he wants but must do it according to the inspectors' instructions.

Mr. Speaker, it is obvious that six feet of snow are enough to upset the working methods of a lumberjack.

I know a jobless who went down to James Bay. He had left Quebec City by train and had done the last leg of his journey by plane. Upon his arrival he was told that the company was willing to hire him, since he is a heavy

equipment driver and there is a shortage of workers in that field there.

But that was the hitch, Mr. Speaker. The company which was prepared to hire our man could not do so unless he went through the Montreal provincial manpower centre. He had to go back, and it had cost him $115. That is the way they treat the unemployed!

Mr. Speaker, we question the value of certain rules and we wonder where they originated. Officials of the commission assured me that they were never consulted, and the representatives of major unions were not either. No employer seems to have consulted them, or the hon. members of this House, for that matter.

As some regulations are inapplicable, I realize we are facing regulations suggested by one person only. In my opinion, no team would have taken such a stupid decision.

Mr. Speaker, all I am asking the hon. minister is this: who is that person who could have dreamed up regulations which are a nuisance for the unemployed and the Unemployment Insurance Commission staff?

[*English*]

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the regulation to which the hon. member refers has been in effect for some seven months. It is regulation 145(9) which came into effect on June 23, 1972, and reads as follows:

> For the purposes of paragraph 25(a) of the act, a claimant fails to prove that he is available for work and unable to obtain suitable employment on each working day in a period if he fails to prove that during that period he made reasonable and customary efforts to obtain employment.

Claimants who do not make reasonable efforts to seek employment in areas where there are known to be job vacancies are therefore not eligible to receive unemployment insurance benefits. The purpose of requiring claimants to furnish evidence that they have conducted an active search for work is to determine whether claimants are entitled to receive benefits, in accordance with the requirement of the above regulation. The application of this regulation by the commission does not affect the operation of the Canada Manpower program.

I have to say that the parade of horrors to which we have been treated by the hon. member simply does not exist or, if it does exist, it exists only in isolated cases. The plain fact is that the search for jobs has to be conducted in a way that is appropriate to the skill of the person unemployed and appropriate to the area. If no jobs are available in the area, the search required does not have to be a strenuous one. Or if all employers in the area hire under the Canada Manpower service, it is sufficient for the unemployed person to register with that service. In other words, the interpretation of this rule varies from place to place. It is applied according to the conditions in the place concerned.

As the regulation says, he must make "reasonable and customary efforts to obtain employment." The reference to "customary efforts" has reference to the custom in the district in which the unemployed person resides. Therefore, Mr. Speaker, I would have to say that in our view the problem to which the hon. member has referred does not exist in an acute form. If he knows of any cases where, by accident, problems have occurred, we would be very pleased if he would bring them to the attention of the department or of the Unemployment Insurance Commission.

HOUSING—LAND ASSEMBLY PROGRAM—RECONSIDERATION OF INVESTMENT OF FUNDS IN PROPOSED GLOUCESTER TOWNSHIP PROJECT

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, on January 30 I asked a question of the Minister of State for Urban Affairs (Mr. Basford) with respect to the land banking arrangement, or land assembly program as it has been called, or the model city, as it has been sometimes called, to be located at Carlsbad Springs in the township of Gloucester in the national capital area. I want to thank the minister for his courtesy in coming here this evening to listen to what I have to say.

• (2220)

I asked the minister at that time whether the government was reconsidering its decision to invest public funds in that project. I want to make it clear at the outset that I am not against the concept of land banking because I believe it is one of the things that we will require in this country as time goes on. However, I think land banking must be done with a certain amount of perception, having regard to the need, and the need of this day and this time ought not to be ignored.

My question and my respectful submission at that time arose because I believed there was an attitude of prematurity with respect to the development in that place. Most important, I think there has been, and the press has indicated since that this is so, an obvious lack of consultation between the municipal authorities of the township of Gloucester and the department in respect of the investment of public funds for such a project in that location. I believe it is important in matters of land banking on large assemblies which will affect the development of many properties that there be proper consultation.

The reeve of the township has said that this is the least suitable site. He is concerned with the financial problems in which a dormitory community might involve the township, and he is concerned about the quality of the land. Just recently the regional municipality asked the senior governments to keep their hands off planning in their area. They are in the midst of dealing with an official plan and it is important to them in the development of this plan that there be the greatest possible consultation.

The eruption at the recent regional executive meeting indicates that as far as that council is concerned there has not been that kind of consultation. Moreover, from the engineering point of view—and I care not what tests there are, the minister has not produced any tests of the suitability of the land—there is an extremely high water table and instability of land, I am told. As a result, whatever development is proposed it cannot be a mixture of development and land use which will supply an immediate need for varied housing properly supported by the usual commercial amenities.

With respect to the problems of servicing and urban transportation there has been no consultation. The

McLaren-Richards' report, the service report of the regional municipality, indicates that the prime area for serviced development is the township of Nepean and the township of Goulburn where there has already been a great investment of federal public funds in sewer and water services. More important than that, there is a real housing need today, not five years, not ten years, not 20 years from now but today in this area.

This great land assembly, some 5,000 acres projected over a period of 20 or 25 years, is not going to solve the problems that come to my desk each day as a Member of Parliament with respect to the crowding of existing urban areas, on the one hand, and the availability of relatively inexpensive serviced land, on the other.

For these reasons, Mr. Speaker, I ask the minister to reconsider the investment of public funds in this area in that premature way and to invest those funds in the area which is now serviced with the assistance of federal funds, the townships of Nepean and Goulburn in the west end of the national capital area.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I have listened to the hon. member for Grenville-Carleton (Mr. Baker) with great interest. I know he takes an interest in this area, as do I, and in the three minutes that I have I should like to make a few points.

The location of this land assembly and land banking proposal is in the line with a planning study commissioned by the Ottawa-Carleton district. The area for land assembly was identified as a potential growth area in the Ottawa-Carleton district, hence the location of this land assembly. That report indicated that it was estimated that 118,000 dwelling units, or some 6,000 units per year, would be needed over the next 25 years to accommodate growth in the national capital region. The planning proposals which have yet to be approved by the Ottawa-Carleton council suggested that provision be made for a future population of 650,000 within the green belt and 350,000 beyond the green belt. Of the latter, about 275,000 would be located in satellite communities.

I quote these figures to point out that while there is land assembly going on in the southeast area that the hon. member refers to, it is not going to prevent other communities in the national capital region and other growth centres from developing and other subdivisions from being approved and other townships from growing, which seems to be a fear. These are long-term planning proposals for the national capital region, the kind of long-term planning that we need in every region in the country. We support that kind of long-term planning proposal, hence our involvement in it. In this way we are endeavouring to have planned an orderly growth within the national capital region. I would hope that the hon. member for Grenville-Carleton is not opposed to that kind of long-term planning.

We are trying to avoid urban sprawl within the national capital region and avoid the use of valuable land in the region. If the hon. member and the reeves for whom he may purport to speak really oppose this kind of long-term planning, I would hope that he and they would urge immediately a permanent, long-term freeze on land within this area used for land assembly and land banking and say that that land must permanently remain frozen in its present use. At present it is mostly scrubland. The reeve out there called it swampland. The hon. member might urge that it be permanently frozen so as to remain that kind of land, because then we would get on with other long-term planning proposals in other regions instead of wasting money in the region on which the hon. member seems to think we ought not to spend money. With respect to consultation, may I say that there has been consultation and information has been obtained from throughout the region. This has involved our technical staff, the Ontario Housing Corporation, CMHC and the National Capital Commission. Questions of transportation, of servicing water systems, of engineering studies and water tables have all been taken into account.

I agree with the hon. member that there is a housing problem today and a need for housing. Hence we have introduced, for example, legislation before this House, which I hope will be debated quickly, to deal with some of our immediate problems. We also think there is a need for long-term planning, and that is what is involved in this matter.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Friday, February 16, 1973

The House met at 11 a.m.

PRIVILEGE

MR. PAPROSKI—ALLEGED INACCURATE ANSWER TO QUESTION ON POLAR BEARS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I rise on a question of privilege with regard to an answer I received, as recorded on page 4893 of *Hansard*, for April 5, 1971, to my question No. 1184 on the slaughter of polar bears. The minister's assistant replied: "No polar bears were shot in 1971".

Figures released on Monday, February 12, 1973, at the Northwest Territories Council meeting revealed the killing of 2,735 polar bears in the eastern Arctic alone in a six year period, an average of 450 bears a year. This appears to contradict the answer given to me on page 4893 of *Hansard*. Obviously, the information supplied by the government was incorrect and deliberately evasive.

I bring this to the attention of the House because it indicates the lack of respect with which this House has been treated, and I request a complete investigation by the responsible minister. At the same time, I would request the minister to clarify the policy in view of the resolution of the Northwest Territories Council which promotes polar bear hunting by advertising in Europe.

I find, Sir, that this is a clear case of contempt of parliament by the minister or his officials. This House deserves an explanation of this apparent discrepancy regarding the fate of this great national asset, the polar bear, whose preservation is a matter of concern not only to conservationists and nature lovers but to all Canadians.

Mr. Speaker: This matter is obviously an important one, but I doubt that it can be raised by way of a question of privilege. The hon. member might be able to ascertain what the facts are during the question period or in some other way, but I suggest to him, with respect, that a dispute as to facts cannot be the basis of a question of privilege. Therefore I respectfully suggest to the hon. member that while the bears might have a question of privilege, I do not think the hon. member has one.

• (1110)

MR. HERBERT—OTTAWA "JOURNAL" ARTICLE ON VOTE ON INTRODUCTION OF BILL CONCERNING ABORTION

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, I rise on a question of privilege affecting the rights and privileges of all members of the House, concerning an article in the Ottawa *Journal* of February 14 under the byline of Mr. Richard Jackson. In reference to the vote on first reading of a private member's bill introduced by the hon. member for New Westminster (Mr. Leggatt), he states:

> What bothered the Liberals was that while many insisted they were voting not for abortion, but for the principle that every M.P. has a right to bring in a bill, their vote would reflect on them as pro-abortionists.

An hon. Member: You sure are.

Mr. Herbert: This statement, and others in the article, are inaccurate and misleading. Many of us, and not solely the new members of our party, were primarily concerned with parliamentary practice and the right of all members of the House—

Some hon. Members: Oh, oh!

Mr. Herbert: —to introduce bills and motions—

An hon. Member: Are you for or against?

Mr. Herbert: —whether or not we agree with the proposition. The content of the bill was secondary to the consideration of the principle involved, that of freedom of speech in parliament.

I would also state, Mr. Speaker, that I consider it an indictment of the individuals that a former member of the judiciary and a former Prime Minister should seek to deny to their fellow Canadians the right to freedom of speech.

Some hon. Members: Hear, hear!

Mr. McGrath: On a point of order, Mr. Speaker—

Mr. Speaker: Order, please. We will deal with one thing at a time. The hon. member did give the Chair notice of his intention to bring this situation to the attention of the House by way of a question of privilege. While the hon. member may have a grievance, I suggest that it is not a question of privilege. In any event, the hon. member did not propose a motion for the consideration of the House, so a ruling is not necessary.

Mr. McGrath: On a point of order, the hon. gentleman has no right to impute motives or to reflect on the vote of any hon. member of this House—

Some hon. Members: Hear, hear!

Mr. McGrath: —and, more particularly, to impute motives to or to reflect on the vote of a very distinguished member of this House, the right hon. member for Prince Albert, a former Prime Minister.

Some hon. Members: Hear, hear!

Mr. McGrath: I believe that the hon. member should be made to withdraw that portion of his remarks.

Some hon. Members: Withdraw!

Lake Ontario Water Level

Mr. Speaker: Order, please. The hon. member for St. John's East is quite right that no member has a right either to impute motives or to reflect on a vote. I certainly find fault with the hon. member's statement to the extent that he reflects on a vote of the House. That is entirely out of order. But whether an hon. member should be required to withdraw a statement which is out of order is another thing. I think that the hon. member for St. John's East is quite in order when he protests against what was said, and it is the duty of the Chair to bring to the attention of the hon. member for Vaudreuil that he has no right to reflect on a vote of the House.

Mr. Diefenbaker: Let there be no mistake, Mr. Speaker. There is no complaint whatever on my part about the remarks read by the hon. gentleman, which were apparently prepared extramurally.

ROUTINE PROCEEDINGS

FLOODS

HIGH WATER LEVEL IN LAKE ONTARIO—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the dangerously high level of Lake Ontario and the present and potential damage to property arising from this situation, and in view of the request made yesterday by the city of Toronto to the federal government, I move, seconded by the hon. member for Scarborough West (Mr. Harney):

That this House directs the federal government to make immediate representation to the International Joint Commission to the effect that steps be taken without delay to reduce the water level of Lake Ontario.

[*Translation*]

Mr. Speaker: The hon. member proposes for the consideration of the House a motion under the provisions of Standing Order 43. This motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimity, therefore the hon. member cannot put his motion.

* * *

[*English*]

RURAL AIRPORT DEVELOPMENT ADVISORY COMMITTEE BILL

PROVISION FOR ESTABLISHMENT OF ADVISORY COMMITTEES

Mr. Frank Howard (Skeena) moved for leave to introduce Bill C-145, to provide for the establishment of rural airport development advisory committees.

[Mr. McGrath.]

Some hon. Members: Explain.

Mr. Howard: Mr. Speaker, in recent times not enough attention has been paid to the need for airport development in rural areas. The purpose of this bill is to attempt to overcome that by establishing rural airport development advisory committees, the members of which would be selected by the municipalities and regions within the area for which they are appointed. These committees would advise the Minister of Transport on airport development in those areas.

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the said bill?

Some hon. Members: Agreed.

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

MOTION TO ADJOURN UNDER S.O. 26

ENERGY

UNITED STATES PREFERENCE FOR ALASKA RATHER THAN MACKENZIE VALLEY OIL PIPELINE ROUTE

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I rise to put again the motion that was put yesterday under Standing Order 26. I move a motion for the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the statement made by the President of the United States yesterday that he prefers the Alaska route to the Canadian route for an oil pipeline from Prudhoe Bay, and because of the statement made two days ago by the Minister of Energy, Mines and Resources that the Canadian government does not plan any further representations to the American government on this matter.

Mr. Speaker: The hon. member gave notice of this motion yesterday under the terms of Standing Order 26. Because of the developments in the afternoon it was felt, after consultation with the hon. member for Vancouver South, that he might be given an opportunity to propose the motion for the adjournment of the House this morning.

Hon. members know that the Chair is required by the Standing Order to consider whether there are other opportunities for debate. I would think that such an opportunity exists this very day since the House has before it, in Committee of the Whole, Vote 20a relating to the Department of the Environment. The next vote, 5a, Department of External Affairs, also seems to provide an opportunity for discussion of the matter raised by the hon. member. I would doubt very much that in the circumstances much would be gained by setting aside the consideration of these items in Committee of the Whole for the purpose of an emergency debate. I would hope that in the circumstances the hon. member for Vancouver

South would agree that it would be rather difficult for the Chair to put the motion at this time.

ORAL QUESTION PERIOD

ENERGY

OIL—REASONS FOR IMPOSITION OF EXPORT CONTROLS—EASTERN CANADA SUPPLY—PREVENTION OF POSSIBLE PRICE INCREASES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, which I understand is necessary today, I should like to ask the Prime Minister a question about the imposition of oil export controls. The minister indicated a number of days ago that controls would only be imposed if it became clear that the industry itself could not assure an adequate supply of oil for the month of March and the spring. What has happened since the minister made that statement to cause the government to believe that there will be a shortage?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, if I may attempt to respond in a general way, it was obviously on the advice of the National Energy Board, concurred in by the government, that the Minister of Energy, Mines and Resources told the Standing Committee on National Resources and Public Works last night that:

> Recent levels of export demand for our oil have been such as to strain the capacity of our oil production and transportation systems and to threaten the continuity of supply of Canadian oil to domestic refiners dependent on such supply.

• (1120)

Mr. Stanfield: May I ask the minister whether he is able to assure the House that, with the imposition of controls on the export of oil from Canada to the United States, that part of the country east of the Ottawa Valley will have adequate supplies of oil and that normal supplies of oil to eastern Canada will not be interrupted or endangered?

Mr. Gray: Mr. Speaker, I would prefer that the Minister of Energy, Mines and Resources give more detailed replies, but it is my understanding that it is his desire to see that steps are taken to ensure that kind of result.

Mr. Stanfield: Mr. Speaker, I will leave that question to the Minister of Energy, Mines and Resources and ask the Minister of Consumer and Corporate Affairs a question appropriate to his jurisdiction. Can he assure the House that the prospective shortage of oil in Canada in the coming months will not result in significant increases in the price of oil and related products, and has the government any contingency plans to meet such possible increases in the price of oil products?

Mr. Gray: Mr. Speaker, I do not understand the circumstances to be such as to suggeest that there is a prospective shortage of oil in Canada itself if measures of the type

that were announced yesterday are taken. However, I am following this matter very closely and am consulting closely with my colleague, the Minister of Energy, Mines and Resources, with a view to ensuring, so far as I am able to do so, the consumer interest in this matter.

OIL—REQUEST FOR INDEPENDENT STUDY OF TRANSPORTATION OF PRODUCT AND POSSIBLE PIPELINE TO MONTREAL

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question, Mr. Speaker, for the Prime Minister. In view of the evidence before the standing committee last night which projected carefully the reserves of crude petroleum—the problem is that the pipeline transporting crude petroleum is carrying a full capacity load and the licence for interprovincial extension of the pipeline which would increase the volume by 125,000 barrels a day has not yet been granted—will the Prime Minister consider seriously, and I have asked this question before, setting up an independent group other than the National Energy Board to review the question of transportation, which really brought about the decision of the government that was disclosed last night?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will gladly bring that suggestion to the attention of the minister.

Mr. Woolliams: Mr. Speaker, may I ask a further supplementary. In view of the questions put by the leader of my party and as we are still importing almost as much crude petroleum as we are exporting, within a few hundred thousand barrels per day, would the Prime Minister also set up a study to look into the economics and the possiblity of a pipeline to the Montreal market from western Canada as he has taken, and I say this in the proper sense, Mr. Speaker, a new interest in western Canada?

Mr. Trudeau: Mr. Speaker, my interest in the hon. member's question is as perennial as grass.

Mr. Woolliams: Mr. Speaker, may I ask the Prime Minister whether the decision made last night, which was not based on a shortage of reserves but on the question of transportation, was the price that the government had to pay the NDP for its support of the budget?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

OIL—ACTION TO ASSURE SUPPLIES FOR EASTERN CANADA

Mr. Max Saltsman (Waterloo): Mr. Speaker, may I direct a supplementary question to the Minister of Consumer and Corporate Affairs. Last night, when the announcement of the change in oil policy was made, all predictions and calculations were based on western oil going only as far as the Ottawa Valley and no consideration was given to requirements for the Montreal area and eastern Canada. Since the calculations made by the National Energy Board will be completely out of kilter if oil supply to that area is cut off, as they do not take into

account the needs of eastern Canada and the calculations as to what we are able to export will be wrong, will the minister take a look at this situation with a view to discontinuing all export of oil from Canada until we are assured of supplies for eastern Canada?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will be happy to look at the situation and consult with my colleague, the Minister of Energy, Mines and Resources.

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I wish to direct my supplementary question to the Prime Minister. It is clear that eastern Canada will be threatened in the event of a disruption of oil deliveries from overseas sources. I wish to ask the Prime Minister what contingency plans the government has, even in a general way, or what approach the government is taking in its thinking regarding this problem. Also, when will we finally get a definitive answer to this question, considering the importance of oil supply and energy to eastern Canada and the fact that, in any event, western delivery systems could not supply this market at the present time?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is nice to hear a member from Calgary show such interest in eastern Canada. I thank him very much. I think my best answer would be to refer him to the discussions that the Minister of Energy, Mines and Resources was referring to the other day. Exchanges have been going on with the United States on the problem of supply to eastern Canada and there have been similar conversations with the OECD countries.

Mr. Speaker: The Chair will recognize the Leader of the Opposition for a supplementary.

[*Translation*]

Then I will recognize the hon. member for Portneuf and we will return later to supplementaries on that subject.

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I ask the Prime Minister very earnestly whether, in light of the proposed restrictions upon the export of oil from our Canadian west to the United States, he is able to assure us that there may not be an interruption in the supply of oil to eastern Canada?

Mr. Trudeau: Mr. Speaker, I can only give the assurance that the minister has been engaged in talks with the United States and European countries to make this assurance possible. I cannot, of course, engage the government on the conduct of other countries.

Mr. Speaker: As I said a moment ago, the Chair will recognize the hon. member for Portneuf and then return to the hon. member for Nanaimo-Cowichan-The Islands, the hon. member for Calgary South and others for supplementaries.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

Mr. Speaker: I apologize to the hon. member, but—

[Mr. Saltsman.]

[*English*]

The hon. member for Nanaimo-Cowichan-The Islands is rising on a point of order.

Mr. Douglas: Mr. Speaker, it has been customary to recognize each party in order for a first question. There has been no first question from this party. Mine is not a supplementary question. No question has been asked yet on behalf of this party.

Mr. Speaker: The Chair has recognized the hon. member for Portneuf. As I said, I will return to the hon. member for Nanaimo-Cowichan-The Islands in a moment.

* * *

[*Translation*]

HOUSING

NEUFCHATEL, QUEBEC—MEASURES TO COMPENSATE OWNERS OF BADLY CONSTRUCTED HOUSE—REQUEST FOR FINANCIAL ASSISTANCE

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to put a question to the Prime Minister.

Has he read the telegram sent to him by a group of citizens from Neufchatel, in Quebec, advising him of their dissatisfaction with the Central Mortgage and Housing Corporation over recently built substandard houses? If so, can he tell us what steps he intends to take with regard to this serious problem?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, unfortunately I have not read the telegram mentioned by the hon. member but I shall check with my office to see, if, in fact, I received it before the hon. member.

Mr. Godin: Mr. Speaker, as the government has granted a certain amount of money to the Indians towards the cost of their expenses with regard to their James Bay claims can the people who are currently at odds with the Central Mortgage and Housing Corporation and bad contractors expect to receive some financial assistance?

Mr. Trudeau: Mr. Speaker, perhaps I am being asked for a legal opinion, but if my memory serves me right in my time the code of civil procedure allowed the poor to plead *in forma pauperis* before the courts.

* * *

[*English*]

ENERGY

PROPOSED WEST COAST OIL TANKER ROUTE—GOVERNMENT REPRESENTATIONS—EXPRESSION OF OPPOSITION BY HOUSE—POLLUTION CONTROL LEGISLATION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to direct a question to the Prime Minister arising out of the announcement by President Nixon that he will seek legislative authority to proceed with the trans-Alaska pipeline project. In view of the fact the Premier of British Columbia has advised the Prime Minister that he is seeking a meeting with either President

Nixon or Secretary of the Interior Rogers Morton, would the right hon. gentleman himself, or the Secretary of State for External Affairs, seek a meeting with either the President or Mr. Morton and invite the premier of British Columbia to accompany him as the premier of the province most adversely affected by this project which will entail large tankers plying the coastal waters of British Columbia?

• (1130)

Right Hon. P. E. Trudeau (Prime Minister): If I might preface my answer, Mr. Speaker, the House might be interested in being reminded that the action to which the hon. member referred follows a court decision in connection with which the leader of the Liberal opposition in British Columbia made an important input. On the question of representations, the Department of External Affairs and our embassy in Washington are always ready to help premiers of Canadian provinces to arrange interviews with important government officials in the United States. In this instance Mr. Rogers Morton knows, of course, the Canadian position. It was stated forcibly by the Minister of Energy, Mines and Resources last March and has been expressed publicly many times. We are very happy that the premier of British Columbia now wishes to make representations to support our views.

Mr. Douglas: I had hoped that the Prime Minister would himself support such representations by personal intervention. In view of the fact the previous parliament unanimously passed a resolution expressing its adamant opposition to the United States government proceeding with the trans-Alaska pipeline project, would the Prime Minister undertake to have such a motion introduced in this parliament so that the present Members of Parliament might be able to express their views and have those views conveyed to the government of the United States?

Mr. Trudeau: Mr. Speaker, the hon. member has suggested that personal representations be made to the President. I would remind him that when I met the President last spring I did make representations about this question and about the danger of a tanker route on both the east and west coasts of Canada. As to the second part of the question having to do with a resolution the House can, of course, study such a resolution if it wishes but at this time we do not see any advantage in doing so. Our representations have been made known very strongly at all levels in the United States, and I think there may be a limit to the efficiency which this House could expect to achieve by passing resolutions urging the government of the United States to conduct its affairs in a certain manner rather than in another.

Mr. Douglas: In light of the right hon. gentleman's expressed concern about pollution on the two coasts of Canada, may I ask the Prime Minister whether the government has given any consideration to introducing legislation similar to the Arctic pollution control legislation which would bring all oil tankers entering the coastal waters of Canada under rigid supervision and control?

Mr. Trudeau: Well, Mr. Speaker, the question really requires a complex answer. The trick is, of course, not to pass legislation but to make it acceptable in international law. I think the hon. member appreciates that the steps taken by the government in the Arctic are of a particular nature because of the special circumstances of the Arctic. We cannot expect to make similar legislation stick as successfully in international law, especially if, as I understand the suggestion of the hon. member, it were to extend to some of the waters under United States jurisdiction.

PROPOSED WEST COAST OIL TANKER ROUTE—SUGGESTED CONTROL BY INTERNATIONAL COMMISSION

Mr. John A. Fraser (Vancouver South): Can the right hon. gentleman tell the House, bearing in mind the fact that the United States government now appears to prefer the trans-Alaska and tanker route, what steps have been taken recently, or at all, to try to negotiate with our United States friends to the end that the tanker route might be controlled by an international commission consisting of both Canadians and Americans, in which case, rather than simply worrying about the effects of a spill we would have a maximum chance of preventing a spill from taking place?

Right Hon. P. E. Trudeau (Prime Minister): This is the very subject I discussed with the President last spring. The suggestion we were making at the time was that it be done through the International Joint Commission. It has been found, since those meetings I had with the President, that a more useful and acceptable way would be to set up a committee composed of representatives of our two countries, and this has been done.

Mr. Fraser: Can the Prime Minister tell the House when he will be able to report as to the success of these negotiations, since it appears that time is now of the essence?

Mr. Trudeau: Mr. Speaker, it was already of the essence last spring when I talked to the President, and action has been taken along the lines I suggested. As to the exact date and nature of that report, I will refer the question to the Minister of Energy, Mines and Resources so that he can attend to it.

OIL—CONTINGENCY PLAN TO ASSURE SUPPLY FOR EASTERN CANADA—INCENTIVES TO DEVELOP RESERVES

Mr. Peter Bawden (Calgary South): Mr. Speaker, I have a supplementary to the Prime Minister on the question of security of oil supply to eastern Canada. It is now clear that there is a threat and a danger of interruption of continuity of supply. The Prime Minister has told us that discussions are under way. The government has been aware of this problem for several years. When will a contingency plan be presented to the House so we will know what the government intends to do? Will the right hon. gentleman also be urging the Minister of Finance to encourage Canadians through proper incentives to develop further reserves in Canada, giving Canadians a chance to own the oil we should be finding here?

Right Hon. P. E. Trudeau (Prime Minister): The hon. member is right, of course, when he says the problem has been known for several years. But the imminence of the

danger is, of course, no greater than at the time when the pipeline will in fact be constructed across Alaska, which is not as close as seems to be suggested. As to the government being aware of the problem, I would remind the House that under Mr. St. Laurent, as many hon. members will recall, the late Mr. C. D. Howe was very forthright in having pipelines built across Canada precisely to meet the type of problem that is being discussed this morning.

Some hon. Members: Hear, hear!

Mr. Speaker: Order. Hon. members will appreciate that we are spending a good deal of time on this question. I appreciate that it is important, but we should very soon move on to the next question. For the moment, the Chair will recognize the hon. member for Calgary South.

Mr. Bawden: I appreciate the Prime Minister's explanation, but he did not answer my question. Can he tell us when a contingency plan will be made known to the House, and will he say something about the question of encouraging Canadians to develop oil reserves that will be owned by Canadians?

Mr. Trudeau: I do not think I can add much to the answer I gave a few moments ago when I indicated—

Some hon. Members: Oh, oh!

Mr. Trudeau: I understand a lot of hon. members do not want me to answer anyhow. This is the subject we have been discussing. The Minister of Energy, Mines and Resources reported to the House at least a couple of weeks ago about these talks. The question at that time was on the other aspect, the so-called continental oil policy. The minister explained that his discussions with United States officials had to do with security of supply to eastern Canada.

OIL—DISCUSSIONS WITH VENEZUELA ON SECURITY OF SUPPLIES FOR EASTERN CANADA

Mr. Max Saltsman (Waterloo): Mr. Speaker, I have a supplementary for the Secretary of State for External Affairs. Has there been any discussion with Venezuela regarding security of supplies to eastern Canada in the form of offshore oil? Can he tell us whether Venezuela is interested in receiving firm assurances from the government of Canada, as to future contracts rather than continuing to negotiate with private companies?

• (1140)

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, in reply to the second part of the question, there has been no intimation of this kind from the government of Venezuela. We have not had any specific discussions recently with that country about the security of oil supplies although, as the Prime Minister has said, in the question of the security of oil supplies for Europe and North America as a whole Venezuela is included.

[Mr. Trudeau.]

LABOUR RELATIONS

WEST COAST MARINE PILOTS STRIKE—GOVERNMENT ACTION TO SETTLE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of Labour. Now that the west coast pilots have walked off the job, does the minister now intend to intervene personally in the dispute, the prolongation of which could have very serious consequences for the economy of western Canada? I might say to the minister that this is not the time to be timid.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I appreciate the hon. member's invitation to be bold, but I want to advise him that in this case there is no federal legislation that applies to industrial relations of this kind. The pilots in this dispute are not considered employees but, rather, contractors in their own right and in that sense employers. This is not the typical situation of a collective agreement between employees and an employer.

Mr. McGrath: In view of the consequential effects of this strike, may I suggest to the minister that the situation warrants that he not hide behind the letter of the law.

Mr. Speaker: Order, please. That question is not in order.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I should like to direct my supplementary to the Minister of Transport. How long is the minister willing to see this stoppage of movement of freight and other commodities through the west coast ports continue before using his good offices to intercede to bring the parties together so that freight movements through these ports can be resumed?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am as anxious as the hon. member to see this situation end. Officials of my department are already on the scene trying to get the parties together. As the Minister of Labour mentioned, this is a dispute between two corporations, not between a union and a company.

Mr. Andre: The point is, freight is not moving.

Mr. McGrath: We are looking at the results.

Mr. Marchand (Langelier): The only thing we can do is to try to get the parties together. The last offer made by the pilotage authority was 7½ per cent, which will bring the average salary of pilots to $32,000 a year. That is the situation at the moment. According to law, the pilotage authority has to pay for its own costs. It is a difficult problem and we are involved in it. The pilotage authority has waived the obligation upon shipowners to use pilots in certain waters. I hope our efforts will be successful; otherwise parliament will have to compel people to go back to work.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, my supplementary is diverted to the Minister of Transport. In view of the fact the demands of the B.C. coast pilots for the most part have to do with working condi-

tions, safety procedures and equipment, would the minister say whether he or his officials are taking any part in the discussions with the pilotage authority to see if agreement can be reached on these matters, since I understand that it is not the salary negotiations that are causing the strike?

Mr. Marchand (Langelier): Mr. Speaker, I think this is only part of the picture. It is not only a question of security but of working conditions. The pilots are asking for the same type of security as civil servants, but at the same time they do not want to become civil servants. They want to be regarded as a corporation and are seeking conditions that are unknown anywhere in Canada. This does not mean, of course, that we should not try to solve the problem, and we are trying to solve it. We know what the case is and we are trying to be helpful in the circumstances without embarassing anyone.

Mr. Speaker: Order. For the moment the Chair will recognize the hon. member for Abitibi.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—AVAILABILITY OF ADDITIONAL FUNDS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is directed to the Prime Minister.

Since the government recently secured passage of Bill C-124 to grant the Unemployment Insurance Commission unlimited public funds to pay the unemployed not to work, is the Prime Minister ready to have additional funds voted for the Manpower and Immigration Department to allow more local initiatives projects to be approved and more unemployed to find useful occupations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I disagree with the hon. member's preamble and the assertion that the purpose of the Unemployment Insurance Act is to pay people for not working, which is simply not the case. It's an insurance. If someone burns his house down, he gets nothing; nothing is paid him to keep him from doing it either.

Mr. Laprise: A supplementary, if you will allow it, Mr. Speaker.

Would the Prime Minister be ready to indicate that the purpose of the Local Initiatives Program is to combat winter unemployment? If so, and the Prime Minister told us it was the case, why ask for additional funds to combat winter unemployment?

Mr. Speaker: The hon. member is starting an argument and not asking a question as such.

LOCAL INITIATIVES PROGRAM—REQUEST FOR RECONSIDERATION OF REJECTED PROJECTS

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to put a supplementary to the right hon. Prime Minister.

Since many projects have been submitted and very few approved and considering the limited budget, is it the intention of the right hon. Prime Minister to at least discuss with his colleagues the possibility of reconsidering the projects which have been rejected, in the interest of the localities which have submitted them?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not want to commit the government in that respect. In December or November the government almost doubled the funds earmarked for LIP. Surely there is a limit to what the government can spend in one area. If the hon. member would wait for the budget speech he will see what the government intends to do to help the economy in different ways, but as far as LIP is concerned, if the member will allow me, I will quote the Gospel: Many are called but few are chosen.

[*English*]

Mr. Speaker: Order, please. We should try to make some headway. The Chair will recognize the hon. member for Lotbinière for a last supplementary and will then recognize the right hon. member for Prince Albert.

[*Translation*]

LOCAL INITIATIVES PROGRAM—AVAILABILITY OF ADDITIONAL FUNDS

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary for the Minister of Finance.

During consideration of Vote L12a of the Department of Finance, the minister told the House that he would look into the possibility of increasing the funds for the Local Initiatives Program by $10 million. Can the minister tell us now whether he has reached a conclusion?

Hon. John N. Turner (Minister of Finance): I am considering the situation, Mr. Speaker.

Mr. Speaker: Order, please. Three supplementaries have already been asked on the same subject. I recognize its importance, and I shall recognize the hon. member for Lotbinière in a moment.

[*Later:*]

Mr. Fortin: I thank you, Mr. Speaker, and I will not take advantage of your indulgence.

The right hon. Prime Minister said no to my question and the Minister of Finance said he was examining the proposal. Then, can the Minister of Finance say if it is his intention to submit to the cabinet a proposal to increase the budget of the Local Initiatives Program as soon as possible or will he be discussing that with his colleague the Minister of Manpower and Immigration?

Mr. Turner (Ottawa-Carleton): I just said, Mr. Speaker, that I was examining the proposal. In any case, the second half of the votes for local initiatives projects is still before the House. So, our friends the Progressive Conservatives should be told to speed the passage of this bill.

[*English*]

HOUSE OF COMMONS

REDISTRIBUTION OF RIDINGS—SUGGESTED AMENDMENT OF BRITISH NORTH AMERICA ACT TO MAINTAIN PRESENT LEVEL OF MEMBERSHIP IN CERTAIN PROVINCES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, may I direct a question to the Prime Minister. Having regard to the suggestion I made three weeks ago and since concerning redistribution, has any decision been made by the government in relation thereto, particularly in view of the fact that time is of the essence?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. We carried out our part of the undertaking and the House leader has effectively met with the House leaders of the other parties. He indicated ways in which we thought the problem might be approached, but as of this date, or rather as of yesterday, our House leader told us that the House leader of, shall I say, some other party has not been as forthcoming as we had hoped. However, I hope the particular House leader will read in *Hansard* that the right hon. gentleman feels that time is of the essence.

REQUEST FOR STATEMENT OF GOVERNMENT INTENTION IF DEFEATED ON BUDGET OR ITS RESOLUTIONS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the Prime Minister is apparently in good humour this morning in answering questions so I shall ask him another one. Having regard to the almost daily pronunciamentos and ultimatums on the part of the New Democratic Party as to what the government must do in order to get its support, and the statements that have been made by the President of the Privy Council and the Prime Minister outside the House, would the Prime Minister now say whether or not, if the government is defeated either on the budget itself or on the resolutions, an election will be called? Apparently he has made his decision.

• (1150)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in the hubbub I missed part of the end of the question, but I think the attempt was to make a distinction between pronunciamentos and ukases, and we are not quite sure which carries more weight.

Mr. Diefenbaker: The noise came from members behind the Prime Minister who apparently were endeavouring to answer for him. I ask him now whether or not some of the statements he has made outside the House and also a couple that were made on television by the President of the Privy Council mean that a defeat either on the budget itself or on the resolutions will result in dissolution? I ask him that for two reasons. First, the House has the right to know and not to be told outside the House. Second, if such an election should be called, with redistribution having been completed, the Minister of Justice and I will be in the same constituency because his home is there. That will be the battle of the century.

Some hon. Members: Hear, hear!

[Mr. Turner (Ottawa-Carleton).]

Mr. Speaker: Order, please.

Mr. Diefenbaker: Simplifying the question, I ask him why parliament should not know that which is being spread around by himself and other ministers concerning what will happen? Will there be an election or will there not, or are these ultimatums pretence and sham on the part of the NDP?

Mr. Trudeau: Mr. Speaker, I cannot really instruct the right hon. gentleman on the constitution. He knows that two possibilities are always present.

Mr. Knowles (Winnipeg North Centre): He knows what he did, too.

Mr. Trudeau: Mr. Speaker, I think the right hon. gentleman has given me reason to pause and welcome this redistribution because I would not want to miss this battle of the century.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: Order please. I will, of course, recognize the right hon. gentleman for a supplementary, but I think I owe it to the House to remind hon. members that there are just five minutes before the end of the question period.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, you will have noticed that the applause comes from the NDP which fears the next election. I ask the Prime Minister why the House of Commons should not have the information which he and some of his ministers are spreading around the country that there will in fact be an election?

Mr. Trudeau: Mr. Speaker, I am prepared to state here in the House what I have stated on the outside, that the constitution provides two ways to solve this problem. Either I can go to the Governor General and hand in my resignation as Prime Minister—

Some hon. Members: Hear, hear!

Mr. Bell: I think he is home this weekend.

Mr. Trudeau: Mr. Speaker, I am glad to see that this alternative has received applause but not from the front benches. The other way is to advise the Governor General to dissolve parliament. These are the two possibilities.

Mr. Diefenbaker: Ask the NDP. They will tell you.

Mr. Trudeau: Which one would be exercised is a hypothetical question because we do not really expect to be defeated on the budget.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I think we should perhaps leave the debate on this matter now.

ENERGY

ABILITY TO MEET CANADIAN REQUIREMENTS FOR GAS AND OIL IN LIGHT OF EXPORTS—RECONSIDERATION OF POLICY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the warning by Professor Tuzo Wilson that Canada cannot meet its energy needs if it permits continued rapid export to the United States of gas and oil, and in view of the contention by the president of Union Gas that Canadian companies are now unable to let contracts to Canadian customers because of the exports of oil and gas, is the government asking the National Energy Board to reconsider the whole policy in respect of the quantities of gas and oil being exported to the United States?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, government policy on energy will be made public. The Minister of Energy, Mines and Resources has told the House of Commons, and we said it in the Speech from the Throne, that in the course of this session we would put our position before parliament and the country. In the meantime the National Energy Board is conducting hearings on this very question, and I am sure Professor Wilson will have an opportunity to be heard if he so desires.

Mr. Orlikow: In view of the warning by Professor Wilson and the president of Union Gas, will the government give consideration to the proposal made by Mr. Walter Gordon that the oil and gas resources of the high Arctic should be developed by a Crown corporation rather than by private industry?

Mr. Trudeau: We will consider that too. I am sure Mr. Gordon will be happy with the support he is receiving from the NDP.

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INDIAN AFFAIRS

JAMES BAY HYDROELECTRIC PROJECT—STUDY OF FEDERAL INTERESTS AFFECTED—POSSIBLE GOVERNMENT INTERVENTION TO POSTPONE PROJECT

Miss Flora MacDonald (Kingston and The Islands): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development I should like to direct my question to the Prime Minister. Has the government formally considered the study done for the Department of the Environment entitled "An Analysis of the Federal Interests Affected by the Proposed James Bay Hydro Development", which deals with the constitutional rights of the Indian and Innuit people and the federal government's responsibility thereto? Has the government reached a decision in respect of this study and has that decision been communicated to the province of Quebec?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of the Environment has discussed this study with me. Perhaps he might be prepared to comment on it. I believe it was the work of a law student during the summer. It was studied with interest by the minister, but it does not carry the authority of government policy.

Miss MacDonald (Kingston and The Islands): In view of the statement in the report of the Indians of Quebec Association dated October 11, 1972, that the federal government was asked to intervene to get the Quebec government to consent to stopping the project until the project could be made acceptable to the Indian and Innuit people, can the Prime Minister say whether this has been done and what has been the response?

Mr. Trudeau: Mr. Speaker, I can only tell the House what I have heard the Minister of Indian Affairs and Northern Development tell the House in the past few days, that there have been discussions with the Quebec Indians and that it had been decided that the best and least paternalistic way to approach the problem would be to subsidize them heavily so they could put their case before the courts. This has been done.

• (1200)

Miss MacDonald (Kingston and The Islands): Is the Prime Minister therefore prepared to make a statement on motions clarifying the federal government's responsibility and position on the constitutional rights of the native people in the James Bay area?

Mr. Trudeau: No, Mr. Speaker. I told the House a few days ago that the Minister of Indian Affairs and Northern Development would be coming before the House later this session to put before the House a position paper of the government on all these subjects. I hope that, as happened last time, the opposition parties will respond and say the government is doing the right thing.

Mr. Speaker: The hon. member for Prince George-Peace River.

Mr. Korchinski: Mr. Speaker, I have a supplementary to a question raised on February 1.

Mr. Speaker: Order, please. For the moment, the Chair has recognized the hon. member for Prince George-Peace River. I will recognize the hon. member for Mackenzie later.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have a question for the Prime Minister. If he does not accept this student's study of the environment and the rights of native people in the James Bay area, is the government now preparing its own study so that the House may know what the government's stand will be in respect of the Indian people in the James Bay area and their environment?

Mr. Trudeau: I have just indicated to the House, as the hon. member would have known had he been listening, that we would make our views known in this session of parliament. I take it that this is what the hon. member wants.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether it is the position of the government with regard to projects going forward simply to have environmental studies car-

ried out but to allow the projects to proceed before the environmental studies are completed?

Mr. Trudeau: Is this a question in relation to general principle or is it in relation to James Bay, airports, or what? I am not certain.

Mr. Stanfield: It relates specifically to this situation.

Mr. Guay (St. Boniface): Or is it on heavy water?

Some hon. Members: Oh, oh,!

Mr. Speaker: Order, please. The Leader of the Opposition.

Mr. Stanfield: I apologize to other hon. members waiting to ask questions but I should like to point out that I asked the Prime Minister a perfectly serious question and I do not intend to be put down by the Prime Minister or by the hon. member for St. Boniface. I want to ask the Prime Minister whether he considers he is discharging his responsibilities to the Indians by simply having the government conduct an environmental study while at the same time allowing the project to proceed before the environmental study is finished.

Some hon. Members: Hear, hear!

Mr. Trudeau: The answer is no, Mr. Speaker.

Mr. Stanfield: What are you doing, then?

Mr. Trudeau: We do not discharge our duties in that way. The environmental studies have been going on and, as the Minister of the Environment said, there has been a first report and there will be a further report. In the meantime, the Indians are before the courts of Quebec taking action to stop the project proceeding. I said a moment ago that this was done with federal support, with federal funds.

Mr. Nielsen: You are not discharging your responsibilities to the Indians.

Mr. Trudeau: I should like to know how the opposition would propose to deal with this particular responsibility in better ways than we have.

Mr. Speaker: Order, please.

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VETERANS AFFAIRS

WAR VETERANS ALLOWANCES—REQUEST THAT ACT OR REGULATIONS BE AMENDED TO ENSURE THAT PROMISED OLD AGE PENSION INCREASE NOT DEDUCTED

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. On Friday, January 19 I asked the minister this question:

> Is the minister giving consideration to an amendment to the War Veterans Allowance Act or to the regulations under that act to make sure that when there is the promised substantial increase in the old age pension this will not be subtracted from the war veterans allowance but will result in an actual addition to the income of our war veterans?

[Mr. Stanfield.]

May I ask the minister if the necessary action with respect to this matter has been taken?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the necessary action has been taken.

Mr. Knowles (Winnipeg North Centre): Can the minister say when it will be announced?

Mr. MacDonald (Cardigan): That is a matter of government policy, Sir, but it will be announced before very long.

Mr. Knowles (Winnipeg North Centre): Monday night?

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ENVIRONMENTAL AFFAIRS

WATER LEVELS IN GREAT LAKES—SUGGESTED CONTROL BY CREATING RESERVOIR IN LAKE NIPIGON AREA

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, my question is for the Minister of the Environment. I should like to ask him whether he is aware of the scheme which has been proposed by Mr. Lorne Henderson, a member of the Ontario Legislature and chairman of the Ontario Select Committee on Land Drainage, in which he suggests that 14,000 square miles in the Lake Nipigon area of northwestern Ontario be flooded, thereby creating a huge reservoir in an effort to control the water levels in the Great Lakes?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, we will take a careful look at it. A reservoir in that area could not affect the lower lake levels for at least a year, and possibly two.

[*Later:*]

Mr. Penner: Mr. Speaker, Mr. Henderson is reported to be taking his committee to northwestern Ontario to examine this scheme. I should like to know whether the minister will make the services of his department available to us in meeting this committee in order to counteract their mad proposal?

Mr. Nielsen: Ask that question in caucus.

* * *

NATIONAL DEFENCE

POSSIBLE OPENING OF MILITARY COLLEGES TO WOMEN

Hon. George Hees (Prince Edward-Hastings): I have a question for the Minister of National Defence. Is it the intention of the government in the near future to open the three Canadian services colleges to young women wishing to make the armed services a career, and so make available to them the same very real advantages now available to young men?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, there are no plans to announce in that respect.

Some hon. Members: Shame!

Mr. Hees: Is it then the policy of the government, in educational institutions over which the federal government has complete jurisdiction, to deny to young women the same opportunities now available to young men, made available by the federal government?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps before calling orders of the day I will recognize on supplementary questions the hon. member for Mackenzie and the hon. member for Burnaby-Richmond-Delta.

* * *

• (1210)

INCOME TAX

ACCEPTANCE OF VALUATIONS OF FARMLANDS MADE BY OTHER THAN DEPARTMENTAL APPRAISERS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I will forgo my supplementary question to the Minister of National Health and Welfare and will direct my question, after three weeks, to the Minister of National Revenue. I wish to ask him if he is now prepared to answer the question I raised on February 1 whether evaluations made of farmlands by so-called appraisers will be recognized by the Department of National Revenue? I must apologize at this time, Mr. Speaker, but I feel a supplementary question coming on.

Some hon. Members: Oh, oh!

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, noticing the difficulty which the hon. member had in being recognized, I wrote him a letter some time ago giving him the answer. However, I know that this is a matter of concern to many farmers, and I want to respond in the House so that farmers will beware of people who misrepresent themselves as employees of the Department of National Revenue. Any appraisers offering their services at a fee are not employees of the department, and any appraisals made by them would not necessarily be accepted by the department.

Mr. Korchinski: Mr. Speaker, I do have a supplementary question. May I ask whether the department will now consider accepting some of these evaluations because of the difficulty in carrying out estate planning and because next of kin or those who may be left behind may have difficulty in trying to explain the position which has been established by former appraisers? Will the department at this time accept these appraisals? Will it consider that possibility in order to facilitate estate planning?

Mr. Stanbury: I will be glad to have any particular cases looked into that the hon. member might want to draw to my attention and see if that can be done. If the department is not satisfied with the valuation offered by an owner, then of course any valuations done by the department would be at the department's own expense, not at the owner's expense.

Mr. Korchinski: As a further supplementary—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Burnaby-Richmond-Delta and then call orders of the day.

* * *

INQUIRY OF THE MINISTRY

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my supplementary is directed to the right hon. Prime Minister. In view of the fact the Prime Minister stated in the House today that the Indians of James Bay have had to take the government of Quebec to court, and in view of the fact that the people of Sea Island are taking the government to court on Monday to seek stoppage of the expropriation of land for the Vancouver Airport, is it the policy of the government that the only recourse the people of Canada now have is to the courts of Canada, not through the parliament of Canada, to stop this government's illegal actions in expropriation proceedings?

Mr. Speaker: Order, please. That is not a question but argument. The hon. member for Humber-St. George's-St. Barbe on a point of order.

Mr. Marshall: Thank God for points of order, Mr. Speaker, or I would never get recognized. Can the government House leader advise when the Standing Committee on Veterans Affairs will be called to deal with the basic pension rate and the joint study report?

Mr. Lang: Mr. Speaker, I understand work is under way to try to bring the committee's organization into being about Tuesday.

GOVERNMENT ORDERS

SUPPLY

APPROPRIATION ACT No. 1, 1973

The House resumed, from Thursday, February 15, consideration in committee of Bill C-141, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973—Mr. MacEachen (for Mr. Drury)—Mr. McCleave in the chair.

On clause 2—*Schedule.*

The Chairman: When the committee rose last evening Vote 20a in the schedule relating to environmental services was under consideration. The hon. member for Timiskaming.

Mr. Nielsen: Mr. Chairman, I rise on a point of order in connection with speeding up the business of completing this bill. As you will recall, Sir, last evening we offered to

sit beyond ten o'clock, and this was rejected by the NDP. We also offered to pass certain items, and this too was rejected.

I now make the suggestion to the committee, in order to speed up the business of supply and get this bill through this afternoon by, as I and we in this party hope, three o'clock, that by unanimous consent we agree to pass items 5a under External Affairs without debate, 1a under Finance without debate, 1a under Justice without debate, items 10a and 15a under Public Works without debate, the item in connection with parliament without debate, items 31a and 32a under Regional Economic Expansion without debate, items 15a, 35a and 90a under Secretary of State without debate, items 65a, 85a, 90a, L110a, 115a under Department of Transport without debate, the Treasury Board item 5a without debate, Urban Affairs item 10a without debate, and item 10a under Veterans Affairs without debate. We on this side are prepared to pass all of those items now without debate.

Mr. Peters: On the same point of order, Mr. Chairman, I am quite happy to see that the Official Opposition wishes to go home, and I am quite prepared to let its members do so. However, we are prepared to discuss, within a reasonable length of time, some of the estimates remaining before us. We are well aware of the fact that most of the discussion that has taken place has come from the hon. member's own party. I am surprised that he has now become the leader of that party, and asks that his suggestions be taken into consideration. I reject his suggestion, and certainly do not give unanimous consent.

Mr. Nielsen: Mr. Chairman, I would urge the hon. member and his party to reconsider. With respect to the number of speakers who have participated, the combined NDP and Social Credit in the House have 46 members and they fielded 22 in the debate while in committee of the whole. We in this party have 107 members, and we fielded 25 speakers. I think those facts should be on the record, and I urge my hon. friends to the left to agree to pass these items by consent.

I understand that the hon. member for Winnipeg North Centre has specified three departments on which his members wish to speak. We have left those deliberately out of our suggested items to be passed by unanimous consent. If we do this, we could be through by three o'clock this afternoon. I appeal to them to be reasonable, and to complete and pass these items by unanimous consent.

Mr. Lang: On the question of order, Mr. Chairman, I am certainly delighted that at least hon. members opposite are arguing about who is now going to be the most co-operative, in trying to make sure that we get through these estimates with some expedition. It seems to me that in view of this discussion we may be able to reach agreement about not debating certain items when they are called, particularly where there is some general agreement about not speaking on them. But given that, and in view of the exchange, I think we should simply call the items in sequence, and hope we have a real spirit of co-operation in fact from all sections of the House and not just from the spokesman for a party.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, there is just one point that should be made clear. As I understand it, what we are now discussing is the schedule to the bill in its entirety, and by the rules we are not permitted to vote on or pass individual items. When the hon. member for Yukon gets up and says, "Let us now pass items so-and-so and so-and-so," he should be advised that this cannot happen. If that were possible, if it were possible to have votes on some of these items then we could have the votes and get them over with, but all that needs to happen to expedite the conclusion of the consideration of the schedule is just for us to get along.

[*Translation*]

Mr. Fortin: On the same point of order, Mr. Speaker.

Our party has always agreed to co-operate in speeding up the business of this House and I do not like the rather unflattering remarks made by the hon. member for Yukon (Mr. Nielsen). I should like him to know that we think—and I agree with what the hon. member for Winnipeg North Centre (Mr. Knowles) said—that what he suggests is counter to the practices of this House. As far as we are concerned, we would be ready to have the Chair call the votes one after the other as they are before us, and we will do as we have done since the beginning, that is to say we will express our opinion on those votes if we think it is necessary. We are prepared to co-operate.

However, one thing is sure, Mr. Speaker, if the hon. member for Yukon had agreed to talk it over with parliamentary leaders of all parties before making his little stage act he probably would have received better co-operation from his colleagues.

[*English*]

The Chairman: We will continue to discuss vote 20a in the schedule, relating to environment. The hon. member for Timiskaming.

Mr. Peters: Mr. Chairman, as I was indicating last night much of the discussion that has taken place, particularly with respect to the James Bay situation, has been about the effect on people of the environmental changes resulting from the development. But there is also the major question of what the environmental experts themselves have to say on this matter. I was urging the minister to give some consideration to this question and to consult other departments that may be involved with the subject.

As the minister is well aware, a great deal of hydroelectric development has taken place in the province of Ontario. In that province most of the rivers in the James Bay watershed have already been harnessed. Probably the largest of the early developments that took place in Canada was that at Fraserdale in the Abitibi canyon. Since then there have been many projects, the last one the Cannal project in the James Bay watershed. I am sure the information is available to the minister on the effects that have taken place. Many of us are interested in knowing whether, as a nation, we should be pursuing a project as large as the James Bay project.

• (1220)

I indicated some of the fears that were being expressed by environmentalists were related to what would happen to James Bay, what would happen to the water, what would happen to the fish and fowl in the area. The minister has probably not had time yet to consider the project that was announced yesterday for the large lignite deposits in that area.

One of the major pollutants, of course, is coal and if a steam plant is established in that area for the development of thermal power for approximately a 20 to 25 year period using 200 million to 300 million tons of coal there is obviously going to be a lot of smoke and pollution. Anyone who listens to the weather forecasts is aware that much of the weather that affects northern Ontario coming out of the James Bay and the Hudson Bay area, goes through central Quebec, central Ontario and ends up in the central United States. A project the size of the one at James Bay is going to be one of the nation's largest polluters and this weather picture should be given some consideration.

Mr. Chairman, I am concerned that the Minister of the Environment does not seem to be taking into consideration work done by other bodies. The Department of Mines for the province of Ontario, our own Department of Indian Affairs and Northern Development and some other agencies as well as the many universities, have undertaken studies on this subject. It has been known for hundreds of years that lignite exists in that area, and I am sure that many companies and universities have made studies of it. The Ontario government has made at least five studies. I am sure the environmental effect has been considered in all of them. I feel that this government should make all these studies available to the people of the area who could then decide whether to go ahead with the project.

When the Churchill Falls project was developed, obviously more hydro became available than the province of Quebec could use and the surplus was for sale, but that did not affect Canadians. The only work derived from a hydro project is in its construction and all the mess is then left. The plant is automated to the extent that one man comes in by helicopter to check the dials and see that all the red lights are off and all the green lights are on and that is all it takes to run a multimillion kilowatt per hour plant. All that is left in the area is destruction or perhaps some small advantages attendant upon the construction.

I am not sure if anybody knows whether the minister is responsible for the mess that is left. According to his argument he cannot establish water standards for Canada under the Canada Water Act; they must be set by the regions or provinces and there is not a Canadian water standard as such. He gave a number of constitutional reasons why he could not set the standards and he gave a number of economic reasons why he would not if he could.

The last very large hydro project to be built in northern Ontario was in my area. They not only cut all the trees but they put in bulldozers to clean the land. In addition, they built a lake that was to be used for a number of other purposes. In that part of the country there are areas that were flooded by lumber companies almost 100 years ago, and today the trees are almost the same as they were two or three years after the flooding. It was a disaster and will be for many years to come. Some members have had an opportunity to see a film of an area in British Columbia in which the trees were standing in water. They have been there now for some years, and it is predicted that they will be there for many years to come.

Does the minister have the responsibility to do something about the future environment of this nation? He has the responsibility for the Navigable Waters Act and, Mr. Chairman, very few hydro projects are possible unless they take place on navigable waters. The Navigable Waters Act is one of our earliest pieces of legislation and gives the federal government responsibility for the areas where hydro projects are constructed. I imagine that this minister will wait until the project is developed and then when nobody has cleaned up the area and we cannot get a boat through, he will tell us he did not have any authority to act. Mr. Chairman, he will not have the authority unless he tells members of this parliament exactly what the conditions are and what the economics will be. Then, we can make an honest decision on all the facts so that we do not have a calamity.

It is all very well for members to speak about the rights of Indians, Mr. Chairman, and those rights are very important. They are not only important to the Indians but to all Canadians. However, it seems to me there is just as much responsibility to tell other Canadians what is going to happen to the environment in the James Bay area as there is to explain how the Indians will be rewarded because they have to move out of the area. Frankly, that is all that is going to happen in that area. If the area is to be developed I think we must minimize the destruction that wil take place. Canada does not need that project. It is like the Arctic oil reserves and other reserves—they are of no value to Canadians today. The value is in the sale of the product to another country. Is it now time, Mr. Chairman, that the minister assured this committee that he has used every tool available to the environmentalists to ascertain how we can get the maximum advantage from any development that takes place. In this way, future generations of this country would not have to pay the penalty for our selfishness and greed in wanting to make the biggest dollar from present day developments.

• (1230)

Mr. Davis: Mr. Chairman, I should like, briefly, to answer several questions raised by the hon. member for Timiskaming. Environment Canada has in its employ many of the top biologists in the country. It has entered into contracts on a number of projects on which we need environmental assistance, and is employing many of the environmental consultants in Canada. These are people who can assess the effect on fisheries, forestry wildlife, air quality and land values that major projects can have in the future.

The business of looking into the side effects of major developments is new, and the expertise in Canada, our competence in this field, is already strained to the limit. We are finding it difficult to obtain enough competent people to carry out more environmental impact assessments. These are assessments that the Canadian government must undertake to honour its policy commitments in

this field. Provincial governments are also beginning to follow this course, although few of them so far have made any environmental impact assessments. Municipalities have made hardly any.

There has been considerable discussion in this chamber of late about the James Bay power development project. In that case, a series of environmental appraisals has been underway prior to the construction of any dam. The project calls for the building of a series of dams, not merely one or two big dams. I might add that the entire schedule of building has been turned around as a result of the preliminary environmental impact appraisal, or as a result of the findings of Phase 1 of the over-all appraisal which was completed late in 1971. The development, instead of proceeding from south to north, has now been reversed and may proceed from north to south. So, already in the case of the James Bay development, environmental impact assessments have had a decided effect on the scheduling or sequence of dam construction.

Many other big projects are now being contemplated. One is contemplated in northern Manitoba. Actually, there we are faced with a *fait accompli*, although our people have been asked for advice. That project has already been undertaken. I urge the hon. member who represents the party in power in that province to see to it that that government does the same sort of thing that is being done in James Bay. Let it take environmental impact assessments seriously and adjust its plans to the findings made in the assessments, instead of proceeding unilaterally, regardless of the recommendations in the assessments.

Mr. Howard: Would the hon. minister care to spell out that suggestion?

Mr. Davis: The hon. member asked about a possible coal or lignite plant in northern Ontario. I understand that the Ontario government has already taken a cursory look at the environmental effects of this proposition. If there is some prospect of the project proceeding, we will look into its possible climatic and downstream effects. Fortunately, we employ people who are competent to make this kind of appraisal.

With respect to the James Bay project, the preliminary findings of our people are that the projected building sequence will not affect the climate of the James Bay area or of adjoining areas. Last night, I think, the hon. member mentioned that there might be a change in temperature of several degrees. Our people who have looked at the atmospheric effects do not forecast any marked change in the climate there.

In summary, we are embarked on a number of environmental impact appraisals. This is new, in that we are carrying out these assessments before construction actually begins. Our expertise is stretched to the limit, but we are doing our best. Naturally, we cannot cover all projects and study others in the depth we would like.

Mr. Peters: Mr. Chairman, may I ask the minister a question? I was pleased to hear what he had to say about studies in connection with projects. I am not familiar with the project in northern Manitoba. I presume it has to do with hydroelectric power as well. Does the Minister of the Environment have power to see to it that land, say both in Manitoba and northern Ontario, is left in a natural and decent state after the project is completed? In other words, after the basin is built and the area is flooded, does he have authority to see to it that tree stumps and debris are cleared up? Does he have power to prevent the sort of thing that happened in the Peace River project a few years ago? In other words, after all the cutting is done and after all the levelling has been finished, does he have power to make sure that the area is turned, say, into a recreational area, to compensate to some extent for the loss of other land?

Mr. Davis: Mr. Chairman, the answer is yes and no. It depends on the project, where it is and what its effects are likely to be. The provinces have substantial powers in the area of the environment. For example, the provinces control land and property, and this control can be very forceful indeed. The federal government can mobilize other powers and make them felt. It can use one power or a combination of powers. It may use its powers if, for example, there is to be a substantial impact on fisheries, or on navigation. Or, it may be asked to determine what the effects will be outside the province, or outside Canada, of the development. If the answer is yes, Ottawa can get involved in the project.

It can also become involved if federal money is to be spent on the project. Strings can be attached to the spending of federal funds and so on. But there is a limit to our powers. Many projects can be carried out in a part of a province where none of these effects are observable and federal money is not involved. That environmental control is a matter for the province. Only the province can act, because, if federal action were taken the courts could rule it ultra vires. That is the dilemma we face in the setting of national standards. There are circumstances in which we cannot enforce national standards. We do not have the necessary powers under our constitution. The development in northern Manitoba which I mentioned involves the diversion of most of the flow of the Churchill River to the Nelson. It is one of the biggest hydroelectric developments in prospect on this continent.

Mr. Peters: Mr. Chairman, may I ask the minister a further question. Leaving aside the diversion of the river in Manitoba, does the minister have authority to see to it—I do not know what the word is—that, after a development is completed and the waterbed or basin constructed, the land is returned as nearly as possible to its natural state? Does the minister have authority in Manitoba and in the James Bay area, and does his authority extend to navigable water that may be contained in the flood basin?

Mr. Davis: Mr. Chairman, in the matter of clearing reservoirs, we do not have authority to do that in northern Manitoba. All the lands involved, as I understand it, are under provincial jurisdiction, with the possible exception of one or two Indian reservations where the federal government has authority by virtue of the federal government's responsibilities under the Indian act. In northern Manitoba along the course of the diversion of the Churchill River into the Nelson, we do not have responsibility, nor do we have authority.

If, however, the construction of the diversion were to be detrimental to navigation, we could perhaps prevent structures from being built or have them modified. Or, if they were to have a detrimental effect on the fishery by drying up the lower Churchill, we could, in that case, rely on federal law. Unless it is a case of flooding across an international boundary, the flooding of a national park or that kind of thing, the federal government is not usually involved in the clearing of a reservoir or in the passing of regulations for the clearing of a reservoir. The federal government does not have the power to act, but it can recommend certain actions that ought to be taken.

Mr. Haliburton: Mr. Chairman, I realize that the committee is anxious to finish its deliberations with respect to the department now being considered, and I will not delay it longer than necessary. The hon. member for Gander-Twillingate last night spoke about the fishing industry and the comments he made applied generally to my area.

• (1240)

There is one area of particular concern in Southwestern Nova about which I would like to obtain a statement from the minister. I refer to the scallop fishery in the Digby and Digby Neck area, that is the Bay of Fundy scallop fishery. When the minister was in that area last fall, he announced that the season would remain open, presumably subject to some limitation on the size of scallops in the future. At a meeting the fishermen in that area unanimously agreed that the appropriate means of preserving the scallop fishery would be the imposition of a season similar to that which had been in effect prior to that time. Will the minister state whether this matter has been reviewed, whether his department has come to a decision and, if so, what that decision is.

Mr. Davis: Mr. Chairman, when I was in the area last fall, I saw a large number of fishermen at different locations. They were divided in their opinion, at least the opinion they expressed to me, as to whether or not there should be a limited season. The hon. member tells me that they have since voted in favour of a limited season instead of no season or open fishing at any time of the year.

The fundamental problem is that the scallop resource has been heavily overfished on the United States side and in Canada as well. The sizes of the remaining scallops is already small. This is in itself evidence of overfishing. In order to help bring back the resource, we set a lower limit on the size, a limit which will be raised as time goes by. The industry is already restricted because of the condition of the resource which is general on the Atlantic coast. Whether we should also introduce a short season is a matter which we are prepared to review at any time. I will inquire as to the nature of our discussions between officials and the fishermen to see what can be done to meet the latters requests.

Mr. Harding: Mr. Chairman, I have two or three questions I would like the minister to answer before we complete our study of this department. I listened with a great deal of interest to his answers concerning the jurisdiction of his department in connection with some of the projects about which we have been talking, such as the James Bay project and the project in Manitoba. Is the minister trying to tell this House that his department does not have jurisdiction, for example, when the diversion of a river is at stake? Have you no jurisdiction in this respect? I understand that it is completely within the confines of federal jurisdiction. A province might say it is going to divert one river into another and another and another. As far as I can understand, that proposal is subject to federal jurisdiction. In connection with this, I wish to ask the minister whether the province of Quebec applied to his department for the right to divert any of those rivers involved in the James Bay project.

Mr. Davis: Mr. Chairman, the province of Quebec has not applied to Environment Canada or any other federal government department for authority to divert one river in Quebec into another river in Quebec. The hon. member suggests that the diversion of rivers or streams from one to the other inside a province is a matter of federal jurisdiction. I am sure if he were speaking in a provincial legislature, he would say it was totally within the provincial jurisdiction. He undoubtedly knows of many instances where diversions have taken place solely under provincial jurisdiction and without federal law being abridged in any way. Unless there are effects outside the province, effects on the fishery, navigation or a substantial effect on human health, and there are a few other conditions I might add, unless those things happen, one or several in combination, there are no legal grounds for federal intervention. This is a fact of life in Canada.

Mr. Harding: Mr. Chairman, here we have major rivers running into James Bay in which there are fisheries and with deltas at the mouths of them. The whole picture is going to be changed. This is federal jurisdiction. Damage is being done. As far as I can make out, such a situation comes within the prerogative of the federal government. I am not talking about a little stream being diverted here, there or somewhere else. I am talking about a major river being diverted into another major river and so on, where you are bound to destroy fish runs. This directly affects the fisheries department. I again ask the minister, have there been any discussions between his department and the province of Quebec with regard to the diversion of these rivers and with regard to the damage that might be done when diversion takes place?

Mr. Davis: Mr. Chairman, this is a different question that the hon. member has raised. We have a number of our top people, experts in the area of fisheries, involved in the environmental appraisals on the effects of the James Bay project or series of projects. They have already published their preliminary findings. They are now involved in a more extensive examination of the new construction schedule which the James Bay Corporation is studying.

We will have all of that information. If there is a substantial effect on the fishery, of course there is a case for federal intervention. But the preliminary report of our fisheries exports was not all that conclusive as to damage to the fisheries. I recommend that the hon. member read the published reports on this subject before he says that there will be substantial damage to fish in this case.

Mr. Harding: Mr. Chairman, I have one more question. The minister spoke earlier about the environmental

impact studies being carried out in connection with James Bay and, I presume, other projects. He indicated that this information is going to be available prior to the beginning of construction. This is the very point which our group and other environmentalists have been making. It is stupid to start on a project, spend tens of millions of dollars getting it ready and then finding out that an environmental impact study shows that immense damage is going to be done. At that time you are committed to the project.

The point that we are making is that these impact studies should be made first. They should be properly evaluated. The project can then proceed on the basis of the evaluation coming out of the study. With regard to James Bay and other projects, this procedure has been reversed. The cart has been put before the horse. After the Quebec government has spent tens of millions of dollars putting in roads, setting up base camps, building bridges over rivers and doing a variety of things, it is a *fait accompli*. The people of Quebec and Canada have taken another top-notch shellacking as far as the environment is concerned. This is why we are protesting and why we say the government has been negligent in not pushing this more effectively and vigorously.

Mr. Davis: Mr. Chairman, I can understand the hon. member's frustration. I notice that he is commenting on projects which are either largely or entirely within provincial jurisdiction. The James Bay project is novel to this extent; the Quebec government has asked the federal government to join in an environmental appraisal before the construction of dams begins. I urge him to apply the same criteria to the Churchill diversion in Manitoba.

• (1250)

[*Translation*]

Mr. Laprise: Mr. Chairman, I listened with great interest to the debate on the James Bay question which has been taking place for a few days, and I wonder whether this problem is put frankly. As a matter of fact, I doubt it.

According to questions which are asked and objections which are made to the government and to the minister, most hon. members seem to be opposed to the implementation of the James Bay hydro project. In a way, Mr. Speaker, I agree with the fact that this project may have been implemented 20 years too late but without any preparation, without any study. The minister and the federal government are in a bad position if they want to oppose the James Bay hydro project, on the strength of their authority under the Constitution, for this will immediately give rise to a war with Quebec separatists saying once more that the federal government is taking exception to the growth of the province of Quebec.

With the experience of other developments as important as the James Bay hydro project as well as the environmental damage and disorders of all kinds which resulted, whether we think of the Peace River hydro project or of similar developments in Asia or Africa, I do not think that we can do any better in Quebec than elsewhere.

Mr. Chairman, it is obvious—and I take as a basis some reports made by scientists—that these hydro projects will have serious effects not only in terms of climate but especially in terms of migration of fish, of birds and particularly, which is worse, of men, women and children who have been occupying these territories for generations.

In fact, work has not started yet but preparation has begun and Indians living in these areas have already felt some changes in their way of life. There are rightful complaints about the effects of that development for the power of those who need the power is known, these are the Americans. It is known that power generated in the James Bay area will be used to supply American plants.

Mr. Chairman, I was going to say that the Americans are financing these projects. Instead I should say that the Americans are lending money to the province of Quebec for the execution of these projects as a fairly high rate of interest so that there will be no profits from the sale of electricity by the province. Our natural resources will be sent out to a foreign country.

Mr. Fortin: And we are going to lose money.

Mr. Laprise: Perhaps we will lose out.

They had to honour an election promise made in 1970 and try to create those 100,000 jobs. There are many Quebecers involved. The only advantages resulting from the James Bay projects are jobs and high salaries, even though gangsters have taken over most of the administrative jobs.

Now, I wonder whether the federal government is in a position to interrupt this project or if the Quebec government should establish the extent of its usefulness.

It may be already too late to take adequate measures, but the Quebec people will bear judgment on the government that launched the James Bay hydroelectric project.

[*English*]

Mr. Peters: Despite my colleague's eagerness to go to lunch I should like to ask one other question. It relates to a totally different field. To what extent is the department involved in the development of sewage lagoons as a method of sewage treatment, especially in northern areas? What environmental studies have been undertaken in this connection?

I was interested to see that one of the government departments recently put out a statement to the effect that the evaporation factor in northern areas was something like 30 to 35 inches a year. This figure related to the mid-Canada corridor stretching from the constituency of my hon. friend from Skeena, to the Maritimes. Rainfall varies, of course, along this corridor but in my own area it amounts to some 37 inches a year which would leave an excess of some four to eight inches of liquid in the lagoons.

Has the department done any work in this field, or can the intention to clean up the Ottawa River system be regarded as just a smokescreen? In the area with which I am familiar the lagoons are flushed out every spring when the ice goes and the contents are discharged into the river. I should like to know whether in the discussions being held with the provinces the department is drawing attention to alternative types of sewage treatment which would supersede what is obviously an elementary expedi-

ent, and one which is not working successfully in many parts of the country. I have no doubt the system works adequately in the United States where the evaporation rate reaches 140 inches a year and rainfall amounts to 40 inches or so. Obviously, we are kidding ourselves if the federal government is advancing money to build additional lagoons in northern Ontario where they are frozen half the year and where evaporation amounts to less than the rainfall, particularly when we say we are trying to clean up local rivers as part of a total clean-up of the Ottawa River.

Mr. Chairman, the minister may wish to reply after lunch, so I will call it one o'clock.

At one o'clock the House took recess.

AFTER RECESS

The committee resumed at 2 p.m.

Mr. Peters: Mr. Chairman, before lunch I was talking about the effect of pollution in various areas and the methods used to fight it. I had said that in many parts of the mid-Canada corridor the weather conditions and rainfall are such that the outdoor lagoons used by some small communities are not effective for meeting the standards for which the minister is hoping. I suggested that a number of communities in northern Ontario were of absolute necessity dumping sewage into these lagoons, but the amount of rainfall and lack of evaporation meant that in the spring much of the effluent in the lagoons ran in an untreated condition into watercourses. The question I was asking was whether this matter had been considered by the minister's department and any recommendations had been made. The situation is similar to that in the United States, particularly in the southern states, where conditions are considerably different from those in our area.

Last week I was in Timmins where they have installed a new lagoon close to a housing development. Although these lagoons are not supposed to smell, the stench of this lagoon was so bad that some people in the housing development were considering moving. Obviously, that particular lagoon is not functioning in the way expected, and I suspect that the discharge from that lagoon is not such that should be dumped into watercourses. I should like to ask the minister whether he has considered the matter, whether studies are being carried out on the question, and what recommendations he is making to the provinces with regard to developing as an alternative low-cost treatment plants for small communities in areas where lagoons are not functioning well.

Mr. Davis: As the hon. member says, there is a problem about treatment of lagoons in northern communities. The department is looking into this. I do not have the details on hand, but I will make sure that they are made available to the hon. member.

The Assistant Deputy Chairman: Does that complete consideration of the items under the Department of the Environment?

Some hon. Members: Agreed.

Supply

The Assistant Deputy Chairman: The committee will now consider item 5a of the Department of External Affairs.

Mr. Howard: Mr. Chairman, when the estimates were before the miscellaneous estimates committee no indication was given of the purpose of this item. One or two paragraphs appeared in the proceedings of the committee just to show that the item had carried, without anybody knowing what the amount of $490,500 was for. I wonder whether we could now discover that.

Mr. Lang: Mr. Chairman, in the absence of the Secretary of State for External Affairs—absent perhaps partly because it was the view that there would be no discussion of this item—I shall ask that a detailed explanation be given to the hon. member and to other interested hon. members by the parliamentary secretary.

• (1410)

Mr. Howard: I could obtain that information by phoning somebody. I suppose I could obtain it more quickly in that way which might satisfy me.

The Assistant Deputy Chairman: Is the hon. member rising for the purpose of answering a question.

Mr. De Bané: Yes, Mr. Chairman. First I wish to apologize for being late. The expenditure of $490,500 is for the purpose of opening offices in Atlanta, Budapest and Lusaka which is in Zambia. In the case of Atlanta, the amount is to be $115,000. In the case of Budapest, the figure is $60,500 and in the case of Lusaka $315,000, for a total of $490,500. Those are capital expenditures and are not in respect of operations or other matters.

Mr. Howard: Fine. Presumably we are building something. From what I can gather from the estimates some of this expenditure would be for the construction and acquisition of land, buildings and equipment. Some of it would be for the acquisition of major equipment.

If I have the correct figure here, it would seem that out of the total of $490,500 an amount of $300,000 would be for the construction and acquisition of machinery and equipment. I can understand that we would be constructing buildings and this sort of thing, but I wonder what we are doing in respect of machinery and equipment.

Mr. De Bané: I hope to be able to have the precise information for the hon. member in a very short time in respect of that question.

Mr. Howard: Probably by not paying as much attention to the Department of External Affairs as we should, unfortunately we seem to have a tendency, as was evident in the committee and elsewhere, to think that the Department of External Affairs is a structure which should not be subjected to any questions about what it does. It operates at a level which is presumed to be helpful and beneficial. I think that, as a result, very little attention is being paid to what the Department of External Affairs does, on what it spends its money and the like.

There would seem to be a fantastic amount of waste involved in the Department of External Affairs—probably

as much as in any other department—because it operates to a large extent outside of Canada where people cannot see what it is doing. There is a lot of fat in some of the expenditures which do not provide any great benefit to Canada, even in a diplomatic way. When I recall my visit to the United Nations some eight or 10 years ago and saw the offices and the staff which operated there in support of our delegations and groups at the United Nations, and then recall my return visit there recently I was amazed to see the tremendous growth which had taken place in that operation. It seemed to me that the people who were there were more interested in providing good conditions for themselves in respect of office space, conference rooms and so on than they were in respect of what they were trying to do in terms of representing Canada.

Too often we find government departments operating in this manner. In this respect I think probably the Department of External Affairs is the worst offender, probably as a result of being run by people who have no relationship whatever to everyday life in Canada. They do not concern themselves about the workers, the farmers and the majority of the people but are merely intent on living the easiest possible life they can and doing the least amount of work. This expenditure has been explained briefly, but I think that if the people who are acquiring these buildings, equipment and staff wanted to do so they could save money for the Canadian taxpayer. I am sure they could save half the expenditure in this item. Many people in this nation are getting fed up with the growth of the bureaucracy in the federal government and the squandering and waste of money without any real benefit accruing to the people of Canada. The Department of External Affairs is the worst offender of any I know.

Probably the Department of Industry, Trade and Commerce runs a pretty close second in this regard. If that is the case, it is because the industry section was set up by a Liberal government specifically for the purpose of finding a Cabinet seat for one of the ministers who is sitting in the front bench now. They set up the department of industry specifically for the gentleman who presently is the President of the Treasury Board. Later, the government put the department of industry in with the department of trade and commerce and created the Department of Industry, Trade and Commerce. There is a lot of duplication involved in this. However, that is a matter with which we can deal later. Knowing the way buildings are constructed, and knowing that if someone representing the taxpayers of this country said to these fat cats it was about time they started justifying their existence, I believe if they sharpened their pencils a little these buildings could be acquired for half the cost shown here.

In order to try to instill in this group some sense of responsibility to the Canadian taxpayer, I intend to move a motion which would have the effect of cutting this amount of money in half. If we must have these facilities and buildings in Budapest, Atlanta and Lusaka I would like to see this accomplished a lot more cheaply than is planned here. Accordingly, I move:

That the schedule be amended by reducing the amount set out in Vote 5a of the Department of External Affairs to $242,250.

[Mr. Howard.]

Mr. De Bané: Mr. Chairman, I should just like to say that in a few moments I will have the details concerning these expenditures for which the hon. member has asked.

Mr. Howard: That is what you said before.

• (1420)

Mr. Peters: Mr. Chairman, I am in agreement with the reduction in this item. When I look at the main estimates I find that we have in the capital budget in relation to Brazilia $2,200,000 which we previously estimated to which is now added $1,620,000. We are going to spend another $4,230,000 for the construction of a chancellery residence and staff accommodation in Islamabad, Pakistan. We have already spent around $8 million there, which is probably about one third of the budget of that country. In New Delhi we have spent, in the second stage of the current estimate, a total of $1,300,000. The previous estimate was $1,400,000. That involves the war. Everything is cheaper there now. In Dakar, Senegal we are putting in $285,000 for a chancellery. I suppose that this goes with our religious attachment to these places. Now we have Atlanta, Budapest and Lusaka added to this list.

I believe, as does the hon. member, that we should also be giving some consideration to the expenditure on the monument which was built down the street. I suppose this monument is worth $20 million and to staff it will probably cost another $20 million. The hon. member for Assiniboia has been asking some questions regarding the salaries. It is my guess that the salaries of Members of Parliament will look very small in relation to the salaries of the staff of the chancelleries which we are going to build as well as the salaries of those in the other buildings which we are putting up in these countries. Almost every one of them will have four or five people to staff them.

A few years ago I had some experience in a hospital in a country in Africa. I became part of the native population there for a three week period. Of course, there was no official from the Department of External Affairs coming to visit me, but a representative of Mau Mau came to vist me, as well as some other people. I found that the sole function of our senior staff representative in that area in eastern Africa was to keep whisky, and all the delegates who were there were very unhappy because she would not allow us to buy any of the whisky at embassy prices, as is done everywhere else. She was in another country and they kept the whisky and would not give it out. Maybe that was judicious of her, maybe it would not have been wise for her to do so, but the booze was very cheap in that country. They made it for the natives and allowed us to buy it at the same price. Her main function was to be keeper of whisky. She was responsible for three embassies, and I suppose we have buildings for them.

I have looked into our main estimates to find out what our embassies are doing. They are supposed to help Canadians. Help Canadians be damned. They do not help Canadians at all, in any shape or form. In most cases they do not even help delegations which go there unless a minister is attached to them. I remember attending one particular conference where we finally told the ambassador—and he is one of the long haired ambassadors who has been there a long time—that if he did not supply us with a car, we would confiscate one. Finally, he supplied

us with a car under great duress. That was his contribution to that conference, which was an international conference for which we paid a large sum of money. The Canadian delegation did not make much of a contribution, but we did pay more than our share for that conference. The ambassador's contribution was one small party at which a number of us ended up dancing on a table. He finally gave us each a bottle of booze and asked us to leave, which we did. I have not found him to be of any help.

I think that most Canadians, including me, do not know where those countries are in which we are going to spend $115 million. If it is Georgia, O.K., but I am not sure that we should start dealing with the state government of Georgia. If we have done that, then perhaps we have recognized the state of Georgia. How about Alabama? Have we recognized Alabama yet? Has George Wallace been elevated to head of the state, and do we intend to put some money there? I have heard of Budapest—it is very reasonable over there. We are only going to spend some $60,500. In Lusaka we are going to spend $315,000. I do not know where that is either, Mr. Chairman. Probably it did not exist when I went to school; neither did Brazilia, but I know where that is. I do not know whether this town in Pakistan still exists after the war they had out there. New Delhi, everybody knows where that is.

I am suggesting that my knowledge of geography is not any worse because of my age than other people's knowledge of that subject. There are many people who do not know where those places are, and we are spending a lot of money putting up buildings in those places. It is my suggestion that we should do as we have done in many other countries with which we have established relations, namely, rent accommodation in these areas. I think it is rather ludicrous for us to be spending such large amounts of money on putting up buildings and facilities of the kind mentioned here. I have no objection to the Secretary of State for External Affairs suggesting that we spend money on an agency which is established to help some country. I have no objection when in my locality the principal of one of the schools goes to Africa and establishes a school over there. I have no objection when I hear of him going to South America and establishing a school there. Such projects are worthwhile, Mr. Chairman, but I wonder if Canada is not deluding itself and deluding Canadians into thinking we have reached the scale of countries such as Britain or the United States and a couple of other old super powers which have to have large buildings of their own flying their own flag in a country which needs their help.

My experience in external affairs is limited. It is probable that I have not taken as many trips as I should have. Perhaps I have not been allowed to do so by some of my confreres. In any case, it seems to me that our committee is failing totally in trying to approve such expenditures. We have on our committees in many cases people who know the countries which I have mentioned, and who have spent some time living there. It surprises me that they have not asked more questions about such a large expenditure as half a million dollars. Obviously, they all know where those places are and why we should have some representation there. They are familiar with these situations, but I and the general Canadian public are not. This is certainly a place where we could cut off an awful lot of fat.

• (1430)

In closing, Mr. Chairman, I was interested to read in the newspaper yesterday that a former minister of this House, who in my opinion was a very competent minister of trade and commerce, said that unless he could get some kind of arrangement with his former colleagues in the cabinet, he personally would set up a consortium that would trade with other countries across the word. He would set up a trading agency on behalf of entrepreneurs in this country and conduct business with traders in other countries. The minister should be asked what he anticipates such an agency would be doing. Are we helping peoples poorer than we are by establishing large diplomatic buildings in their countries? What is the purpose of the expenditures we make?

Many hon. members who have attended meetings of the United Nations realize we are not the powerful country that we sometimes think we are. The simple reason for that is that we have not given leadership to the third power nations due to our close association with our great neighbour to the south, that great neighbour who sometimes dominates us. We have not given leadership to the South American countries. We have not given leadership to the Asiatic countries. Yet we seek to impress the Canadian public that we are doing a wonderful job by the establishment of huge monuments in those countries. We are spending a fantastic amount of money on such projects. It seems to me that all we are doing is providing a lot of salaries for a lot of people. I think that an appointment to one of these overseas posts would even be a softer job than an appointment to the other place, provided I did not have weak kidneys and was not susceptible to cirrhosis of the liver.

We have a contribution to make to countries across the world. We have an obligation to participate, but I would like to know if Zambia, for instance, is going to build similar kinds of facilities in our country as we are building in Lusaka. I would like to know if India is going to build the same kind of facilities in Canada that we are putting up in New Delhi. Will Pakistan do so? In my opinion these countries will not do that. I live on the street where most of those countries have their embassies in Ottawa. That is where they conduct their business, and where occasionally they get blown up. I would like the minister to explain why we should put on this kind of face across the world, without showing some accomplishment for the Canadian people, or some accomplishment for the people we are supposed to be helping. I have looked over the list of overseas investments and foreign aid contributions that we make. I am proud of those contributions. For a country our size we have done an excellent job, but I do not think the capital expenditures that we put into palatial edifices in other countries do anything for the Canadian people or for the interests of Canada. If Canadians knew about this they would be opposed to it.

The Assistant Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Howard) negatived: Yeas, 6; nays, 72.

The Assistant Deputy Chairman: We will now proceed to the consideration of item No. 1a, Department of Finance.

Mr. Howard: Mr. Chairman, I did not realize that we had left External Affairs. I wonder if I can now be given the information that the parliamentary secretary was going to give us previously, but which he did not give us.

The Assistant Deputy Chairman: Order. If I understand the situation correctly, we are still on External Affairs. I recognize the Parliamentary Secretary to the Secretary of State for External Affairs.

Mr. Howard: Mr. Chairman, I had not really completed what I started to say. I repeat that the information was not given previously, and now I cast an eye of suspicion on those righteous hon. gentlemen to my right who are bent on squandering all the money they can without thinking of the Canadian taxpayer.

Mr. De Bané: Under heading No. 8, Mr. Chairman, the sum of $190,000 is for the purchase and acquisition of four residences in Lusaka. Under heading No. 9, $300,000, that amount can be broken into three, of which $125,000 is for the purchase of furniture and furnishings for the chancellory, the official residence and staff quarters in Lusaka; another amount of $115,000 is for the purchase of furniture, furnishings and appliances for the chancellery, the official residence and the staff quarters, and two vehicles in Atlanta; a third amount of $60,500 is for the purchase of furniture and furnishings for the chancellery and staff quarters, and one vehicle in the city of Budapest.

Mr. Benjamin: Could the minister explain why we need an office in Atlanta?

• (1440)

Mr. Sharp: If I may be permitted to answer some of the questions that were asked by the hon. gentleman who has just spoken, Mr. Chairman, I will begin by saying that the offices in Lusaka are being opened for reasons that will commend themselves to members of his party, particularly the hon. member for Greenwood who has been urging the government for a very long time to establish a High Commissioner's office there. Lusaka is the capital of a country, which I am sure he would want to support, which is beleaguered by South Africa, Rhodesia and other countries with whose racial policies we do not have very much sympathy. This is the fundamental reason and one which I know will commend itself to hon. members of his party.

On Budapest, we have also been urged from both sides of the House that we should not be governed by ideological considerations when establishing our embassies around the world, and that we should be opening offices in eastern European countries even though their ideologies do not agree with ours. I am sure that is a view that would commend itself to the hon. member and his party.

As for Atlanta, I am sure the Minister of Industry, Trade and Commerce will support me in saying that this is in the centre of an area with which we are doing

[The Assistant Deputy Chairman.]

increased business and it is necessary for us to be able to service it.

Mr. Peters: Mr. Chairman, I appreciate the statement from the Secretary of State for External Affairs, but I do not entirely accept his reasons why we should support this item. I am not interested in the arguments about whether this one is a good one or that one is a good one; my main argument was that the minister himself mentioned Zanzibar—

Mr. Sharp: Zambia.

Mr. Peters: One country is the same as another to me. I have no objection to that, Mr. Chairman; most Canadians do not know where these countries are because they keep changing their names. The point I was trying to make to the minister was that it might be to our advantage to do what other countries are doing in Canada and that is to rent the premises. This gives some flexibility in where the representatives can be located. I am thinking particularly of the representation that is being made by many of the attachés that are in Montreal, Toronto, Vancouver and other locations. Their purpose in being there is to do business with that particular area.

In many of these establishments abroad we are talking about diplomatic establishments of a permanent nature. It seems to me that to have one in each of these countries is a luxury that most Canadians would not necessarily support. Whether we have representation there or not is a different story. We are making capital expenditures, we are building buildings and to my knowledge this is not the normal procedure for countries dealing with Canada. Many of them are operating from rented residences in Ottawa. There are some permanent ones like the French Embassy, the British High Commission and the Russian Embassy, but I do not know of any others in that category. This is why I make the suggestion that we should be considering different methods than capital expenditures in these countries.

Mr. Sharp: As my parliamentary secretary has said, the only place that we are buying a residence is in Lusaka. If my hon. friend had been there he would know it is not a place where we can rent any suitable accommodation. It is a rapidly growing small town and it is necessary for us to buy a residence. It has been our experience over the years that it is cheaper to buy than to rent if we intend to be there permanently. In the city of Ottawa, the rule is to own the premises rather than to rent because our friends from other countries have found it cheaper to buy than to pay rapidly increasing rent for this kind of accommodation.

The Assistant Deputy Chairman: Is consideration of Vote 5a completed?

Some hon. Members: Agreed.

The Assistant Deputy Chairman: If so, we will now proceed to Vote 1a, the Finance Department.

Some hon. Members: Agreed.

Mr. Korchinski: Mr. Chairman—

The Assistant Deputy Chairman: Is the hon. member for Mackenzie rising on a point of order?

Mr. Korchinski: No, Mr. Chairman, I just want you to repeat that. I do not have it at this particular time.

The Assistant Deputy Chairman: I will repeat, we are now on Vote 1a, the Finance Department. We are proceeding now to Vote 5a—that is finished. Now, we are going on to item 30a, Industry, Trade and Commerce.

Some hon. Members: Carried.

Mr. Knight: No.

The Assistant Deputy Chairman: The hon. member for Assiniboia.

Mr. Knight: I hope, Mr. Chairman, that we have now hit the estimates related to the funding of the building of hopper cars, an amount in the neighbourhood of some $48 million less $7,700,000. This issue arose last spring as a result of the impending general election when the minister, hopeful of gaining some support in the west, decided that he ought to go out with a program to build some 2,000 hopper cars to carry grain. It was suggested, sometimes by farm organizations and sometimes by members, that although the need for rolling stock to keep the grain moving to market was realized, it was opportunistic of the federal government to buy the rolling stock and supply it to the railroads when it was the duty of the railroads, under the Railway Act, to supply the rolling stock.

If this gesture were followed further, the government could move into the business of supplying hopper cars to move potash out of Saskatchewan or lumber chips from the northern part of British Columbia or to move goods anywhere in Canada. We could get into the business of supplying the railways with rolling stock. With $48 million, we bought 2,000 hopper cars to roll on the tracks in western Canada. The question that arises now is how long will the government pursue the policy of having the people of Canada serve the railways? When will the railways be put in the position of serving the people of Canada? That is the fundamental question. The minister can have the grain councils and his other representatives, but the fundamental thing is that when he goes out of his way to buy 2,000 hopper cars and supply them to the railroads, the government is failing to make the railroads live up to their responsibilities. They must serve the farmers of the west, whether in the riding of Assiniboia, Regina-Lake Centre or Saskatoon-Humboldt. It was learned that in those parts of the west where the 2,000 hopper cars are to operate, 50 per cent of the track will not carry them. They cannot be used. What a reflection that is on the railway system of this country. Fifty per cent of track in western Canada cannot be used. I suggest that in Saskatchewan the figure is a great deal higher. In that province, it will be difficult to use hopper cars for the carrying of grain.

• (1450)

The other night we heard the minister in charge of the Wheat Board and the hon. member for Qu'Appelle-Moose Mountain arguing about policy. It was an excellent debate, each member being right about the policies of the other. What has happened with respect to hopper cars is a prime example of what hon. members were talking about. The central government has developed a special relationship with the railroads. When they run into trouble, the government bails them out, mostly with grants of money. When the minister in charge of the Wheat Board was asked what he would do about the question of hopper cars, he suggested he would leave the matter in the hands of the railroads.

There is no clearcut agreement between the Canadian Wheat Board and the railroads with regard to paying for the cost of operation of those 2,000 hopper cars. There is no kind of maintenance agreement and we do not really know who will pay for the maintenance. I suspect we shall learn, when we get all the facts, that the Canadian Wheat Board and therefore the farmers of western Canada, will pay for the cost of operating those 2,000 hopper cars. It doesn't matter whether the Grits or the Tories are in charge of the railways of this country, whether the hon. member for Vegreville is the minister of transport, or the present minister, whose constituency I forget. It would not make a tinker's damn of difference, as there is no agreement. Oh yes, there was an initial agreement to allow the railroads to use the cars. That makes sense. When you buy 2,000 hopper cars and present them to the railroads, it makes sense to use them. The railroads are using them. Who knows how much the railroads are making out of the business. Who knows what the Wheat Board will have to pay and, therefore, indirectly the western producer.

When it was pointed out that 50 per cent of the track in western Canada cannot carry the hopper cars, the minister said we will tell the railroads that they must improve those lines in order to use the hopper cars. The minister knows as well as I do that the state of the track gives the railroads a perfectly legitimate excuse to do what they intend to do in 1975, namely, abandon certain rail lines. They intend to abandon them and say that certain railway lines are not up to par and cannot be used for moving grain. This merely presents the railroads with a good excuse for abandoning lines. In Assiniboia constituency there are 1,170 miles of track. Of that total, 605 miles, used for carrying 22.5 million bushels of wheat will be abandoned by 1975 unless the government proposes an alternative policy. Mr. Chairman, in 1975 the moratorium on rail line abandonment in western Canada will be lifted by the Canadian Transport Commission.

During the election campaign, the former minister of finance was made the head of the Canadian Transport Commission. That really cheered us up in western Canada. The Conservatives, during the election campaign, wanted the head of the Canadian Transport Commission to be fired. That is a good idea, but it really does not matter because if the Tories were in power they would, after firing the present chairman of the Canadian Transport Commission, instal in his place the president of the CPR; there would be no difference in policy. So, in 1975 some of the recommendations of the McPherson Commission, which was set up by the Tory government, will be carried out either by a Grit government or a Tory government, unless we once again operate in a House of minorities. Barring that possibility, 605 miles of track in Assiniboia will be abandoned. The elevator capacity on

those lines is in the neighbourhood of 11.7 million bushels of grain.

I listened to members of the Tory party speaking in this committee on the agriculture estimates. They mentioned transportation. I know some of them belong to a particular type of organization that talks of abandoning 30, 40 or 50 country elevators in any given area. I also know that in Assiniboia constituency during the election the Conservative candidate said, "We will not abandon any of your rail lines. We will not permit the 5,100 farmers served by branch lines in Assiniboia to be left without rail service." That candidate and others suggested that the government should build 18 inland terminals and close certain country elevators. Farmers in western Canada can put two and two together. They should realize that the Tory party and some of the members who support it, particularly in Saskatchewan, want nothing more than the wholesale abandonment of those lines. That policy is not different from the one followed by this government in railine abandonment. Let the hon. member for Vegreville not doubt that the Tory government would abandon those lines. We have listened to his party spokesmen and know what they recommend in Saskatchewan in terms of rail line abandonment.

I could educate members from British Columbia as to why some of us in the west do not vote for the Tory party.

Mr. Mazankowski: You are fighting for your political life, and you know it.

Mr. Knight: Mr. Chairman, when I ran in the byelection they said I was fighting for my political life, that the Tories or Grits would get me, but I took care of them. In the general election I was also told that the Tories or Grits would get me, I was too young; yet here I am. I took care of them. I tell my hon. friend that in the next general election, in Assiniboia, or whatever the name of the riding may be, Bill Knight—

Some hon. Members: Oh, oh!

An hon. Member: Let's talk about hopper cars.

The Assistant Deputy Chairman: Order, please. The hon. member knows the rules. He should refer to the item before us.

Mr. Knight: Mr. Chairman, I wanted members of the committee to know of the difficulties they will encounter in presenting certain policies on transportation to the producers of Assiniboia. Those policies with respect to transport interest all the producers of western Canada. I think I have made my point.

In Assiniboia an experiment in trucking grain was undertaken. Frankly, it was a good experiment. After cleaning some barley, it was trucked from inland terminals right through to Vancouver. I say to those who feel that it would be better to truck grain to large terminals, then load it unto unit trains and move it to the coast after it has been screened, that we have not been given a detailed cost study of such a project. All we were told, Mr. Chairman, was that this process was costing the farmer more than if he were using the railways and country elevators. I do not think that is good enough. I think the minister in charge of the Wheat Board and those members of that "think tank", the Canada Grains Council, should appear before the Committee on Agriculture and explain to western producers or their representatives what exactly are the cost factors involved in the running of the system. What are the cost factors in using trucks, in using hopper cars and in using unit trains to run to the west coast. I do not think we have been given an adequate explanation.

• (1500)

An inland terminal using a trucking method can be used along with hopper cars and unit trains. This might save producers money and increase the efficiency of moving grain. There is certainly some room to allow for the movement of a top grade of wheat. The sorry situation dealing with this estimate on hopper cars points out the bankruptcy of the national government, regardless of which old-line party is in power, in terms of producing a transportation policy for the producers of western Canada and, in fact, people in all of Canada.

Mr. Nielsen: Vote against the item.

Mr. Knight: It is no solution to merely offer much needed hopper cars. That is a piecemeal solution. It is another subsidy. Once a year we give the CNR a subsidy. Last year we gave both the CNR and CPR a subsidy by supplying them with cars. This points out that there is no national direction in the area of transportation.

The Speech from the Throne set out that there will be a meeting in western Canada to discuss our transportation problems. The Minister of Regional Economic Expansion forgets that when he was Minister of Transport not once did he speak of equalizing freight rates in this country so that those in the west could develop secondary manufacturing industry. Not once did he mention an equalization of the freight rate structure.

What we need is a federal government that will tackle the railways in relation to providing service to the producers. We need a railroad commitment of providing rolling stock, not a government that bails them out when the going gets rough, gives them 2,000 hopper cars and still allows them to lease cars to the United States. The government allows the railways to use Canadian cars to haul American grain over Canadian rail lines to American ports to go to American customers. They do not even know about it, much less care. You cannot build a national transportation policy by adhering to the idea that in order to save yourself in a general election you should supply 2,000 hopper cars to western Canada.

What we need is to attack the problem of upgrading the track and the elevator system. There is no question that between Weyburn and Yellow Grass there are about four elevators within sight of each other. There is no argument there. Where the argument comes is in an over-all program such as in a task force report or the report coming out of this "think tank" called the Canada Grains Council, or the Canada Grains Group which came up with the idea of banning them and not keeping up the track. That is where the area of massive transportation in western Canada falls down. With the removal of the pools from the Canada Grains Council as well the National Farmers'

Union, it might as well fold up its tent and go home: the Canada Grains Council might as well shut down because it will be representing only a very limited group in our society. They certainly represent the private interest.

I congratulate the hon. member for Churchill for raising the subject of the port of Churchill, something which is dear to my heart. I have never seen a port which has been more discriminated against or more ignored. It is absolutely incredible. The Dalglish Shipping Company, one of the major shippers in and out of that port, stated it would no longer go into the port at a certain time in the fall because it was not kept up to date. Eventually we will be faced with the situation where no one will use the port of Churchill as an alternate route for moving grain out of western Canada.

We must also develop a second route through the Canadian rockies. Last winter the mountain route was plugged and the grain was not being moved. At that time the minister in charge of the Wheat Board came up with the fantastic idea—

Mr. Mazankowski: How about the unions?

Mr. Knight: I will get to that. My colleagues will enjoy that. The minister in charge of the Wheat Board suddenly went to Vancouver and made a great to-do while standing in front of one of the terminals. Who did he take along with him? Almost all the Liberal candidates in the province of Saskatchewan. I do not know how they got there or back.

Mr. Nielsen: In a hopper car.

Mr. Knight: They were all there. They sent home pictures. I want to say to them that they did not learn very much about the blockage of the movement of grain in the mountains by flying over them. Two and a half weeks later I tried another method. I rode through those mountains on a passenger train. I could see what was blocking the movement of grain; it was large boulders.

Mr. Lang: Did you take along a shovel?

Mr. Knight: I should have taken along a shovel. I could have done more good than the minister in charge of the Wheat Board.

Mr. Lang: You could use a shovel right now.

Mr. Knight: Sooner or later an alternate route through the Rocky Mountains must be developed. This is fundamental to the movement of western grain. This brings me back to my first point. We in western Canada have suffered under two gentlemen who have been in charge of our most basic product, wheat. Each tries to collect the little bouquet of salesman of the year. One got a group in Regina to name him. I am referring to the hon. member for Qu'Appelle-Moose Mountain and the minister from Saskatoon-Humboldt. They beat their chests and make great pronouncements.

An hon. Member: The crown prices.

Mr. Knight: It is the crown price against the old wheat king. They beat their chests and cry aloud, "We sell the wheat." Well, we do not care who sells the wheat. We appreciate the fact wheat is sold, but I say to both these gentlemen from the old-line parties that this solution is not good enough.

The minister in charge of the Wheat Board in this House of Commons told the farmers to diversify and not just grow wheat. When you look at the estimates, you find that the grassland incentive program to get farmers out of growing what—I think the hon. member for Swift Current-Maple Creek will be interested in this—will have only $4 million in the fund by 1974. The minister says he helped the farmers to diversify. He and his good friend, who used to be the premier of Saskatchewan and whose name I will not mention—

The Chairman: Order, please. The time allotted to the hon. member has expired. He may continue only with the unanimous consent of the committee. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Nielsen: Mr. Chairman, I rise on a point of order. We made the offer at the outset—

The Chairman: There is not unanimous consent within the committee.

• (1510)

Mr. Nielsen: Will Your Honour hear my point of order? At the outset of the day's business we made an offer to complete this bill in all its stages by three o'clock. This being so, and it appearing that the NDP is filibustering, we feel we cannot give unanimous consent.

Mr. Knight: On the point of order, I find it incredible that the hon. member for Yukon should take the line he does. I suggest it is out of order to imply that one group or another is filibustering. I want him to know that rural transportation in the constituency of Assiniboia is a very important subject no matter what the official spokesman for the Conservative party may think.

The Chairman: Order, please. My suspicions were perfectly right; I should have proceeded at once to recognize the hon. member for Mackenzie. I now do so.

Mr. Korchinski: I do not know what the official spokesman, or whatever he may be, is thinking in his own mind but I do have a few comments to make without conferring with him. Nor do I rise at the prompting of the hon. member for Assiniboia, though I do think some of the observations he made should be answered and that the opportunity should be taken to acquaint hon. members opposite with other circumstances which arise.

This having been said, I believe the hon. member should be fair and acknowledge that the minister who authorized the ordering of the boxcars did so with more than just politics in mind. I think he really was concerned about putting some of these railway lines into efficient operation. The trouble is, he was putting a lot of the other rural lines out of operation at the same time.

If the minister tells us that the railways will be persuaded to improve their lines, I am not going to believe him. It is true the railways have been given a $40 million grant by way of boxcars, but can anyone imagine them rushing to spend two or three million dollars on rights of way? They will obviously not be much impressed by the type of argument which the minister uses. They will take no action.

What will the railways do? They will simply close off those rural lines as soon as possible. They have already given an indication of the branches they intend to close. It is not a secret. The minister knows this. Can he tell us, for example, of any lines which the railways have stated they intend to improve? Not one. They will improve none of these lines. What the Minister of Justice may tell us in the House of Commons is beside the point. No extra money will be put in either before or after 1975. The fact has to be accepted that the lines will be maintained until 1975. I had a very interesting experience in connection with the Chelan line. I had to challenge the president of the Canadian National, Mr. McMillan, on that particular point in order to get a bridge rebuilt.

Does the minister think the government will be able to convince the companies to rebuild the rights of way, putting in more ballast or whatever is necessary throughout the whole of the system in this area? I come from an old railway family. My father worked hard on the railway and I grew up to understand the railway business. I appreciate the difficulties the companies have experienced. But I say the minister's assurance that the railways will change their attitude is not worth a pinch of salt. Why should they suddenly reverse the position they took five years ago when they prepared documents for the Transport Commission specifying the lines they wanted to close? Nothing the government has presented to them will change their minds. The provincial governments have done nothing except document the fact that their action will cost the farmers more money.

The Minister of Justice, who speaks for the Wheat Board, has had to account for the $40 million expenditure on boxcars. Originally he said it was $48 million, and that is the figure that registers in the mind of the public. Now he says it is $40 million. So he has done a heck of a lot for them. But what has he really done? He is speeding up the closure of the lines which are not able to accept those cars.

There is no way in which the minister can bring pressure to bear upon his colleague, the Minister of Transport. Witness what happened yesterday. The Minister of Agriculture did not appear before the committee in defence of farmers. He gave an explanation to justify his absence. But the whole cabinet, 23 or 26 members, put pressure on the Minister of Agriculture and he could not be present to accept the fact that farmers need an increase in some of the prices they have been getting. In the last few days the Minister of Agriculture has been subjected to pressure from other members of the cabinet, including the Minister of Justice, the minister from Saskatchewan.

An hon. Member: You don't know what you are talking about.

[Mr. Korchinski.]

Mr. Korchinski: I am sorry to say so, but what I have said is the situation. Can the government tell us that up to this point they have initiated talks on this question or made a written request to the railway companies? If they have not, the closure of these lines will take place in 1975.

• (1520)

Although I think this whole thing was started by a group of people who felt it was necessary, the government has the final decision. It is the government in power which has the right to stop this closure in its tracks. I cannot simplify it for hon. members any more than that. The fact is that we must keep these railways in operation. I suggest there is only one thing for the minister in charge of the Wheat Board to do, and that is to divert these cars from the main line to the other lines.

Mr. Lang: Nonsense.

Mr. Korchinski: The minister has done nothing like that, and he now admits it.

Mr. Lang: No, I did not. I said "Nonsense."

Mr. Korchinski: If the minister says it is nonsense, I will accept his word for it. Nonsense is nonsense if it comes from the Minister of Justice. The minister will admit that he has no jurisdiction over the railways or over the Minister of Transport. Is the minister going to bring pressure on the Minister of Transport to use heavier steel for these lines? I have a close connection with the railways because my father was a rail line maintenance man, and I know that if the Minister of Justice cannot get the Minister of Transport to use heavier rails we are going to be stuck with smaller cars, which in turn will mean less movement of freight.

A few years ago the Minister of Justice made a speech in which he said there would be only five or six terminal points across Canada. The minister must explain—

Mr. Lang: A point of order, Mr. Chairman.

The Chairman: Order. The Minister of Justice is rising on a point of order.

Mr. Lang: I regret to interrupt the hon. member, but I know there is a tendency, not only on the hon. member's part but also on the part of his colleagues, to suggest that if I sit silent I approve of what is said. Therefore I must make the point that at no time have I favoured a system that would use a small number of inland terminals. The suggestion has been made along that line by some people, and it is one of the proposals studied in the grain handling and transportation report, but I have personally never advocated at any time that particular configuration.

The Chairman: That is not a point of order but a matter for debate. The minister can make his contribution in the regular way. I recognize the hon. member for Mackenzie.

Mr. Korchinski: I accept the minister's comment, Mr. Chairman, but I assure the committee that the burden of our studies in the agricultural committee during the last few years has been to the effect that the minister did

make that speech and we used it as a reference point. We are not going to stray from our argument in that regard. If he wants to change his suggestion and make it 40 or 50 terminals, I accept it, but the minister did make a speech in which he guaranteed there would be something like 40 inland terminals—

Mr. Lang: Never.

Mr. Korchinski: That speech was made about five years ago. If that were the case, the railways would not be justified in using 60, 70, or 100-pound rails, or whatever the weight is, since the minister has indicated that certain lines are going to be closed. After all, the railways are not stupid; they will latch on to every bit of information they can get. They will not do any more than they have to. I remember at one point the railways had decided to build a bridge until it was discovered they had to maintain rail service at the same time. Although the government can put pressure on the railways to do something, it cannot guarantee it will be done.

We have seen closing of rail lines and of stations. Although the government has said it is going to put pressure on the railways, where is the estimate to indicate that this will be done or that any particular line will be improved? The people are being fooled; it is as simple as that. We are not being honest with the people and telling them what is going to happen. I am sure the railways will not be allowed to close down the line between Keewatin and Kenora, or the Tisdale to Reserve line. I should like the Minister of Transport or the Minister of Justice to tell the committee now how much money they are going to put up. I hear hon. members laughing, but if these closures happen in their areas they will not laugh so much.

Some hon. Members: Oh, oh!

• (1530)

Mr. Korchinski: You can hee-haw at this particular time—

An. hon. Member: Order.

Mr. Korchinski: —but I tell the committee that nowhere in western Canada is this matter being greeted with hee-haws. No Liberal who would go out there and read this speech which indicates that they hee-hawed. That would not endear them to the people there. I am not too concerned because I knew exactly what the reaction would be. The reaction is a natural one when you do not give the farmer an opportunity to reduce his costs of production or delivery costs.

The Chairman: Order. I regret to interrupt the hon. member, but the time allotted to him has expired. The point of order raised a moment ago, to the effect that members are asked to address the Chair, is a perfectly proper one. When one hears the word "you" being used, one expects that the words are being addressed to the Chair rather than to a member on the opposite side. Such a member should be referred to by constituency.

Mr. Stewart (Marquette): Mr. Speaker, I should like to make a few remarks on these estimates because the movement of grain is of great importance to western Canada. The future plans of the government and its transportation policies are being questioned by many people. Not only do they affect the largest industry on the prairies, agriculture, but they also affect the future of many rural communities.

Last year, when the government announced it intended to purchase 2,000 hopper cars to improve the movement of grain in the Prairies, there was a great fanfare from the government to the effect that this would be a major step in solving the grain handling problem in western Canada. We all know the problems Canada has faced in respect of moving grain to world markets in the last few years. Ships have been waiting for grain in Vancouver. Because of severe weather conditions, according to the government, we have seen grain move at a snail's pace to the west coast. All these delays were at great cost to the farmer and also affected our future export markets for grain.

It seems odd to me that the government waited until an election year to announce the purchase of these hopper cars when these problems had been facing us for many years. So far as I am concerned, this was just another smokescreen by this government to cover up its mismanagement of western agriculture. It sounded great in other areas of Canada that the government finally was assisting western farmers by an expenditure of $48 million. Did the farmers really benefit from the purchase of these hopper cars? I would question this and the farmers question it. I feel the greatest benefactors were the railway companies and the foundries in eastern Canada which built the hopper cars.

At the time the announcement of the purchase was made, we in the opposition asked the government how much trackage in western Canada would be capable of handling the hopper cars. The government said that we were just spreading gloom and that we should not worry. This year, when the minister responsible for the Canadian Wheat Board appeared before the committee on agriculture, he admitted that less than 50 per cent of the railway tracks in western Canada are capable of handling these hopper cars.

At the present time nothing concerns western farmers more than the question of rail line abandonment. This affects many communities in the Prairies. By its plan to purchase these hopper cars I say the government is merely accelerating its program of rail line abandonment which most farmers strongly oppose. We hope the minister will explain why this program is being accelerated. How can areas that are fighting rail line abandonment survive if the tracks are not capable of handling hopper cars? Why did the government not tell the CPR and the CNR that it would purchase these hopper cars provided they upgraded their roadbed and tracks so that the majority of areas would benefit from this mode of transportation? The railway companies have an obligation to the Canadian people: they are heavily subsidized by the taxpayers of Canada, yet in many areas they are not prepared to offer any kind of service.

We know that most branch lines are protected until 1975. Every year the railways accept a subsidy and at the same time decrease service on their branch lines knowing that after 1975 they will just close them down. They should be using these subsidies to upgrade their branch

lines, thus fulfilling their obligation to Canada. It is time the government took a strong stand with the railway companies. Instead, the government protects the railways. For a change, let us protect the farmers.

The railways are making a fool of the government. Every winter and spring they allow no traffic on many branch lines because in the winter they say snow creates problems and in the spring they say their roadbeds are too soft to stand traffic. Because of this, some lines are closed for four to six months of the year. Then they appear before the transport committee and say that their tonnage is away down on such a line and that it should be permanently closed. The railways cannot deny this. At the present time, in the riding of Marquette, this is the situation in respect of some lines. This winter, because of the light snowfall in Manitoba, snow is no problem; the roadbeds are frozen solid and can handle most trains. Yet we see no trains using these lines. The government should demand from the railways action in respect of these lines.

I have knowledge of cases where either the Manitoba pool or the United Grain Growers wish to improve present grain elevator facilities and even build new ones. However, construction is delayed for one of two reasons. Either the railways will not guarantee how long they will service the line, or the proposed cost of putting a spur line into the elevator is not realistic. This is just a charade on the part of the railways, and unfortunately the farmer is the loser.

During the last few years the government has given the impression that it wants only 50 delivery points for grain in all of western Canada. I maintain that the purchase of these hopper cars is only the first step in this program. The end result will be long hauls for many farmers. The government should announce its intentions. It should announce a program now, as we urged last session, under which farmers would be paid for storage of farm stored grain. Despite what some experts say, Canada must have large supplies of grain on hand if it is to survive in world markets.

The government should also announce a program to assist farmers who have extremely long hauls to elevators. In areas where there is good and sound justification for the closing of a delivery point—and these are few—farmers should be compensated if the result is that they will have to haul their grain great distances.

One fear expressed by many farmers about the purchase of hopper cars is, who will pay for the maintenance of these cars? Will it be the railways, or the government, or will this expense come out of the farmers' Wheat Board account? They also wonder whether the government has received any assurance that the railways will use these hopper cars for grain only, or whether they will be used for other commodities. It is my understanding that the CPR and CNR presently are wrecking 2,000 boxcars. What is the reason for this? Could these cars not be kept to meet any emergency movement of grain?

In closing, let me again tell the government that it is time it got tough with the CPR and the CNR. If the purchase of these hopper cars is to be truly effective, the railways must upgrade their present tracks so all areas of the west will benefit. For a change, the farmer rather than the railways should be protected.

[Mr. Stewart (Marquette).]

• (1540)

Mr. Lang: Mr. Chairman, I must deal with a number of issues which have been raised this afternoon. A number of the issues on the subject of hopper cars and the rail transportation system were gone over in the very lengthy debate we had on the first item in this schedule when members of the official opposition and members of the NDP spoke one after the other, presumably in competition for the filibustering role.

Mr. Stanfield: Do you want to get your estimates passed?

Mr. Lang: The question is, who pays the price? I see the Leader of the Opposition is trying to blackmail me by threatening not to pass the estimates, after two or three days' discussion by members of these two parties have come to naught. I do have to deal with some of the matters which have been raised. I would appreciate it if the Leader of the Opposition would not mind my attempting to deal with issues which are of key interest to prairie farmers, namely, the movement, handling and transportation of grain.

The item before us deals with the purchase of hopper cars. One or two hon. members, including the hon. member for Marquette who has just finished speaking, asked what benefit this has been to farmers. We have also been asked why this was not done earlier. I am not quite sure how they would like us to proceed on this matter. Should we not have done it at all, or should we have done it earlier? We have the dilemma that we must have been right or wrong or right too late. The interesting point, of course, which hon. members forget is that it was only when we had gone into the feed grain market in a big way—something that had never happened before—that we began to move volumes of grain which were likely to test the capacity of our delivery system in a regular fashion.

Hon. members may think that we should have a delivery system which is at all times ready to handle any volume of grain which we may have to move at any particular point in time. That is not sound economics, which I hope they will appreciate. You do not build a system to handle two billion bushels of grain if chances are that once in 150 years you might get to that kind of volume. You build for the realities, for the likelihoods.

We had a system which we were told could stretch itself and move 700 million bushels of export grain, and we stretched it to that limit. When we wanted to get exports up to 800 million bushels of grain, we ensured that additional facilities were there in order to move to that limit. We were getting to the point where I and the government could see that if the Wheat Board chose to move a particular volume of wheat and barley into market in the coming crop year, we might have some question about the ability of the existing system as it was operating to handle the grain. Notice those words: the existing system as it was operating and its ability to handle the grain.

The problem was that with the rail equipment in use, and with the turnaround formula for that equipment, there could be some finite limits put upon the volume of grain which could be handled, given the problems of

trying to move more in some months and less in other months which are natural to a selling and delivery system. We were told by the railroads that with their equipment and with the elevator system running on a five-day week in certain areas rather than on a seven-day week, the maximum of the handling and turnaround volume might be just above the 800 million bushel figure which we had achieved in the 1971-72 crop year.

This was true even after we had done a few things to improve the system. We put a block shipping system into effect which allowed for far faster use of equipment. We put a co-ordinating system into effect at the terminals, and a pooling of cars at the terminals, which allowed a far faster turnaround of equipment at that point. In every way we were getting the maximum use out of equipment. However, we were in a dilemma when we said to the railways that the Wheat Board might want to move so much wheat and barley so that along with the volume of other grains including rapeseed we may have the challenge of moving 900 or 950 million bushels, or even a billion bushels of grain in a crop year.

In such a case, what about the equipment to do it? We were talking to the railways in terms of our view that it is their basic obligation to have in place equipment to handle grain in an ordinary way; not necessarily to handle an extra 100 million bushels suddenly in a month or a week but their ability to do so in a regular way. The railroads did not deny, in this confrontation, that this was a basic obligation on their part. What they did say was that they had no natural obligation to have equipment to handle that grain from the elevators on a five-day week basis. If they had enough equipment so that if the elevators would operate on a seven-day week basis, they could easily handle it.

The dilemma is that in this particular area you do not have ordinary negotiations between the shipper of a product and the railways. As difficult as those negotiations may be at the best of times, you do not have ordinary kinds of negotiations between the two parties about the price at which they will handle the product and, therefore, the manner in which they will handle it, because there is the Crowsnest pass rate, a fixed rate at which grain is handled. Therefore agreement could not be achieved between the railways and the elevator companies.

It was not a case of the railways saying, "We will handle it at such and such a rate if you work on a seven-day week, and at a higher rate if you work on a five-day week." There was no such bargaining nor willingness on the part of elevator companies to accept the challenge of the railways. I asked the elevator companies to accept that challenge and to operate on a seven-day week and then tell the railways that they should handle the grain. It may be that we could have sorted out that question after a year or so of arguing, but I was not sure of it and I therefore asked my colleagues to provide money from the general revenue to put the hopper cars into place so we could be sure we would be able to move the grain which the Wheat Board may want to move.

The hon. member for Marquette said—completely erroneously; and he was wrong in a number of respects—that I said something before the committee. But I was not there at all. He also made reference to some comments which he and his colleagues, he suggested, had made a year or so ago when hopper cars were being bought. If he will check that, he will find that they did not say that either. It was well known to us that the existing rail lines could not, to a very large extent, carry the hopper cars. We were also aware of the fact that a significant number of the most important lines, those which carry the largest part of the grain, could in fact handle the hopper cars.

Hon. members seem to be aghast at the fact that the lines cannot carry the hopper cars. Again, what a strange mentality! They were surprised that we suddenly needed the hopper cars to start moving 900 million bushels of grain, when no one thought of more than 700 million or 800 million bushels of grain until two years ago. Now they somehow think that the lines should have been able to carry the hopper cars, when until that point no one had in fact thought in terms of running hopper cars over those lines.

Mr. Knight: Mr. Chairman, since the minister has pointed out to the committee that we are discussing a serious matter, would he like to fill us in with any information he may have that would be of service to those of us who have asked very serious questions related to this matter? Since he said that the hopper cars were there to facilitate the movement of up to 900 million bushels, I wonder whether he could give us an outline or table in the House an outline of when those cars came into operation at different intervals, and how much grain they have moved until now.

• (1550)

Mr. Lang: Mr. Chairman, I would be very glad to supply the information to the hon. member personally, or indeed to table it if that is his wish. There are now about 1,700 hopper cars in use. They are coming into use during the winter months, which is not the key period in terms of their operational use, but they are quite a help in getting grain to Vancouver, for instance, in a given time if difficulties arise there. So already they are acting as a reserve.

The real opportunity to prove themselves will come with the peak movement of grain in the summer months. I say again that if the Wheat Board chooses to sell that amount of grain that will require a peak movement, then we want to be in possession of a transportation system that will allow it to move all the grain necessary.

Mr. Korchinski: On another question—

Mr. Lang: I shall accept questions afterwards, if the hon. member doesn't mind. Hon. members expressed surprise that some lines could not carry the hopper cars. We have had discussions with the Wheat Board and the railways about putting the hopper cars on lines which can easily carry them and have the cars turned around as quickly as possible so that we can achieve maximum movement of grain more easily, and indeed test some new things in the movement of grain.

Hon. members have asked, what about upgrading the lines? This question did not really arise until we got to the point where we were going to have the hopper cars. In fact, the elevator companies had not raised all of the spouts to deal with hopper cars, but now they are raising

the spouts in order to be able to load the cars. It is not surprising that the elevator companies waited to do this, but they are doing it readily because they want to use those hopper cars. They are eager to use them. They compete with one another for the use of these cars.

It is now possible for us to say to the railways, "We have the hopper cars in position so now improve some important lines to carry them." To give an example, Mr. Chairman, consider the line between Rosetown and Kindersley, a line which in my opinion should be brought up to a standard that can carry hopper cars. These cars can be run on that line on the western end and on the eastern end, but there is a link-piece between on which they cannot be run. Clearly, the challenge there is to bring that line up to standard.

I have said previously, and I repeat now, that the government has tried to take this issue about the kind of rail and grain handling system that we really require out of the narrow range of both petty party politics and the interests of the railways and elevator companies, and out of the hands of other individual groups. We have tried to reveal the facts and to make those facts available to provincial governments, the railways, elevator companies, and particularly to grain producers, so they can face up to the fact that with certain changes they may be able to have their grain handled at far lower rates and thus get the benefit of changes in the system.

I hope hon. members will not misunderstand my objective. My objective is to see that any benefits which come from changes in the system do not get lost in the system, as happened so often in the past when individual elevators were closed and individual branch lines were abandoned. The producers living in those areas lost by those actions. My objective is to have the benefits passed on to the producers. Indeed, I have indicated that the provision of some compensation in the period of adjustment would be a good thing. I have not heard that suggestion taken up eagerly by hon. members opposite or by groups and various organizations on the prairies, perhaps because some of them are concerned that they would lose something if that particular matter were proceeded with. I submit that it deserves further examination. Of course, it is not a matter on which one can move rapidly without co-ordination.

Here are the words of Ira Mumford, general manager of the Saskatchewan wheat pool, as reported in the *Star-Phoenix* of January 31 last. Under the heading "System Wearing Out" he is reported as saying that the country elevator system is wearing out and that over the next few years more and more elevators will no longer be useful; the logical step would be central locations for replacements. This is his view, a view supported by the progress in this direction made by elevator companies over the last ten years, even though unco-ordinated with the railways.

Hon. members will have to determine for themselves whether they want moneys paid to the railway companies under the existing transportation act to keep a branch line in place when it moves only relatively few bushels of grain, or if they would prefer that money being put to better use to serve the producers. These are the real challenges with which we are faced.

[Mr. Lang.]

Some hon. members say, "Oh, woe betide us. Our rail system is handling American grain. Oh, what a tragedy. Only last year, in February, we could not move all the grain that we wanted to move to Vancouver. How illogical it is that some American grain is moving to Seattle on Canadian lines." I suggest that they are confusing two problems. We are moving American grain on our lines this winter, when the supply of boxcars is more plentiful than in the peak period of summer. I ask why not, when this does not interfere with the orderly movement of grain in Canada? Why shouldn't the railways move this grain to Seattle if they can make a profit on it? There must be a very strange feeling of some hon. members about the railways if their argument is that the railways should not make a profit on this movement, that there is something sacred about Canadian lines and that they should be used only for the movement of Canadian grain. That does not make sense to me.

What I have said to hon. members, and what I tell farmers, is that we will do everything we have to do to make sure that our transportation equipment is not used to handle American grain when it is needed for handling Canadian grain. But when there are 17 million or 18 million bushels of grain already in Vancouver, when grain experts, the Wheat Board, the elevators and everybody else agree that that amount is actually higher than is ideal, why should we load additional cars with grain and just hold them in readiness to move out there? That does not make sense. This is not the proper way to operate the system. We do not make progress that way.

I hope hon. members will recognize that this purchase of hopper cars was an extremely important demonstration by the government of Canada of a willingness to pledge the resources of the people of Canada to make sure that grain, which is of such importance to the prairie region and indeed to all of Canada, does in fact move to market. It is extremely strange and really rather difficult for me to sit here and listen to Members of Parliament from the prairie region attacking this purchase, suggesting to some of my colleagues from other parts of the country that that money ought not to have been spent by the treasury. I suggest to them that that is not a very useful thing from the point of view of the prairie farmers, particularly when such a step is taken and such expenditures are made by the people of Canada for the good of the people of Canada and, more particularly and directly, for the good of the prairie region and of the farmers there. That step will be even more important in the days ahead. We may need more such action, and it should not be attacked by hon. members from the prairie region. Hon. members representing or purporting to represent farm constituencies in that region, under the guise of defending their local communities are attacking those helpful steps which have been taken and I hope will continue to be taken to help the prairie farmers.

Mr. Drury: I rise on a point of order, Mr. Chairman. It is now almost four o'clock and I think there would be agreement to continue with this debate and hope that we could make progress, rather than proceeding with private members' hour.

Mr. Stanfield: We will certainly agree, Mr. Chairman, and I hope other ministers will not find it necessary to make long speeches of a rather inflammatory nature.

Mr. Dinsdale: Mr. Chairman, I was scheduled to proceed first in private members' hour. I will be very happy to give way so that the true facts can be presented on this important matter of the grain industry. However, I understand there will be an opportunity during private members' hour on Monday next to pursue the subject I was going to take up.

Mr. Reid: On the same point of order, Mr. Chairman, I want to assure the hon. member for Brandon-Souris that we will bring forth his resolution, which was to have been discussed today, on Monday at five o'clock.

The Chairman: These things should be done with Mr. Speaker in the chair. Perhaps hon. members will allow me to rise, it being four o'clock, report progress and request leave to consider the bill again.

• (1600)

Progress reported.

The Acting Speaker (Mr. Laniel): When shall the committee of the whole have leave to sit again? Now?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in accordance with discussions that have already been held, we agree to return to committee of the whole.

The Acting Speaker (Mr. Laniel): Order, please. Hon. members have heard the point raised by the hon. member for Winnipeg North Centre (Mr. Knowles). Is there agreement to forgo private members' hour at this time?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for London West (Mr. Buchanan).

Mr. Buchanan: Mr. Speaker, would it be possible to obtain the consent of the House to revert to motions in order to present the first report of the Standing Committee on Indian Affairs and Northern Development?

The Acting Speaker (Mr. Laniel): Is it agreed that we revert to motions to allow the hon. member to present this report?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

First report of Standing Committee on Indian Affairs and Northern Development—Mr. Buchanan.

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

GOVERNMENT ORDERS

SUPPLY

APPROPRIATION ACT No. 1, 1973

The House resumed consideration in committee of Bill C-141, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973—Mr. MacEachen (for Mr. Drury)—Mr. Laniel in the chair.

On clause 2—*Schedule.*

The Deputy Chairman: When the committee rose, it was considering the schedule relating to the Department of Industry, Trade and Commerce, vote 30a. The hon. member for Wellington.

Mr. Hales: Mr. Chairman, I do not wish to prolong this discussion, but I would ask a question of the minister—

Mr. Benjamin: A point of order, Mr. Chairman.

The Deputy Chairman: The hon. member for Regina-Lake Centre.

Mr. Benjamin: Mr. Chairman, with all respect to the hon. member for Wellington, your predecessor in the chair recognized me before the points of order started on this item.

The Deputy Chairman: Order, please. I do not think we should try to create confusion at this time. The procedure was taken to report progress. I was not present, so I am not in a position to know who was recognized. I have now recognized the hon. member for Wellington.

Mr. Hales: Mr. Chairman, I have two questions for the minister in charge of these estimates. I have seen very many estimates go through this House, but I have never seen such a bundle as this one where the Department of Industry, Trade and Commerce is asking for $40.3 million to enable the Canadian Wheat Board to purchase hopper cars. Now we have the Minister of Justice handling the estimates, so it is really a bag of tricks.

My first question is, why are the railways not buying these cars? I refer to CP and CN? When was this decision made? Why is the Canadian Wheat Board in a business they have no right to be in? They have no right to be in it, in my opinion; buying cars is railway business.

Secondly, if the Wheat Board is providing these cars, is it going to receive a reduced rate from the railways? Thirdly, will this gift of $48 million to the railways appear on their profit and loss statement as income? I will follow these questions with another short one later.

Mr. Lang: Mr. Chairman, I thank the hon. member for these questions. Let me explain, first of all, that it is

known to some members of this House that in addition to being Minister of Justice I am the minister responsible for the Canadian Wheat Board. The Canadian Wheat Board has traditionally had a relationship with the Department of Industry, Trade and Commerce and, indeed, supporting staff for the minister responsible for the Canadian Wheat Board is largely carried in the budget of the Department of Industry, Trade and Commerce and located in their offices. Therefore, while this item appears under that departmental heading, it is in my responsibility as minister responsible for the Canadian Wheat Board that I am speaking to the item in the grains area of that department.

In my short explanatory remarks a few minutes ago I explained why the railways were not, on their own, likely to purchase this additional equipment in a situation where the elevators are operating on a five-day week basis at the terminals when the railways are arguing that the equipment to handle the grain to the elevators should move on a seven-day week basis. The rates for the movement of grain for export are the Crowsnest rates. That means there was no bargaining position between the railways and the elevators to arrange the best system without some intervention. In reply to the hon. member's question about reduced rates, the Crowsnest rate is applicable in this area.

This is not, as the hon. member claims a gift of $48 million to the railways. It is a purchase of cars by the Wheat Board at the government's request. This is not a gift to the railways of these cars but, rather, the cars are in the hands of the Wheat Board to be made use of by the railways. There will be a possibility in the future of examining the question of when it is appropriate for the railways to purchase the cars rather than to continue to have a loan of them. That may be determined by the changing configuration of the railway transportation system.

Mr. Hales: The minister did not say when the decision was made to buy these cars.

Mr. Lang: Mr. Chairman, the decision was made and announced, I believe, in February a year ago.

Mr. Hales: The final question is a technical one but it is very important. This item appears in the Department of Industry, Trade and Commerce estimates under the heading of "marketing." I think we need great imagination to put hopper cars under that heading. This is equipment and capital expenditure; it is not marketing. We are being asked to pass estimates to buy equipment which is a capital expenditure, when it appears under the heading of "Marketing." Furthermore, the department is using $7.7 million from their 1972-73 estimates under that heading for the purchase of equipment and for capital expenditures. I think this is wrong and this House should not be asked to pass such estimates.

Mr. Lang: Mr. Chairman, this is an item which is needed to purchase the cars. I do not know how the hon. member can say it is a capital item in that sense. It is very much a budgetary item in terms of the government putting funds into the hands of the Wheat Board for that purpose. This is quite similar to other measures within the over-all marketing category within this whole title, where from time to time grants or payments, and indeed grants in respect of the purchase of capital equipment by an individual company, may be made to encourage the additional marketing of Canadian grain in an ingenious variety of ways.

In my earlier remarks, I explained to hon. members that the particular purpose of this purchase was to enable the Canadian Wheat Board to continue making sales beyond a certain volume of exports where they would have been stopped if there had not been more equipment available to handle grain and haul it to market. The point, in other words, is that the marketing of this grain for export depends on our having the handling and transportation system which can move the grain from where it is produced on the Prairies to the ports which, in Canada, are far removed from the production areas. Therefore, this kind of step is directly related to the capability of the Canadian Wheat Board to market grain.

• (1610)

Mr. Hales: Mr. Chairman, may I ask a final question? Under what department will this rolling-stock or equipment appear? Will it be on the books of the Department of Industry, Trade and Commerce, of the Canadian Wheat Board, or of the railways?

Mr. Lang: It will be on the books of the Canadian Wheat Board, Mr. Chairman.

Mr. Benjamin: Mr. Chairman, having listened to the minister in charge of the Wheat Board, I feel I must make some remarks. The minister has thrown out more strawmen and heifer dust than normal. No one objects to the purchase of rolling-stock for the movement of grain. Members on all sides of the House, the grain industry and farm organizations have said for many years that we do not have enough rolling-stock for the movement of grain. For the minister to throw out the strawman that somebody is objecting to the purchase of additional rolling-stock to move grain is sheer nonsense, and he knows it. He knows as well as I do and others who were elected to this chamber at that time that from his first year in office there was repeated discussion about the shortage of equipment for moving grain. So that problem is at least four years old in my experience and his, and it is 44 years old in the experience of people in the farming and grain handling industry. There is no argument about the necessity to increase the rolling-stock available to the railways for moving grain. The argument is whether it is the responsibility of the railways to buy such equipment.

It was pointed out by the hon. member for Assiniboia and the hon. member for Wellington that the Wheat Board and the Government of Canada are being required to shoulder responsibilities that should be shouldered by the railways. When the minister suggests that all he can do is discuss this question with the railroads, does he mean that the government and the Canadian Wheat Board in a better position to order hopper cars and ensure delivery more quickly than the railroads? If that is what he suggests, he is doing nothing but letting the railroads off the hook. When the government decided last February to purchase these hopper cars for grain movement, responsibility could have been transferred to the management of

both national railway systems and they could have been required to buy that rolling stock.

We considered the Canadian National financing bill, and the entire $48 million could have been included in it one year ago. The minister knows that. For him to pretend and suggest that the cars have to be bought by the Canadian Wheat Board because the railways would not buy them, or could not, is nonsense, and he knows it.

The people of western Canada and members of all parties have been pleading for many years for an improvement in equipment used to handle grain. The minister's position is completely illogical. If it is logical for the Canadian Wheat Board to purchase hopper cars for the movement of grain, it is equally logical, I suggest, for the government to buy other cars for other uses. I am sure the hon. member for Medicine Hat, who has a great deal of experience with livestock movement, would agree with that. Every year there is a crying need for stock cars for moving cattle. Following the logic of the minister's position, does the minister not think that the government should also purchase another couple of thousands stock cars so that we can solve the chronic problem that arises every year of insufficient rolling-stock to move cattle to eastern Canadian and U.S. markets?

This problem has been with us ever since I began working for the railway in 1947. Will the minister also, if he is to follow through with his logic, not purchase refrigerator cars? Every year there is a chronic shortage of refrigerator cars for moving potatoes from the maritime provinces, particularly P.E.I. and New Brunswick, to market. Does the minister, in his logic, not think that the government ought to purchase 2,000 refrigerator cars to move potatoes out of the maritime provinces to central Canadian and eastern U.S. markets?

The minister talked much of being non-political and of not following narrow, partisan lines, yet he threw out the nonsense that members from other parties opposed the purchase of hopper cars. Such is not the case and he knows it. He ridiculed statements made by hon. members who pointed out that United States grain has been moving on Canadian rail lines, in Canadian equipment, to U.S. ports and he tried to tell us that that is all right at this time of year because there is no need for equipment to move Canadian grain to Canadian ports. Let us remind the minister in charge of the Canadian Wheat Board, if he feels that we do not need that equipment, that 450 rail cars of the CPR are being used to move American grain. Let me remind the minister in charge of the Wheat Board that there is space for 63 million bushels at the lakehead. Why not utilize some of that space? If he feels that at this time of year Canadian equipment is not badly needed, why does he not phone the Canadian Wheat Board and suggest that they use those 450 Canadian Pacific Railway cars for moving grain to Thunder Bay? I am sure he will find the Canadian Wheat Board and the elevator companies only too happy to say yes. If the Canadian Pacific Railway wants to haul U.S. grain over its tracks, let it use U.S. equipment to do so.

The minister made a great fuss about elevators working a seven-day week. When I asked him if he meant country elevators or terminals, he said mainly terminals, if I heard him correctly. The minister knows as well as anyone does that long before these hopper cars were delivered, and about the time it was decided to buy them, the terminals in Vancouver were operating five days a week, week after week. The railways were incapable of delivering sufficient grain to keep them operating seven days a week, and the minister knows it.

I am sure the minister remembers the tables the Saskatchewan wheat pool sent out. In some weeks elevators worked two days, in some weeks three days and sometimes they were on a four-day week because the railways did not spot enough cars to enable them to keep working for five days a week, let alone seven. What the minister suggested was nonsense when he said that because elevator companies would not go on a seven-day week they would encounter problems handling large amounts of grain. The elevator companies will be able to handle 750 million or 800 million bushels of grain and work every day of a five-day week if the minister will see that sufficient cars are spotted every 24 hours over five successive days to the elevators in order to keep the shifts working. The minister has thrown out nothing but strawmen and heifer dust, as I said, ever since the announcement he made one year ago, and it will not wash.

I shall ask the minister some questions in a moment. Another point was made with respect to rail links in British Columbia. The present government and its predecessor, the Conservative party, allowed the Canadian Pacific Railway to let its rail system in British Columbia deteriorate. I am speaking of the entire Kettle Valley line through the Crowsnest pass, that second route through British Columbia. It has now reached the point of not being as good as some branch lines. Here is the second rail link in British Columbia and it has been neglected for 20 years.

I ask the minister if he will note some specific questions regarding the handling of hopper cars. Earlier in the House, as I recall his replies, he suggested that agreement had been reached with the railroads over the handling of these cars. I believe in an earlier public statement he had said that arrangements had been made. He can correct me if I am wrong or partly wrong. When we examined in committee the supplementary estimates of the Department of Industry, Trade and Commerce, I heard that the matter had not been resolved either in whole or in part. In any event, it sounded to me as if the official was saying the opposite of what the minister had said. I should like to know which of these things has not been resolved. Can the minister tell us who is collecting the freight charges? I wonder if the minister can listen to me, Mr. Chairman, while conversing with his colleague.

Mr. Lang: I can listen with one ear.

Mr. Nielsen: The minister can listen to the hon. member without any ears.

Mr. Benjamin: Will the minister tell us who collects the freight charges with respect to these hopper cars? Are the hopper cars leased to the railways, or is there merely a verbal arrangement under which they have agreed to put them between an engine and a caboose?

• (1620)

Who is responsible for the repairs to and maintenance of the cars? Who pays for it? Is the Canadian Wheat Board being charged now, or will they be later, or have they been charged in the past for any item such as cleaning of cars, switching charges or any other items that normally go as extra charges in the handling of railway equipment, both loaded and unloaded? Will the minister inform us whether an agreement has been reached with the railroads on all of these details? What is the division of responsibilities? Who gets the revenue from the freight charges? Who pays for the leasing of them? Is any recovery being made toward the capital cost of these by the Canadian Wheat Board? These are questions the minister needs to answer.

Mr. Lang: Mr. Chairman, if I may briefly refer to some of these questions, the Wheat Board and the railways have entered into an interim agreement which for the time being has the railways in fact taking care of the maintenance of the cars. No lease or rental charge is involved. The final agreement is being drafted at the present time. It is not yet finalized. It will be made available to members of the House when it is finalized. The exact point or problem that is involved here is a basic agreement between the railways and, if you like, the Wheat Board or, more correctly, now the government, about the appropriate arrangement which genuinely shows what the proper obligation of the railway is in this arrangement and what is properly the obligation of other parties within the system.

One thing that I can say is that throughout, it has been the understanding on all sides that no costs of the cars will be borne by the producer, the farmer or the Canadian Wheat Board on his behalf. The only cost the farmer or the Wheat Board will bear will be the regular Crowsnest rate in connection with the shipment of grain in these cars, as with other cars. That part is clear. The question of the exact final arrangement between the railways on the one hand and the government on the other remains to be settled. It may well be settled with another agreement for a fairly short period of time which allows us to do further analysis of the very complex questions the hon. member asks about the proper relationship.

Mr. Benjamin: Mr. Chairman, I take it from the minister's answer that the railways are collecting the normal freight charges. Are they collecting the full rates, or have they agreed to a lesser rate since they are not supplying any equipment for that grain?

Mr. Lang: Mr. Chairman, at the present time they are collecting the full rate, that is to say, the Crowsnest rate which, of course, the railways claim is less than their full cost.

Mr. Mazankowski: Mr. Chairman, I wish to direct a question to the minister in charge of the Wheat Board. The minister pointed out at some length that the capacity or throughput of our present handling and transportation system has increased, but not much, through upgrading the basic concept of the system.

[Mr. Benjamin.]

Can the minister advise whether we are achieving maximum throughput under the present system? Also, can he enlighten us as to what he sees in the future for maximizing the throughput without extraordinary changes in the basic concept of our handling and transportation system? In other words, is it really necessary to have extraordinary changes in the system to meet our throughput for the next ten years?

Mr. Lang: Mr. Chairman, the question of any changes in the system is not really related to the question of throughput. The existing system could be modified and improvements made to it which would allow for more grain being continually handled through it. The key question is the cost of handling it in that way. If 200,000 bushels of grain are handled at ten elevators when they could be effectively handled at one, you have to compare the cost of handling it in those two ways as well as the cost of the additional trucking involved, and so on, in handling it in a more consolidated way. The question of the kind of system is more one of cost than throughput.

With regard to the other question, what is required to improve the throughput, there is a very long and complicated list of things each of which can help a bit to improve that throughput. For example, I believe that additional storage facilities on the west coast and perhaps some additional handling facilities there are at the top of anybody's list for increasing the throughput. The number of things that can be done is virtually unlimited.

Mr. Mazankowski: Am I to understand that what the minister is really saying is that we are looking forward to a modification of the present system over a period of time, rather than any fundamental or radical change in the system in the future?

Mr. Lang: Mr. Chairman, I have rather pointedly avoided making a personal conclusion on the studies of the handling and transportation group, simply because I am fearful that if I take a position some people might, politically, take an opposing position. Instead, I hope they will make a sensible analysis of the situation. I am willing to say to the hon. member that my view of the proposals studied, and my view of what is likely to come about is that we will have a system which retains what is basically our present system, but with fewer delivery points. That possibility, as examined in the studies, is likely to be the most sensible step at the present time. I do not say what may be true many years from now; that is a little too complicated an issue.

Mr. Mazankowski: This gives rise to a further question, that is, the question of fewer delivery points. Is the minister in a position to elaborate on what he means by fewer delivery points? Does he mean a reduction of 10 per cent, 25 per cent or 50 per cent? Can he give us some indication?

Mr. Lang: No, Mr. Chairman. I do not want to pretend that I have a final answer to that question. When I was talking about fewer delivery points, I was talking about the model which was studied by the handling and transportation group, namely, an examination of the cost of the system if we had two-thirds of the present delivery points. There is nothing magical about that number. It was a

number picked at random to check the costs. Further review may well vary that upward or downward.

Mr. Nystrom: Mr. Chairman, I intend to be only four or five minutes. I believe there are a couple of items, one in particular, that should be emphasized at this time. So far in committee the members have been talking about the hopper cars and their purchase. One concern that is very evident in my constituency, and indeed across the province of Saskatchewan, is that these hopper cars can be used on roughly 50 per cent of the trackage. There is considerable concern in the minds of many people that this situation will probably expedite the abandoning of branch lines in many parts of Saskatchewan. I believe this presents a very serious social problem in terms of the small marginal farmer and the rural way of life. I believe on February 8 last the Saskatchewan legislature debated such an item. I wish to spend two or three minutes putting on record why they recommended that no railway abandonment be carried out until 1980, that is, until further studies have been carried out and the government of Saskatchewan gives prior agreement.

• (1630)

Mr. Chairman, the purchasing of the hopper cars, no matter what the intention might have been, will I suppose have some bearing on expediting the abandonment of railway lines which cannot accommodate the new cars. If the railways decide to go ahead in Saskatchewan and abandon the lines they wish to abandon, it will mean that about 35 per cent of the rail lines will disappear—about 3,000 miles of the 8500 miles of rail lines we have in the province. This will disrupt the economy as far as many rural people are concerned. May I remind the House that the Government of Canada donated land, mineral rights and other things to the CPR many years ago. These are matters we should be considering should the applications to the CTC go through.

In terms of elevators and delivery points, one or two other statistics which have come to my attention are, I think, shocking. There are some 2,700 elevators in Saskatchewan. If the branch lines are closed, about 800 of them will close down. About 375 elevator points will disappear altogether from Saskatchewan. The railway companies said they lost about $27 million in 1969 as a result of servicing the branch lines. The government of Saskatchewan has commissioned a study to determine the effects of the abandonment of branch lines across the province, as well as the effect of such abandonment upon the prairie region as a whole. No final conclusion has been reached but many facts have been revealed in interim reports.

One of the things those engaged in this study say is that if the lines are abandoned—and I believe there is a chance the hopper cars will expedite this process—it will cost the farmers in the prairie region $20 million a year because they will need to transport their grain to elevator terminals by other means. It would also mean an additional cost to the taxpayers. If railway lines are removed, some of the tax base will be gone and an extra charge will fall on businessmen living in small communities, for example. It is stated that every year, on average, every mile of railway line which is eliminated will cost the prairie economy an additional $1,525. Additional costs will arise in terms of highway expenditures, amounting to between $5 million and $12 million. And, as I say, it will mean the elimination of part of the tax base available to communities.

We are concerned about the cost of the hopper cars. We are concerned about who is to pay the bill for servicing and maintenance. There is a group in Saskatoon which has carried out a study. Those taking part have found that of the 540 communities in my province, about 200 will disappear completely in the next two years and a further 100 will have populations of fewer than 25 should these proposals for rail abandonment be carried out. That is a measure of the profound effect such a decision would have on the province of Saskatchewan and, indeed, across the Prairies.

We are all familiar with the shift of population from the countryside to the cities and the disappearance of the small farm. I wanted to spend just a few moments alerting the minister and the committee to the concern felt by myself and by my constituents, most of whom are small farmers, are operating farms of average size or live in small hamlets and villages from one end of my constituency to the other. I hope the minister in charge of the Wheat Board, the minister of industry and others will take very seriously the points I have raised when they consider long-term planning as it affects grain handling and transportation in Canada.

The Deputy Chairman: Is the Chair to conclude that this completes the examination of vote 30a of the Department of Industry, Trade and Commerce?

Some hon. Members: Agreed.

Mr. Harney: I rise on a point of order, Mr. Speaker. I raise this matter before we move to the next item on the list. I know we agreed the other day that we would proceed through the schedule item by item. This appeared to be a reasonable decision at the time and I agreed with it. I also know that the schedule is arranged alphabetically, which appears to be reasonable because this is one matter most members of the House will, I am sure, agree on—that there is an order of precedence in the letters of the alphabet and that these letters are roughly comparable in English and in French.

There is one thing, however, we are not taking into consideration. It is that the titles appear alphabetically according to their English names. The point is this: although we may pay respect to the French language by giving the French equivalent of the English names, the titles are nevertheless in the order in which they would appear under the English names. If we were to arrange the titles according to their French names, a different order of precedence would emerge, one which at any rate would mean quite a bit to me and to other members representing urban constituencies.

[*Translation*]

We must consider, Mr. Speaker, that if we had drafted this schedule in the French alphabetical order of the departments, we would not have spent the past two days discussing only the problems of agriculture, but we would have perhaps been able to deal with the problems of

citizens who live in the big cities of Canada. After all we must bear in mind that most citizens live in the major centres. I must recognize that today, yesterday and the day before, I have heard about wheat and fish—which is a good thing—but I think that we should pay attention to the people who form the major part of the population.

I would like to suggest that for this time we proceed as if the schedule of departments had been drafted in French. We would first consider the items of the Veterans Affairs, External Affairs and then Urban Affairs departments.

And if you are looking for a suggestion, Mr. Chairman, I could perhaps suggest that since the Minister of Veterans Affairs is not in the House we proceed to the examination of the Department of Urban Affairs item.

The Deputy Chairman: Order. First of all, I must say that the point raised by the hon. member should have been raised when the agreement was reached by the various parties. Obviously, at this stage, it has been agreed to proceed according to the alphabetical order of the schedule to the bill. The Chair wants to be fair to the hon. member, but it must also do the same for hon. members who want to speak in the debate and who would like to know in advance the item which will be examined and, which is more important yet, for the person who must answer the questions. As far as I am concerned, if it is the wish of the committee to proceed to an item other than that of the Department of Justice, I will do as it wishes.

[*English*]

Mr. Nielsen: On the point of order, Mr. Chairman, I do not think that an order of the House having been made before the House resolved itself into committee of the whole, to the effect that we would deal with the estimates department by department as they appear in the schedule, the committee now has authority to change that order. I would like to be co-operative if any hon. member wishes to discuss another subject, but we are sitting today in committee of the whole.

Mr. Lang: I would certainly agree with the last comment made. I hope we can continue to follow the present order. On the other hand, the point raised by the hon. member for Scarborough West is a good one and I would be glad to undertake that when we are next in the House in these circumstances we shall try to have the French alphabet in use rather than the English alphabet.

• (1640)

Mr. Harney: Mr. Chairman, I suggest it is not a matter of having the French alphabet. The French alphabet, as you may have noticed, is exactly the same as the English except there is not common usage of the letter "w" as in "railway wagon."

An hon. Member: Or in "Wagner".

Mr. Harney: I said the French alphabet. I would not want to impose upon the committee the sudden reversal of an ancient custom that lists everything according to the English title, so I simply suggest that we adapt slowly to it in the future by drawing up lists of subjects according to their order in the alphabet in English and list the titles according to order in the alphabet in French, and then alternate between the two. This may be a rather sneaky way of getting around a discussion on urban affairs but I cannot see how else I can do it.

The Deputy Chairman: Order. I do not want to prevent the hon. member from making his point, but I think this subject has been sufficiently discussed at this time. There is a process that is followed to simplify the work of the committee and the Chair, and that is to study estimates as they appear. At the same time, once study of one estimate has been completed we cannot refer back to it. I think the procedure followed is the correct one. If the estimates should be printed in another way, that is a matter for consideration at another time, not a matter for this committee. The point raised by the hon. member for Yukon was also quite valid.

The committee will now revert to the consideration of vote 1a of the Department of Justice.

Mr. Nielsen: Mr. Chairman, it is now 17 minutes to five, so this may be the last opportunity I will have to make this proposal. I propose at this time that we pass all the remaining items without debate and we pass both remaining stages of the bill without debate, so as to complete this matter today.

Mr. Peters: Mr. Chairman, there seems to be a sudden desire on the part of the hon. member for Yukon to make himself House leader for the government. But whatever his intention is, it does not meet with my approval and I do not give consent.

Mr. Nielsen: These are the people who want to see parliament work.

Mr. Peters: Mr. Chairman, you have called item 1a of the Department of Justice. I was amused by the remarks of the Minister of Justice recently—I am not speaking of his organic remarks in the agricultural sense—concerning some of the recommendations made by members of the judiciary. I see there is a grant of $10,000 to the Canadian Association of Provincial Court Judges. Does it cover the total expenditure of that body, or are there other expenditures for ad hoc purposes or on a per capita basis?

Mr. Lang: Mr. Chairman, I am not fully conversant with the financial operations of the provincial court judges' association. As the hon. member implied, this is largely a matter for themselves and for the provincial governments. The grant referred to in the estimates in this case is specifically for the purpose of assisting the financing of a conference of provincial judges from across the country. We are conscious of the tremendous importance to the operation of the criminal law of having them meet to consider ways in which they determine appropriate sentences and other court matters. After consultations with the provincial attorneys general to be certain that they did not object to our involvement in this way, we propose to make this grant to assist in this single conference.

Mr. Peters: Mr. Chairman, may I ask a follow-up question? Is the federal department making suggestions along certain lines in relation to sentencing, and will this be on the agenda? In other words, are we asking them for some

co-operation in regard to sentencing, which has become a major problem in interprovincial relations in regard to certain crimes in various parts of the country?

Mr. Lang: We are not making any suggestions to them, or indeed proposing to them what their agenda should be. Their agenda deals with the general subject matter of their role in the judicial process. If they invite persons from the Department of Justice, we will be glad to co-operate in lending them resource people, but I do not think that to this point they have requested them.

Mr. Nielsen: Mr. Chairman, I have one question for the Minister of Justice. A few weeks ago at a press conference he made the statement that he may expunge jail sentences imposed for simple possession of marijuana and hashish. Is it government policy to eliminate jail sentences for offences of this nature? If so, when might we see amendments to the Criminal Code brought in?

Mr. Lang: As minister responsible for the agents prosecuting in drug offence cases, I have asked—and this instruction has been issued to my agents—that in cases of simple possession of first offence marijuana the court should know that it is our view that the conditional and absolute discharge provisions may well be applicable. It is, of course, a matter for the judge himself in light of the particular case, but this is our view and I thought we should have a consistent one across the country. That is why the instruction was issued.

We hope to be able to come forward with legislation before too long which will allow the House to consider a lower maximum in cases of simple first offence possession. There are cases where what seems to be a rather higher penalty than the norm is imposed. We will be introducing in the House our proposals in due course. However, it is not our intention to make the offence of trafficking any less serious, though even there there will be an opportunity to examine whether the exact penalties that are in place are desirable.

Mr. Nielsen: Mr. Chairman, I am aware of that, but the press used quotation marks when it reported the minister as saying that in cases of possession of marijuana and hashish the government may eliminate jail sentences. I am aware of the policy regarding the instructions that have gone out to the provincial attorneys general and the minister's agents in the two northern territories, but is the government considering the elimination entirely of jail sentences in cases of simple possession of marijuana and hashish? If so, is it the intention of the government to introduce amendments to the Criminal Code in that respect?

Mr. Lang: That is what we are considering, Mr. Chairman, in cases of simple first offence possession of the lighter drugs to which the hon. member refers. However, it is not amendments to the Criminal Code that may be involved; it is the removal of this matter from the present act into either a separate statute or another statute.

The Deputy Chairman: Does that complete the study of vote 1a, Department of Justice?

Some hon. Members: Agreed.

Supply

The Deputy Chairman: The committee will now proceed to the consideration of votes 5a, 10a, and 15a of the Department of Manpower and Immigration, and vote L30a of the Unemployment Insurance Commission.

• (1650)

Mr. Nielsen: Mr. Chairman, it is with the greatest reluctance that we let these items go at this time. This has been the first opportunity for any examination of this program. We have had an extremely limited opportunity of some 45 minutes in committee. In the interest of getting the estimates through, we are prepared to hold off our examination of this program until another time and place, perhaps on the main estimates when they are referred to the committee.

Mr. Peters: Mr. Chairman, we are very pleased to have an opportunity to speak on this item, and before this matter is concluded will be pleased to reduce the item by a considerable amount. There seldom has been a government department established which has been of such little use as this department. I remember when Manpower was established in order to make a place for one of the three ministers from Quebec. It was set up in such a way—

Miss Bégin: Hey!

Mr. Peters: The lady disagrees. She was not here and it would be very difficult for her to say whether or not this is what happened. I assure her that it did. For her edification I would say that we formerly had unemployment and employment in the same department. Then we split them and placed unemployment in one department and employment in another. The employment end was called Manpower, and unemployment remained under the Unemployment Insurance Commission. Employment was taken out of the Crown corporation and placed in a government department. It has so great a failure that the unemployed are divorced in such a way that they cannot establish that going to the manpower office every week looking for work is an indication that they are seeking employment; it will not meet the requirements of a proper search even if they go to the manpower office three times a day.

An hon. Member: That is not right.

Mr. Peters: Mr. Chairman, it is right. The hon. member may think he knows something about this, but I consider he knows very little about it. He may not be aware of this, but it is a fact that in respect of the next item, involving $454 million, we have established ex-policemen of all forces, including the RCMP and security guards, to go around and do the job of checking up in respect of search to make sure that person is employed.

The Deputy Chairman: Order, please.

[*Translation*]

Order. The hon. member for Saint-Michel on a point of order.

[*English*]

Miss Bégin: Mr. Chairman, may I ask the hon. gentleman a question? Why did he not ask this kind of question during the question period a month ago?

Mr. Peters: I have not asked the question because obviously there is a difference between my thinking and the thinking of the government. I am also trying to point out that there is a difference between the thinking of the government and the thinking of the unemployed.

Mr. Chairman, I realize we cannot carry on a debate across the floor but I should like to ask the Quebec members, who seem to be taking such offence to my statements, whether the fact that one registers with manpower in the province of Quebec entitles one to draw benefits as having been actively seeking employment.

Mr. De Bané: May I answer?

Mr. Peters: Yes.

Mr. De Bané: It is obvious that—

The Deputy Chairman: Order, please. The chair is having difficulty.

[*Translation*]

Order. The Chair has some difficulty in following the procedure. The hon. member for Timiskaming (Mr. Peters) has the floor, but another member is answering one of his questions and this leads to confusion. It would perhaps be advisable to wait till the member for Matane (Mr. De Bané) gets the floor.

[*English*]

Mr. Peters: Mr. Chairman, the point I am trying to make is that we have established a new agency for unemployment insurance which is very expensive. It has several hundred people—it would not be difficult to find out exactly how many—going around checking on whether a person is actually looking for work. The hon. member is making a lot of noise from his seat. If he has something to say, I hope he will say it. I suggest to him now, however, that while he is standing on his feet he should walk behind the curtain.

Some hon. Members: Order.

The Deputy Chairman: Order, please. The hon. member for Welland is rising on a point of order.

Mr. Railton: Mr. Chairman, I think the hon. gentleman asked if I knew anything about expense. I think I do. I know pretty well how much it costs to keep hon. members in this House listening to drivel.

Mr. Peters: Mr. Chairman, before you rise and indicate that the hon. member is out of order, I might point out that he has already established his ability in this House. I am really surprised at the attitude of the people from Quebec.

In Ontario we have a practice that if one is unemployed for a short period of time there is what is called a proper search statement. This means that a person must establish that he is seeking work. It is not sufficient for him merely to attend at the manpower office to establish his right to unemployment insurance. Unemployment counselling services have been established to help people obtain jobs. One of the employment agencies is manpower. At one time we had established that office as the only office.

I remember going to a mine in Timmins when one had to make a payment to a private agency in order to get a job working underground for 52 cents an hour. We thought that kind of a situation had disappeared. We established an agency which is costing well over half a million dollars. We created that agency to make jobs available to people and to retrain those who were not competent to fill job vacancies. This program has failed completely.

The Deputy Chairman: Order, please.

Mr. Nielsen: Mr. Chairman, before Your Honour leaves the chair, may I once again suggest that you ask whether there is unanimous consent to pass all stages of these estimates tonight? If that is not agreeable, perhaps Your Honour would not see the clock.

The Deputy Chairman: Hon. members have heard the suggestion of the hon. member for Yukon. Is the proposal agreed to?

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I must inform you that we have other members who have a few things they would like to say. We are not impressed with this sudden interest in expedition.

Mr. Nielsen: Mr. Chairman, it is not sudden. It has been done for the last few days. Members at that end of the House say they want to see parliament work, but it will not work with their filibustering.

Mr. Knowles (Winnipeg North Centre): The hon. member's halo seems to be hurting him.

The Deputy Chairman: Order, please. There does not seem to be consent.

Progress reported.

* * *

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, before you leave the chair I should like to ask the acting House leader if he would confirm that we will be continuing with this supply bill on Monday afternoon.

Mr. Lang: Yes, Mr. Speaker. It would be our intention to continue, and hopefully complete, this item in the early part of Monday afternoon. We then intend to return to Bill C-2, the Criminal Code amendments.

At 5.03 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, February 19, 1973

The House met at 2 p.m.

PRIVILEGE

MRS. MacINNIS—STATEMENTS BY PRIME MINISTER RESPECTING POSSIBILITY OF CONTROLS ON FOOD PRICES

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, according to media reports the Prime Minister (Mr. Trudeau) stated over the weekend that suggestions that controls be put on food are crazy. He added that this could not be done without rationing. He stated further that countries that have imposed controls have all excluded controls on food.

My point of privilege is that the statements of the Prime Minister prejudge a decision which the Special Committee on Trends in Food Prices has the power to make and his statements are therefore in contempt of the committee, which means they are in contempt of parliament. If the Prime Minister feels he has to make statements of this kind, and since he cannot make them on the floor of parliament while this matter is in the hands of the committee, the place for him to make such comments is before the committee itself, either as a witness or by becoming a member of it. If you find, Mr. Speaker, that I have a prima facie case of privilege, my motion would include a recommendation that the Prime Minister appear before the committee at an early date.

When the Prime Minister appears before the committee I trust he will be prepared to substantiate his statement that countries that have imposed controls have all excluded controls on food. The fact is that what he is saying is not true. I realize, Mr. Speaker, that this is a matter of debate, but my point of privilege is that the place for this debate is in the committee. Mr. Speaker, if you find that I have a question of privilege I would move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the statements made outside the House by the Prime Minister concerning controls on food prices be referred to the Special Committee on Trends in Food Prices and that the Prime Minister be requested to appear before the said committee.

Mr. Speaker: I am not sure whether the right hon. Prime Minister wishes to reply to the point made by the hon. member for Vancouver-Kingsway. In any event, there should be no debate. But the Chair, by long-established practice, has allowed a member who has been referred to in a proposed or alleged question of privilege to reply if he wishes to do so. If this is not to be done in this case, I should have to remind the hon. member for Vancouver-Kingsway that it has long been established that statements made outside the House by a member of the House cannot form the basis of a question of privilege. On this basis the motion proposed by the hon. member for Vancouver-Kingsway cannot be put. I rule that there is not a prima facie case of privilege.

ROUTINE PROCEEDINGS

[*Translation*]

MANPOWER

CRITERIA FOR APPROVAL OF LOCAL INITIATIVE PROJECTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. André Fortin (Lotbinière): Mr. Speaker, pursuant to Standing Order 43, I request unanimous consent from the House to move a very important motion concerning the Local Initiative Program and its administration.

In view of the very high flexibility of the criteria used in approving those projects which have been submitted and in view of the very large number of disappointed applicants, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the administration of the Local Initiative Program be immediately reviewed by the appropriate standing committee of this House; and that this same committee call as witnesses the minister responsible for this program as well as all officials directly involved in approving projects, in order to throw light on the real criteria used for approving local initiative projects.

Mr. Speaker: Under Standing Order 43, this motion requires unanimous consent from the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

PICKERING AIRPORT

Question No. 50—**Mr. Diefenbaker:**

1. Does the government intend to proceed with the Pickering Airport?

2. As of this date, how many acres of land have been secured by or on behalf of the Department of Transport by agreements with the owners?

3. What is the total expenditure to date that has been made on planning, development or for any other purpose connected with the establishment of said Airport?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Transport and Public Works as follows: 1. Yes.

2. None.

3. The total expenditures to date, December 31, 1972 for the planning and development of Toronto area airports is $4,028,000. This amount covers all of the investigatory work which has been undertaken in connection with the planning of the Toronto area airports system. In the course of these investigations, many sites were examined, and it would have been impracticable to maintain separate accounting systems for each site. Expenditures in connection with the Pickering site are therefore in the figure of four million. No money has as yet been spent on the development of the Pickering airport.

DEPARTMENT OF TRANSPORT—PUBLICITY AND INFORMATION EXPENDITURES

Question No. 83—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of Transport on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72?

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

3. What contracts for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each case and what is the purpose of each contract?

Hon. Jean Marchand (Minister of Transport): 1. $47,817, $110,569, $102,771, $253,200.

2. One contract only in the years 1969-70, 1970-71 for the amount of $51,242 to Dubisson Publicité et Conseil Inc., 210 est, rue Sainte-Catherine, Suite 310, Montréal, P.Q., for Auto Road Safety-Breathylizer Campaign.

3. Nil.

DEPARTMENT OF ENERGY, MINES AND RESOURCES—PUBLICITY AND INFORMATION EXPENDITURES

Question No. 93—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of Energy, Mines and Resources on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72?

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

3. What contracts for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each case and what is the purpose of each contract?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows:

1. 1968-69 1969-70 1970-71 1971-72
$216,000 $275,100 $261,000 $299,000

These figures include direct advertising (i.e., purchase of space in periodicals, radio, TV Times, etc.) production of films and TV clips, exhibits and printing of publicity material.

2. Publicity and information work was done by the department in-house and through federal government agencies with the exception of the following contracts:

Names and Addresses	Amounts Paid	Purpose
Pacesetters Presentations Limited, 135 Railside Road, Don Mills, Ontario.	$ 4,500	To prepare articles on work and organization of Canada Centre for Inland Waters.
Hopkins, Hedlind Limited, 95 St. Clair Avenue West, Toronto, Ontario.	12,689	To produce a slide-sound presentation and display materials for the public on the work and organization of Canada Centre for Inland Waters.
Corpus Publishing Service Limited, 6 Crescent Road, Toronto, Ontario.	1,100	To prepare articles on aspects of water managements, pollution control, resource legislation and related subjects.
Canadian High News, 62 Shaftsbury Avenue, Toronto, Ontario.	33,300	To provide for the publication and distribution of 300,000 teaching kits including articles on the Canada Water Act and other information material for Canadian teachers and students.
A. Edmonds, 66 Wells Hill Avenue, Toronto, Ontario.	15,000	To prepare a book-length manuscript relating to the chronicle of the circumnavigation of the Americas by C.S.S. Hudson.

DREE—DEVELOPMENT INCENTIVE GRANTS—NEW BRUNSWICK

Question No. 229—**Mr. Howie:**

1. Since January 1, 1972 how many industries located or to be located in New Brunswick received grants or loans from the Department of Regional Economic Expansion?

2. In each case (a) what was the amount of the grant to each industry (b) what was or will be the location?

3. In each case (a) what was the amount of the loan to each industry (b) what was or will be the location?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1 and 2. January 1, 1972 to December 31, 1972, 59 facilities have accepted offers of development incentives from the Department of Regional Economic Expansion. No loan guarantees were authorized during the calendar year.

2. (a) Amount (b) Location Name

$ 33,000	Caraquet	Produits Belle Baie Limitée
16,499	Caraquet	Imprimerie du Nord Limitée
105,885	Campbellton	Northern Meat Packers Ltd.
28,500	Campbellton	Laiterie Intercité Compagnie Ltée
9,150	Perth Andover	Hayward Bakery Limited
55,525	Perth	Tobique Enterprises Ltd.
101,250	Moncton	Ojibwa Chemical Company Limited
42,420	Moncton	Synthetic Foam Products Limited
121,400	Moncton	Eastern Reinforcing Ltd.
70,000	Moncton	Serta Maritimes Ltée
162,181	Moncton	Brunswick Glass Ltd.
39,750	Moncton	Rus-tique Brik Manufacturing Co. Ltd.
10,500	Moncton	Hub Meat Packers Limited
33,190	Moncton	Serta Maritimes Ltée
35,770	Moncton	Pizza Delight Take Out Ltd.
95,250	Moncton	L. E. Shaw Limited
23,135	Moncton	Maritime Co-operative Services Limited
7,502	Moncton	Acadia Printing (1972) Limited
72,370	Moncton	Mr. Antonio Corrazza
16,000	St-Anselme	L. Melanson Concrete Products Ltd.
33,780	Saint John	Poly-Cello Limited
21,875	Saint John	Kon-Krete Limited
230,250	Saint John	Novastran Limited
13,625	Saint John	G. R. Patstone Ltd.
24,383	Sussex	Frameco "Maritimes" Limited
687,000	Sussex	Federal Products Ltd.
44,650	Sussex	New York Boiler Co. Ltd.
77,000	Minto	Carolina Tire (N.B.) Ltd.
26,760	Minto	Eastland Industries Limited
693,750	Fredericton	A. B. Brantorps
110,125	Fredericton	Thermofoam Manufacturing (1972) Limited
352,500	Fredericton	Chestunut Canoe Company Ltd.
15,150	Fredericton	Centennial Print & Litho Ltd.
59,390	Fredericton	York Structural Steel Ltd.
36,475	Shippegan	Connors Bros. Limited
80,000	Shippegan	Connors Bros. Limited
39,000	Shippegan	Gully Fish and Food Products Limited
171,085	Marysville	Cosmos Imperial Mills Limited
120,765	St. Stephen	Ganong Bros. Limited
24,510	St. Sauveur	Gilbert Basque & Fils Ltée
30,864	St. Arthur	Oscar Belanger Lumber Co. Ltd.
10,950	Nashwaaksis	Central Auto Parts Ltd.
24,000	Nashwaaksis	S. M. White (Woodworking) Limited
19,200	Centreville	Bernie's Welding Shop Ltd.
698,750	Bathurst	SMI Industries Ltd./Les Industries SMI Ltée
44,752	Bathurst	Montreal Armature Works Limited
508,500	Milltown	Flakeboard Co. Ltd.
75,663	Cherryvale	J. Blois Corey Limited
242,000	Veneer Siding	J. D. Irving Limited
227,200	Grand Falls	Enflo Canada Ltd.
49,098	Clair	Mr. Patrick Levesque
200,650	Woodstock	Woodstock Wood Industries Limited
150,279	Woodstock	Cygnet Canada Ltd.
9,120	Woodwards Cove	Blair Robinson Limited
149,300	Naikaioie	Southampton Contractors Ltd.
16,800	Sackville	Enamel & Heating Products Limited
500,800	Edmundston	Square D Company Ltd.
18,276	Edmundston	Crèmerie Belzile Limitée
21,300	Shediac	Lasalle Confections Limited

3. (a) Nil; (b) N/A.

BANKRUPTCIES

Question No. 234—**Mr. Allard:**

Following the loss of more than $25,000 sustained by fishermen on the coast of Labrador as a result of the bankruptcy of a fish plant, what action does the government intend to take in this respect?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): The government does not contemplate action on behalf of private individuals who sustain losses as a result of the bankruptcy of an independent commercial enterprise.

CANADIAN COMMERCIAL RELATIONS

Question No. 252—**Mr. Schumacher:**

1. Was authority given by the government to Mr. Bernard Pinard, Quebec Minister of Transport to discuss commercial relations between the Soviet Union and (a) the province of Quebec (b) Canada, during his visit to Moscow at the latter part of 1972?

2. What (a) special (b) general authorizations are given to negotiate in the case of (i) Mr. Pinard's visit (ii) any future international such visits by provincial ministers?

3. What reciprocal arrangements have been made for visits by members of governments of other countries to discuss commercial relations with individual specific provinces in each case?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The government of Quebec informed the federal authorities of Mr. Pinard's visit to Moscow in the company of a number of Quebec business men. Authority to discuss Canada's commercial relations with the U.S.S.R. was neither sought nor granted, since the Quebec minister was, of course, free to promote the interests of the Quebec businessmen's mission of which he was a part.

2. No special or general authorization was given to Mr. Pinard; nor is such normally given to provincial ministers to negotiate in these cases. Canadian commercial relations with the U.S.S.R. and other countries, in so far as they concern intergovernmental matters, are carried out by the federal government, in most cases through the duly accredited missions of both sides. This does not of course preclude the possibility that a provincial minister might be asked to carry out some function on behalf of the federal government in a specific case.

3. There are no reciprocal arrangements with other countries regarding discussion of commercial relations with Canadian provinces on a government to government basis. This remains a federal responsibility under the Trade and Commerce Power of the British North America Act. Provincial ministers and officials are, of course, free to discuss commercial matters with visitors from other countries.

POST OFFICE—COAT OF ARMS OF CANADA ON POSTAL BOXES

Question No. 272—**Mr. Masniuk:**

For what reason are decals of the Coat of Arms of Canada being used on postal boxes in the Confederation building instead of the metal plates normally used and (a) how many of these postal boxes have been changed in this fashion (b) on what date were they changed (c) for what reason were they changed?

Hon. André Ouellet (Postmaster General): The metal Coat of Arms on this type of box cost $3.75 plus installation, the cost of which is hidden in the cost of manufacturing the box. The cost of the decal Coat of Arms is 19 cents and the installation cost is minimal. All postal boxes ordered by the Post Office since May 1971 carry the decal Coat of Arms. The metal Coat of Arms is no longer used since that date: (a) None of the existing boxes were changed; (b) Not applicable; (c) Not applicable.

Order Paper Questions

INTERNATIONAL NICKEL COMPANY OF CANADA LTD.—MANPOWER RETRAINING GRANTS

Question No. 279—**Mr. Rodriguez:**

1. How much did International Nickel Company of Canada Ltd. receive in manpower retraining grants from the government for each year 1970, 1971 and 1972?

2.In each year 1970, 1971 and 1972, how many persons (a) started (b) completed the job retraining program at International Nickel Company of Canada Ltd.?

3. From among those individuals who started the job retraining program in 1970 at International Nickel Company of Canada Ltd., how many are still (a) with the (b) in the mining industry?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. International Nickel Company of Canada Ltd. received training cost reimbursements as follows: 1970, nil; 1971, $7,896.14; 1972, training in progress, no payments made yet.

2. The following numbers of persons started and completed training: 1970, nil; 1971, 38 persons started and completed training; 1972, training still in progress.

3. No individuals started training in 1970 at International Nickel Company of Canada Ltd.

CANADIAN DEVELOPMENT ASSISTANCE IN AFGHANISTAN

Question No. 411—**Mr. Bawden:**

1. What is the extent of Canadian development assistance in Afghanistan?

2. Is Canada sponsoring any major, long-term development projects in that country?

3. Is Canada sending any food supplies to that country as relief assistance?

4.Is any additional aid now being considered by the Canadian government for that country?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Since 1965 when Canadian Development Assistance to Afghanistan was begun Canada has provided: (a) Programs for twenty-six Afghanistan trainees under the auspices of the Colombo Plan; (b) $2,700,000 in bilateral food aid (wheat) and approximately $1,370,000 in food aid through the world food program, and; (c) a $1,275,000 development loan for the purchase of STOL (Twin Otter) aircraft.

2. Canada is not sponsoring any major, long-term development projects in Afghanistan.

3. As noted in Section 1(b) above, Canada has provided a considerable amount of food aid. Although Afghanistan does not have an annual bilateral aid allocation, food aid has been provided in each of the last three years in reaction to the hardships and food shortages which have arisen from an extended period of drought.

4. Canada is presently discussing two areas of additional assistance: Firstly, a technical assistance program to provide meaningful training for personnel in key ministries of the government of Afghanistan; secondly, further assistance to support Bakhta Afghan Airlines, the government owned domestic airline which received the Twin Otters under the loan mentioned above.

[Mr. Ouellet.]

PORT COBOURG—HARBOUR DREDGING

Question No. 412—**Mr. Lawrence:**

What expenditures, if any, were made by the government for harbour dredging or improvements for the Lake Ontario Port of Cobourg for each year 1962 to 1972 inclusive?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1961-62, $48,474; 1962-63, $25,460; 1963-64, $19,584; 1964-65, $93,458; 1965-66, $149,669; 1966-67, $373,773; 1967-68, $189,-520; 1968-69, $9,618; 1969-70, $47,587; 1970-61, nil; 1971-72, $27,714; 1972-73, $27,770; total: $1,012,627.

HARBOUR DREDGING—PORT HOPE

Question No. 413—**Mr. Lawrence:**

What expenditures, if any, were made by the government for harbour dredging or improvements for the Lake Ontario Port of Port Hope, for each year 1962 to 1972 inclusive?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1961-62, $47,625; 1962-63, $29,655; 1963-64, $25,827; 1964-65, $17,139; 1965-66, $44,446; 1966-67, $23,196; 1967-68, $45,341; 1968-69, nil; 1969-70, $13,703; 1970-71, nil; 1971-72, nil; 1972-73, nil. Total: $246,932.

HARBOUR DREDGING—PORT DARLINGTON

Question No. 414—**Mr. Lawrence:**

What expenditures, if any, were made by the government for harbour dredging or improvements for the Lake Ontario Port of Port Darlington, for each year 1962 to 1972 inclusive?

Hon. Jean-Eudes Dubé (Minister of Public Works): None.

HARBOUR DREDGING—PORT GRANBY

Question No. 415—**Mr. Lawrence:**

What expenditures, if any, were made by the government for harbour dredging or improvements for the Lake Ontario Port of Port Granby, for each year 1962 to 1972 inclusive?

Hon. Jean-Eudes Dubé (Minister of Public Works): None.

HARBOUR DREDGING—PORT OF BONDHEAD

Question No. 416—**Mr. Lawrence:**

What expenditures, if any, were made by the government for harbour dredging or improvements for the Lake Ontario Port of Bondhead, south of Newcastle, for each year 1962 to 1972 inclusive?

Hon. Jean-Eudes Dubé (Minister of Public Works): None.

CALGARY INTERNATIONAL AIRPORT

Question No. 428—**Mr. Woolliams:**

1. When will the construction of Calgary's new federal air depot at the International Airport commence, and when will it be completed?

2. How many people used the Calgary International Airport depot for the year 1972, for the purpose of leaving or coming (a) into Calgary (b) into Edmonton (c) into Winnipeg?

3. In 1972, what was the number of commercial airplanes that landed and took off from the (a) Calgary International Airport (b) Edmonton International Airport (c) Winnipeg International Airport?

Hon. Jean Marchand (Minister of Transport): 1. Initial preparatory work on the new Calgary Air Terminal Complex is scheduled to begin in the summer of 1973 and for completion in 1976.

2. Passenger Origin and Destination: Calgary International Airport, 1971*. 1972 data will not be available until August.

	Origin	Destination	Total
Domestic	395,790	401,075	796,865
Transborder	74,745	73,865	148,610
Other International	19,300	20,600	39,900
			985,375

Edmonton International Airport 1971*. 1972 data will not be available until August.

	Origin	Destination	Total
Domestic	386,520	394,365	780,885
Transborder	26,945	27,010	53,955
Other International	14,900	16,600	31,500
			866,340

Winnipeg International Airport, 1971*

	Origin	Destination	Total
Domestic	349,950	352,425	702,375
Transborder	52,590	53,360	105,950
Other International	22,700	25,000	47,700
			856,025

Calgary International Airport, 1971*. Passengers to or from

	Origin	Destination	Total
Edmonton	126,220	128,580	254,800
Winnipeg	28,510	28,575	57,085

*1972 information presently not available.

Passenger Origin: The point where the passenger first boards an airline at the beginning of his itinerary.

Passenger Destination: The last point in an itinerary in the case of one-way trips. Usually it is the furthest point from origin in round trips.

Source of Information: Air passenger origin and destination reports 1971, Statistics Canada.

3. Scheduled Services, 1971*

	Arriving Flights	Departing Flights	Total
Calgary International	14,376	14,376	28,752
Edmonton International	7,706	7,706	15,412
Winnipeg International	14,503	14,503	29,006

*1972 information presently not available.

Source of Information: Airport Activity Statistics, 1971. Aviation Statistics Centre.

HALTON CONSTITUENCY—LOCAL INITIATIVES PROGRAM

Question No. 437—**Mr. O'Connor:**

1. By category (a) how many Local Incentives Programme applications were received from persons or groups of persons in the constituency of Halton (b) what was the total amount of moneys involved in these applications (c) how many were approved (d) what was the total amount of money approved?

2. What are the total figures for the same categories for the whole of Canada?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. As at January 18, 1973: (a) 12; (b) $322,780; (c) 3; (d) $90,090.

2. As at January 18, 1973: (a) 14,763; (b) $473,627,362; (c) 4,195; (d) $128,000,000.

LIP PROJECTS

Question No. 445—**Mr. Lambert (Bellechasse):**

Is the numbering of LIP projects made at the regional level or at Ottawa for the whole of Canada?

[*Translation*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): At the regional level.

[*English*]

PUBLIC WORKS—ERECTION OF NEW POST OFFICE IN PONOKA, ALBERTA

Question No. 509—**Mr. Schellenberger:**

Has the government purchased land in Ponoka, Alberta for the purpose of erecting a new post office and, if so, on what date will construction begin and what value has the new facility?

Hon. Jean-Eudes Dubé (Minister of Public Works): Yes. Construction tentatively to commence in May, 1973. It is not customary to give estimated costs until a contract has been awarded.

*UNITED STATES DOLLAR RESERVES

Question No. 514—**Mr. Gillies:**

1. What are the minimum amounts of United States exchange held by Canada (a) according to International Monetary Fund agreements (b) according to United States interest equalization agreements?

2. What, at last report, is the current balance of U.S. dollars in the Canadian foreign exchange?

3. Does the government have any plans for the use of these excess reserves held by the Bank of Canada?

4. What is the percentage of the Canadian federal debt held by the United States Government and U.S. residents?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer to this question is as follows: 1. Zero.

2. As of December 29, 1972, holdings of United States dollars in the official international reserves of Canada were $4,355 millions.

3. The United States dollars held by the Exchange Fund Account are invested in assets permitted under section 14(2) of the Currency and Exchange Act. It is intended that they should be continued to be used for purposes specified in the act.

4. As of December, 1972, approximately 1.6 per cent of the outstanding securities issued by the Government of Canada were held by residents of the United States. No

securities were registered in the name of the United States government.

PUBLIC WORKS—EXPROPRIATION OF LAND, PICKERING AREA

Question No. 520—**Mr. Stackhouse:**

Will the Minister of Public Works halt expropriations while the government is reviewing its proposal to erect an airport in the Pickering area?

Hon. Jean-Eudes Dubé (Minister of Public Works): In view of the significance of the new Toronto airport project, the Minister of Public Works did not make a decision to proceed either to confirm or abandon the intended expropriation until he and his Cabinet colleagues had given careful consideration to all relevant factors. However, a decision has now been made and announced in the House January 30, 1973.

CONFEDERATION BUILDING ALTERATIONS

Question No. 558—**Mr. Latulippe:**

Since the top floors of the Confederation building are unoccupied, has the government considered the possibility of converting the space to sleeping quarters for Members of Parliament who would wish to use same?

Hon. Jean-Eudes Dubé (Minister of Public Works): No.

CONSTITUENCY OF SAINT-HYACINTHE—RAIN DAMAGE PROGRAM COMPENSATION

Question No. 559—**Mr. Wagner:**

1. How many farmers in the constituency of Saint-Hyacinthe have applied for the $400 compensation under the Rain Damage Program?

2. How many applications were rejected, and for what reasons?

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): 1. 1,094 as of January 24, 1973.

2. 204 as of January 24, 1973; Reasons: Applicants certifying they earned more income from off farm sources in 1971 than from farming operations. Lack of or invalid certifications on applications.

NATIONAL CAPITAL COMMISSION—CAB INDUSTRY

Question No. 576—**Mr. Muir:**

1. Is the National Capital Commission considering taking some form of regulatory charge of the cab industry, as is being attempted by the Quebec National Assembly?

2. Is the National Capital Commission considering issuing licences to cab drivers and/or companies for use of cabs on the driveways and parkways in the National Capital Region?

Hon. Ron Basford (Minister of State for Urban Affairs): In so far as the National Capital Commission in concerned: 1. No, the National Capital Commission has no jurisdiction over the cab industry except as concerns its use of NCC driveways and parkways.

2. No. National Capital Commission traffic and property regulations were amended December 12, 1972 to allow all taxicabs to travel on NCC driveways and parkways.

[Mr. Reid.]

PORT CREDIT HARBOUR FACILITIES—TERMS OF LEASE CANADA STEAMSHIP LINES

Question No. 582—**Mr. Blenkarn:**

1. What are the terms of the lease of Port Credit Harbour facilities to Canada Steamship Lines?

2. Does Canada Steamship Lines intend to renew the existing lease on maturity?

3. In the event that Canada Steamship Lines should not continue as the prime tenant in Port Credit, has the government any other tenant for the facilities?

Hon. Jean Marchand (Minister of Transport): 1. The Port Credit Harbour facilities are not leased.

2. Answered by 1.

3. No.

PARLIAMENT HILL—PLUG-IN HEATING FACILITIES

Question No. 589—**Mr. Mather:**

Is consideration being given to equipping Parliament Hill parking areas with "plug-in" heating facilities?

Hon. Jean-Eudes Dubé (Minister of Public Works): No.

POST OFFICE—POSTAL CODE

Question No. 592—**Mr. McKenzie:**

What is the total cost of the Post Office Department current advertising campaign to publicize and familiarize the public with the new postal code?

Hon. André Ouellet (Postmaster General): The current budget for advertising the postal code is $545,000.

TURBO-TRAINS

Question No. 596—**Mr. Laprise:**

1. Has the Department of Industry, Trade and Commerce or any other department contributed financially to the research or construction of turbo-trains for use in passenger service between Montreal and Toronto and, if so, in what amount?

2. Is it intended to contribute further to such research and, if so, in what amount?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. No.

2. No.

CANADA COUNCIL—ASSISTANCE RELATING TO HISTORICAL WRITINGS

Question No. 603—**Mr. Howard:**

Since January 1, 1971, has the Canada Council received any applications for assistance relating to the writing of a history of any part of the Province of British Columbia north of the 52nd parallel of north latitude and, if so, with respect to each such applicant (a) what was the name and address (b) what was the outline of the work proposed to be written (c) what was the name and address of anyone else who was consulted with respect to the proposed work (d) what was the response given by each such consultant and the disposition of the application by the Council?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canada Council as follows: It is against Canada Council policy to divulge the names of unsuccess-

ful applicants. With respect to successful applications, council records do not permit a reliable breakdown of historical writings on the basis described. The following list includes those grant recipients whose work may have some bearing on the history of the areas mentioned.

Research grants: 1. (a) William Rodney, Department of History, Royal Roads Military College, Victoria, B.C. (b) "Klondike Boyle: His Life and Times". (c) and (d) Assessors are consulted on a confidential basis and their names or comments cannot be made public.

2. (a) Reginald H. Roy, Department of History, University of Victoria, Victoria, B.C. (b) "A bibliography of British Columbia, Vol. III, 1900-1950".

Canadian Horizons Program: 1. (a) Horst E. von Wittgenstein, 15805 Pacific Avenue, White Rock, B.C. (b) "The Mennonites in British Columbia, a History".

2. (a) Moira Farrow, 4183 West 11th Ave., Vancouver, B.C. (b) "Life story of B.C.'s most interesting pioneers".

CONSTRUCTION OF RETAINING WALLS, ST. LAWRENCE RIVER

Question No. 624—**Mr. Matte:**

1. Does the government have any well defined criteria for the construction of retaining walls along the shores of the St. Lawrence and, if so (a) who establishes such criteria (b) what are the criteria (c) on what are they based (d) how are such criteria studied?

2. Is there a criterion of government responsibility if the river channel is less than 3,000 feet from the shore and, if so, on what scientific basis?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Yes. (a) Department of Public Works in accordance with the cabinet policy on shore erosion and protection; (b) A. For distances from the waterway bank equal to, or less than, 2,000 feet from the centre line of the navigation channel, 50 per cent or more of the erosion is considered attributable to navigation; B. For distances from the bank, greater than 2,000 feet and less than 3,000 feet, less than 50 per cent of the erosion is attributable to navigation; C. For distances from the bank greater than 3,000 feet from the centre line of the navigation channel, erosion is essentially attributable to natural phenomena; (c) The criteria are based on engineering studies of the relative energies of ship and wind-generated waves approaching a shoreline; (d) Each case of serious erosion is studied and the criteria applied to determine the extent of federal responsibility and the appropriate course of action.

2. Yes, as mentioned above.

FEDERAL TRANSLATION BUREAU, OTTAWA

Question No. 644—**Mr. Fortin:**

1. How many employees work for the government Translation Bureau in Ottawa?

2. During the past three years how many persons hired by the Translation Bureau were natives of Europe and the Middle East?

3. Of this total number hired during the past three years, how many have resigned?

4. How many people are working for the Translation Bureau as editors?

5. How many people have been hired during the past three years as editors?

6. What is the salary of an editor?

7. What is the salary of a translator?

8. During the years 1968-69-70-71-72, has the government of Canada granted scholarships for improvement, either directly or indirectly, to subsidize students and to assist certain universities in offering courses in translation and, if so (a) what is the amount of such grants to students (b) what universities received grants and in what amounts?

Hon. James Hugh Faulkner (Secretary of State): 1. On January 1, 1973, the personnel of the Translation Bureau totalled 1,094, of whom 195 were grant-aided students.

2. In the past three years, the Translation Bureau has hired 69 persons who were born in Europe and the Middle East.

3. 147 employees of the Translation Bureau have left the bureau during the past three years.

4. There are 121 revisers (editors) with the Translation Bureau.

5. In the past three years, 14 persons have been hired as revisers (editors).

6. Salary range of a reviser: $14,701—$18,376.

7. Salary range of translators: Translator (TR-1), $6,140—$12,500; Translator (TR-2), $11,727—$15,429.

8(a). Amount of grants awarded to students in translation: 1968-1969, 20 students at $2,400* each, $48,000; 1969-1970, 60 students at $2,550** each, $153,000; 1970-1971, 126 students at $2,550 each, $321,300; 1971-1972, 150 students at $2,550 each, $382,500; 1972-1973, 195 students at $2,550 each, $497,250.

*Tuition fees $500 plus subsistence allowance $1,900.

**Tuition fees $500 plus subsistence allowance $2,050.

(b). Universities receiving grants (amount of grant: $500 per student per year)

University	1968–69	1969–70	1970–71	1971–72	1972–73
	$	$	$	$	$
Laurentian	—	—	1,000	2,000	3,000
Laval	—	—	6,000	15,500	25,500
Montreal	10,000	15,500	17,000	41,500	45,000
Ottawa	—	4,500	10,000	17,000	24,000

PUBLIC WORKS—CONTRACT NO. W-81001, GATEWAY POSTAL PLANT, MISSISSAUGA, ONTARIO

Question No. 648—**Mr. Rynard:**

1. How many tenders were received by the Department of Public Works in connection with Contract No. W-81001, plumbing and drainage work at the Gateway Postal Plant in Mississauga, Ontario?

2. Was the contract awarded to the lowest bidder, Simcoe Mechanical Contracting Ltd., Orillia, Ontario and, if not, for what reason?

3. Had Simcoe Mechanical Contracting Ltd., been awarded previous contracts from the Department of Public Works and, if so, had these contracts been carried out in a satisfactory manner?

4. Had Simcoe Mechanical Contracting Ltd. carried out larger contracts for the Department of Public Works in a satisfactory manner?

5. If the tender was not going to be accepted, for what reason was Simcoe Mechanical Contracting Ltd. not advised before proceeding to tender for the contract?

6. Has Simcoe Mechanical Contracting Ltd., been given a complete and factual explanation from the Department of Public Works as to the reason its tender was not accepted?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. (11).

2. (a) No. (b) The contract was awarded to the second low bidder on the basis of his capacity to perform a complex operation within a tight time schedule.

3. (a) Yes. (b) Yes.

4. No.

5. This was a public tender call. The Department of Public Works does not prequalify bidders on public tender calls.

6. Yes.

CMHC—SURVEY OF PLACE DE LA PROMENADE, QUEBEC REGION

Question No. 650—**Mr. Godin:**

Did Central Mortgage and Housing Corporation make any surveys as a result of complaints from purchasers in the residential project known as *Place de la promenade* in the region of Quebec and, if not (a) for what reason (b) on what date will surveyors be on site?

Hon. Ron Basford (Minister of State for Urban Affairs): This residential project was reinspected on January 22 in response to complaints. The manager of the Quebec city branch of CMHC met with the builder on January 30 to discuss a program of remedial action.

UNEMPLOYMENT INSURANCE PREMIUMS

Question No. 670—**Mr. Horner (Crowfoot):**

By province, what was the amount of money collected in Unemployment Insurance Premiums in the years 1970, 1971 and 1972?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The moneys collected for unemployment insurance premiums are not segregated on a provincial basis. This is due to the fact that many national firms do not necessarily remit premiums from the location in which the employment occurs, but through a central pay office. For this reason any such figures would only represent moneys remitted provincially by employers and would not indicate premiums paid provincially by insured persons.

POST OFFICE DEPARTMENT—FIRST DAY COVERS

Question No. 681—**Mr. Dinsdale:**

1. Has the Post Office Department initiated a policy of issuing first day covers and, if so, for what reasons?

2. Is this program in direct competition with private enterprise already providing this service?

3. What is the charge for (a) Post Office first day cover service (b) private enterprise first day cover service?

Hon. André Ouellet (Postmaster General): 1. The Post Office has provided special first day cover cancellation service to collectors and private enterprise since 1949. Since April 1971, the Post Office has also made the official first day covers available to collectors and private enterprise. The practice of issuing official first day covers has been common among postal administrations for many years and was introduced in Canada in response to repeated requests from collectors around the world.

2. Not in the opinion of the Post Office.

3. (a) The charge for an Official Post Office first day cover is 20 cents, plus the face value of the stamps affixed; (b) The Post Office fee to affix a stamp and cancel a private cover for a collector or a dealer is 5 cents. If the collector or dealer affixes the stamp himself, or if the face value of the stamp exceeds 15 cents, the special cancellation is applied without charge.

DREDGING IN LADNER HARBOUR

Question No. 695—**Mr. Reynolds:**

Is it the intention of the government to begin dredging in Ladner Harbour and, if so (a) on what date (b) on what date will the rest of the harbour expansion be started?

Hon. Jean-Eudes Dubé (Minister of Public Works): Yes, (a) April 1973, (b) the proposed harbour expansion project is still in the discussion stage.

PUBLIC WORKS—LEASE FOR POST OFFICE BUILDING AT ANCIENNE-LORETTE

Question No. 706—**Mr. Godin:**

Has the Department of Public Works signed a lease for a building that would be made available to the Post Office at Ancienne-Lorette, in the constituency of Portneuf and, if so (a) were tenders called (b) how many tenders were received (c) what was the amount in each case (d) what was the name of the tenderers (e) on what date does the Department intend to move into the premises?

Hon. Jean-Eudes Dubé (Minister of Public Works): Yes; (a) Tenders were called; (b) 1; (c) $21,000 per annum; (d) Tremblay and Beausejour under the name of Botran Inc.; (e) Feb. 23, 1973.

GOVERNMENT DOCK, BEWDLEY, ONTARIO

Question No. 727—**Mr. Lawrence:**

1. When was the government dock at Bewdley, Ontario, on Rice Lake, first built and what was the original cost thereof?

2. What expenditures, if any, were made by the government for maintaining, repairing, renovating or improving the said dock for each of the years 1952 to 1972 inclusive?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. 1911; $2,437.37.

2. 1952-1953, nil; 1953-1954, $2,325 dredging; 1954-1963, nil; 1963-1964, $12 minor repairs to approach; 1964-1965, nil; 1965-1966, $10 minor repair to approach; 1966-1970, nil; 1970-1971, $1,155 wharf repairs; 1971-1972, nil.

CFB VALCARTIER, SNOW REMOVAL

Question No. 766—**Mr. Godin:**

1. Is snow removal at CFB Valcartier paid on an hourly or on a contract basis?

2. If on a contract basis are tenders called and, if so (a) how many were received in the 1971-72 winter (b) how many tenderers were there?

3. For the 1972-73 winter (a) were tenders called (b) how many were received (c) what was the amount of each (d) what are the names of the tenderers?

(c)	Clifford McKinley
1. Snow Blower-Sicard	$24. per hr.
2. Grader	13. per hr.
3. Front end loader, 2 cu. ft.	12. per hr.
4. Front end loader, 3 cu. ft.	12. per hr.
5. Snow Plow on 7 ton truck	14. per hr.
6. 10 ton dump trucks	3.60 per trip

(d) Clifford McKinley, Valcartier Village, Quebec; Les Entreprises Raymond Bédard, Loretteville, Quebec; Marcel Légaré Incorporated, Loretteville, Quebec.

[*English*]

ELECTION EXPENDITURES, CONSTITUENCY OF BELLECHASSE

Question No. 779—**Mr. Lambert (Bellechasse):**

1. What was the total amount spent by the government in the constituency of Bellechasse for the October 30 election?

2. Of this amount, how much was spent for salaries of deputy returning officers and poll clerks?

3. What was the amount spent for office rental?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The following amounts were spent by the Chief Electoral Officer pursuant to the Canada Elections Act: 1. $53,301.60.

2. $10,936.

3. $375. (Total amount spent for the rental of offices for the returning officer and revising officer).

COMPENSATION TO ONTARIO AND QUEBEC FARMERS FOR CROP LOSSES

Question No. 780—**Mr. Lambert (Bellechasse):**

To date, what was the total amount paid by the government to Ontario and Quebec farmers as compensation for crop losses that occurred in 1972?

Hon. E. F. Whelan (Minister of Agriculture): As of February 6, 1973, $10,492,391.

CONSTITUENCY OF RIMOUSKI—ELECTION EXPENSES

Question No. 805—**Mr. Allard:**

1. What was the total amount spent by the government in the constituency of Rimouski for the October 30 election?

2. Of this amount, how much was spent for salaries of deputy returning officers and poll clerks?

3. What was the amount spent for office rental?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. On an hourly rate basis by contract.

2. Yes. (a) Two. (b) Six firms were invited.

3. (a) Yes. (b) 3.

Marcel Légaré Inc.	Les Entreprises Raymond Bédard
$23. per hr.	$25. per hr.
14. per hr.	20. per hr.
12.50 per hr.	15. per hr.
12.50 per hr.	15. per hr.
20.00 per hr.	15. per hr.
5.40 per trip	4. per trip

Mr. John M. Reid (Parliamentary Secretary to President of Privy Council): The following amounts were spent by the Chief Electoral Officer pursuant to the Canada Elections Act: 1. $59,328.34.

2. $10,332.

3. $525. (Total amount spent for the rental of offices for the returning officer and revising officers).

ST. LAWRENCE ISLANDS NATIONAL PARK EXPENDITURES

Question No. 810—**Mr. Cossitt:**

1. What was the total amount of money spent for all purposes on the St. Lawrence Islands National Park during the last fiscal year?

2. Are there any national parks where (a) more (b) less money was spent during the last fiscal year and, if so (i) where are they located (ii) how much was spent in each case?

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Total amount of money spent at St. Lawrence Islands National Park during the last fiscal year was, $467,076.

2. The following is a list of total expenditures at all National Parks where either (a) more or (b) less money was spent during the last fiscal year:

National Parks (by Province)	More Money Spent	Less Money Spent
Newfoundland		
Terra Nova	$ 946,806	
Gros Morne	813,445	
New Brunswick		
Kouchibouguac	494,895	
Fundy	848,559	
Nova Scotia		
Cape Breton Highlands	1,619,022	
Kejimkujik	599,268	
Prince Edward Island		
Prince Edward Island	1,246,460	
Quebec		
Forillon	1,633,514	
La Mauricie	1,792,520	

Orders for Return

National Parks (by Province)	More Money Spent	Less Money Spent
Ontario		
Georgian Bay Islands		$387,838
Point Pelee	1,121,032	
Pukaskwa		187,039
Manitoba		
Riding Mountain	1,674,070	
Saskatchewan		
Prince Albert	1,242,823	
Alberta		
Banff	4,130,128	
Elk Island	542,300	
Jasper	4,027,980	
Waterton Lakes	1,039,349	
Wood Buffalo	2,938,357	
British Columbia		
Pacific Rim	1,507,732	
Kootenay	1,141,656	
Revelstoke-Glacier	1,908,872	
Yoho	1,778,235	
Northwest Territories		
Nahanni		12,000

* * *

QUESTIONS PASSED AS ORDERS FOR RETURN

USE OF GOVERNMENT AIRCRAFT

Question No. 23—**Mr. Coates:**

Between September 1 and October 30, 1972, were government aircraft used by individuals other than the Prime Minister and Menbers of the Cabinet and, if so, in each instance (a) under whose authority was the aircraft in question released (b) what was the purpose of the flight (c) what was the destination of the flight (d) what were the names of the individuals on the flight (e) were all employees of the Government of Canada and, if not, what was the reason for their being on the flight in question?

Return tabled.

FOOD IMPORTS 1970-71

Question No. 66—**Mr. Wise:**

What food products, both raw or processed, were imported into Canada in the years 1970 and 1971 and what was the volume of each?

Return tabled.

PUBLIC SERVICE COMMISSION—EXPENDITURES FOR RESEARCH, DEVELOPMENT AND CONSULTING SERVICES

Question No. 108—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal year 1968-69, 1969-70, 1970-71, 1971-72 by the Public Service Commission on contracts to outside persons and organizations for research, development and other consulting services?

[Mr. Marchand (Kamloops-Cariboo).]

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

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

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

Mr. Diefenbaker: Mr. Speaker, the purpose of asking questions is to get information, and it seems impossible to get any information concerning Wheat Board operations. Question No. 51, dated January 4, is as follows:

• (1410)

As of (a) July 31, 1972 (b) December 31, 1972, what were the estimates by the Wheat Board of the number of bushels of wheat of grades available for export under the several agreements with Mainland China and the U.S.S.R. in storage (i) on farms (ii) in elevators of all kinds?

The answer to that question is available to the minister and has been available for the last four weeks. There is also question No. 55 which concerns farmers all over western Canada. It is dated January 4, and reads as follows:

1. What was the total amount paid for demurrage by the Wheat Board in 1972 for ships which were held up in Vancouver Harbour awaiting wheat cargoes?

2. Is the Wheat Board to receive payment of said amount from the government of Canada or, if not, is it to be considered as a marketing expense which will come out of the farmer producers?

Both of those questions should have been answered long ago. The minister has the information and simply is not placing it before the House because it will be embarrassing. I ask that he give the answers to these questions at the next opportunity.

Some hon. Members: Hear, hear!

Mr. Reid: Mr. Speaker, I can assure the hon. gentleman that the answers, embarrassing or not, will be available on Wednesday.

Mr. Diefenbaker: Mr. Speaker, I asked for the minister to give his assurance, not some subaltern.

Mr. Speaker: The minister rises on a question of privilege.

Mr. Lang: Mr. Speaker, the parliamentary secretary has indicated that these answers are likely to be presented on Wednesday; in fact, I dealt with them in my office a few days ago. My question of privilege relates to two things. First, the right hon. gentleman is suggesting that some of the information with regard to these questions was available to me for a certain period of time. The first time I saw that information was when I signed the answers to the questions in my office on Thursday or Friday. Second, I must also say that I object to the right hon. gentleman's suggestion that there is some reason for embarrassment or other purpose or motive in connection with the failure to bring the questions forward. I think that is a breach of

the privileges and traditions of parliament and not to be permitted, even from the right hon. gentleman.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, there is nothing to withdraw; my statement stands. There is concealment from the farmers because the minister is afraid of revealing the information.

Some hon. Members: Hear, hear!

Mr. Cossitt: Mr. Speaker, I should like to draw the attention of the Parliamentary Secretary to the President of the Privy Council to three questions I placed on the order paper on January 11 which have not been answered, namely, Nos. 257, 273 and 274. Because the answers should be fairly straightforward I think they should have been forthcoming before now. Like the right hon. member for Prince Albert, I realize that two of the questions may be an embarrassment to the government, but I do not see any reason why the answers should be held up. I wonder whether we could have some idea of when the answers might be forthcoming.

Mr. Reid: Mr. Speaker, I shall be delighted to look into it.

Mr. Hees: As the Prime Minister says, "in due course", which means eight months from Wednesday.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I express the hope that the answer to starred question No. 811 will be given by the Minister of Finance on Wednesday?

Mr. Nielsen: It could be available tomorrow.

ORAL QUESTION PERIOD

LABOUR RELATIONS

ELEVATOR CONSTRUCTORS' STRIKE—FEDERAL GOVERNMENT ACTION TO ACHIEVE SETTLEMENT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is directed to the Minister of Labour. Now that the elevator constructors' strike has entered its 178th day, with some 2,300 workers idled in every province, with building projects worth tens of millions of dollars being delayed in urban areas, creating more unemployment, would the Minister of Labour now accept some responsibility and attempt, working in conjunction with provincial authorities, if necessary, to conciliate this dispute which is the first such national strike in Canada's history?

Some hon. Members: Hear, hear!

Hon. John C. Munro (Minister of Labour): Mr. Speaker, if the hon. member feels so strongly, would he be good enough to advise the premier of the province of Ontario—

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): —whether he is prepared to turn over to me what, constitutionally, is his responsibility? Then I will consider an answer to the hon. member's question.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I apologize to the hon. member. Is the hon. member for Burnaby-Richmond-Delta rising on a point of order?

Mr. Reynolds: Yes, Mr. Speaker. Being new in the House I am not sure what the Minister of Labour meant by his answer, but do I take it that it is now government policy for opposition members to deal with provincial premiers?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member who had the floor wishes to ask a supplementary.

Mr. Stevens: Mr. Speaker, my supplementary is again directed to the Minister of Labour. I can assure him that I have gone a little farther than he has suggested and have actually contacted the company representatives and the union representatives. Would the minister inform the House whether he will take action this afternoon to help reconcile the strike of elevator constructors, bearing in mind that this morning Mr. Leo Moore, Canadian Vice-president of the union involved, and Mr. E. M. Tuff, chief negotiator for the companies involved, told me that they would welcome any federal assistance that might be forthcoming? I can give the minister their telephone numbers, if he likes, but let us have some action.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): Mr. Speaker, neither the federal government nor the federal Minister of Labour has any responsibility in the matter. We have no legitimate—

Some hon. Members: Oh, oh.

Mr. Munro (Hamilton East): —basis from which to operate, and the parties know that. However, if the provinces, including the province of Ontario, invite me to intervene and be helpful, then I will have a basis upon which to make a contribution toward the settlement of this dispute. Until that happens this government and I are powerless.

Mr. Nielsen: Why don't you offer to help?

Mr. Munro (Hamilton East): Mr. Speaker, I have offered.

Mr. Stevens: My supplementary is directed to the Minister of Finance, in view of the doubletalk I have been getting from the Minister of Labour.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member should ask his question. This is not a debate. The question period, as much as possible, should be devoted to straightforward questions and answers. It seems to me that all hon. members ought to bear this in mind. Perhaps the hon. member should ask his supplementary.

Mr. Hees: The hon. member accused the minister of indulging in doubletalk. I think he was being very kind.

Mr. Stevens: Mr. Speaker, would the Minister of Finance inform the House whether he is aware that the proposed wage settlement in the elevator constructors' strike would result, possibly, in a 97 per cent wage and fringe benefit increase in that industry within the next five years, or about three times as large an increase as was awarded in the comparable settlement in the United States where the same parties in that country were bound by the Nixon guidelines?

Some hon. Members: Oh, oh!

Mr. Stevens: I know the minister—

Mr. Speaker: Order, please. The hon. member is making a speech. He is not asking a question. The hon. member for St. John's East on a supplementary.

ELEVATOR CONSTRUCTORS' STRIKE—SUGGESTED FEDERAL PARTICIPATION IN INDUSTRIAL INQUIRY COMMISSION

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a supplementary question to the Minister of Labour. As the Liberal government of Nova Scotia proposes, with the other provinces, to set up a provincial industrial disputes commission to get around the niceties of the constitution, is the minister prepared to use his good offices and the facilities at his disposal, to assist in the setting up of the commission and to work closely with the provinces in order to bring about the settlement of this costly dispute?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, aside from the question of whether the setting up of a commission would rapidly settle the dispute, which is a very open question in itself, I have already said that, because of the serious economic implications of this strike, I and the government would be prepared to assist in any possible way but that we must have a basis upon which to act and that must come from the provinces.

* * *

ENERGY

OIL—EASTERN CANADA SUPPLY—FEASIBILITY STUDY ON PIPELINE EXTENSION—ASSURANCE OF SUPPLY BY UNITED STATES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources arising out of the announcement that there is to be a substantial increase in the price of Venezuelan crude oil. As the area east of the Ottawa River is largely dependent on this source of supply, I want to ask the minister whether his department or the National Energy Board have completed the feasibility study on extension of the interprovincial pipeline, which his predecessor announced was under way, and whether the findings of that study will be made available to members of the House?

[Mr. Speaker.]

• (1420)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Mr. Speaker. I remind the hon. member that the price differential between Montreal and western oil is between 90 cents and $1. Even if the Venezuela price goes up, it will still be substantially below the Canadian supplier.

Mr. Douglas: Mr. Speaker, I asked whether the study is under way or is completed. In view of the discussions that have been going on between the minister and his counterpart in the United States government regarding contingency plans to ensure security of supply for eastern Canada in the event of a crisis, can the minister tell the House whether he has received any assurance from the United States government regarding security of supplies for eastern Canada apart from the promise they would put forth their best endeavours to see that oil would be made available to eastern Canada?

Mr. Macdonald (Rosedale): Mr. Speaker, as I have told the House several times, there is no agreement between the two governments at the moment. Officials will be meeting to negotiate further possible terms, but at the moment there is no formal arrangement between the two governments.

POSSIBLE RELATIONSHIP BETWEEN AUTO PACT TERMS AND SUPPLYING OF LARGE QUANTITIES OF OIL AND GAS TO UNITED STATES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to direct a supplementary question to the Minister of Industry, Trade and Commerce. In view of reports that the United States Senate interior committee, chaired by Senator Jackson, secured information from White House officials to the effect that favourable terms for the Canada-U.S. auto pact would be dependent upon Canada agreeing to supply large quantities of oil and gas to the United States, I ask the minister whether, in the trade discussions that have been carried on with the Americans, the supply of large quantities of oil and gas to the United States is the price Canadians will have to pay to get favourable terms in the auto pact?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): No, Mr. Speaker.

* * *

[*Translation*]

SOCIAL SECURITY

CO-ORDINATION OF PENSIONS PAID UNDER QUEBEC AND CANADA PENSION PLANS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to put a question to the Minister of National Health and Welfare.

In view of the fact that the government of the province of Quebec has granted substantial increases for certain categories of pensions under the Quebec Pension Plan, does the minister intend to inform the House whether

there will be a readjustment of the Canada Pension Plan payments at a rate at least equal to those paid by Quebec?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this proposal was put forward as early as 1970 by the federal government. New proposals were also made recently. However, any amendment to the Canada Pension Plan must be agreed to by two thirds of the provinces having two thirds of the population. It has been impossible to date to reach an agreement with the provinces.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

POSSIBLE DESIGNATION OF AREAS WEST OF REVELSTOKE, B.C.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion. In view of the recent unemployment figures which indicate that the rate of unemployment in British Columbia has increased to 9.9 per cent and is now one of the highest in the country, is the minister prepared to designate any areas as depressed areas west of Revelstoke, which is now the most westerly designated area?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, we are prepared to consider new areas or changes in existing areas. The initiative in such cases generally comes from the provinces. We will be having further discussions with the government of British Columbia on this question, hopefully within the next two or three weeks.

* * *

TRADE

CANADA-UNITED STATES—ACTION TO REOPEN NEGOTIATIONS—CANADIAN PROPOSALS FOR REVAMPING INTERNATIONAL MONETARY SYSTEM

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the fact that the trade relationship between Canada and the United States is taken much more seriously in Washington than here, has the minister now decided to take the initiative in reopening negotiations in order to seek an early reconciliation?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not accept the premise of the question at all. We regard our trading relationship with the United States as most important. Probably the greatest trading relationship in the world is that between our two countries.

Some hon. Members: Hear, hear!

Mr. Hellyer: I would be most obliged to the minister if he would answer my question. Does he not agree that it would be in Canada's best interests to recommence negotiations at once before the United States trade bill has been finalized and presented to Congress?

Mr. Gillespie: As I have told the House on previous occasions, discussions have taken place between United States and Canadian officials. Discussions are going forward now, and further discussions will take place. The very nature of the relationship between our two trading countries is such that irritants are bound to arise from time to time and there will be continuing discussions. It is very much an ongoing process, Mr. Speaker.

Mr. Hellyer: I have one more supplementary, directed to the Minister of Finance. In view of the widely held belief that there can be no rational solution to world trading problems until the international monetary system has been thoroughly revamped, can the minister advise us whether Canada has presented the committee of 20 with any specific proposals for reform?

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker. Last May I spoke to the international bankers' conference in Montreal. I followed that up with a proposal to the international monetary conference in September. We further refined our proposal two or three weeks ago in Washington during the meeting of deputies of the committee of 20 and I shall be in Washington on March 26 and 27 to explain it even more fully.

Mr. Hellyer: Will you tell us tonight what that proposal is?

POSSIBLE EFFECT OF CANADIAN OIL EXPORT CONTROLS ON UNITED STATES ATTITUDE TOWARD NEGOTIATIONS ON OTHER MATTERS

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary to the Minister of Industry, Trade and Commerce arising out of suggestion in the press that some of his counterparts in the United States regard the controls placed upon the export of Canadian oil as perhaps a political move. What steps has the minister taken to assure his counterparts in the United States that the controls placed upon the export of Canadian oil to the United States are really necessary, in view of the effect these restrictions might have on the attitude of the United States toward negotiations on other matters?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): In this matter, as in other matters of importance between our two countries, consultations have taken place. United States officials were made aware of our intended action before the announcement.

Mr. Stanfield: Is that all you did? Sounds pretty careless.

Mr. Eldon M. Woolliams (Calgary North): I should like to ask the minister a question in the light of his answer to my hon. friend, the Leader of the Opposition. If there was consultation, did the United States officials agree to these controls? Did they acquiesce in them? Did they say they were necessary?

Mr. Sharp: Do you want them to make our policy?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Perhaps I might respond. The United States was advised in advance. Canada did not feel it necessary to seek approval or disapproval of any American officials in this regard.

Some hon. Members: Hear, hear!

* * *

COMMUNICATIONS

POSITION OF CANADIAN BROADCASTING CORPORATION ON PROPOSED POLICE CONTROL OVER NEWS DURING CRISES—STUDY BY CANADIAN RADIO-TELEVISION COMMISSION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Secretary of State of which I gave notice on Friday. Will the minister advise what assurance he has received from the Canadian Broadcasting Corporation that it will not be a party to an illiberal proposal which would give the police a measure of control over news during crises—a proposal which has been quite rightly criticized by the police association?

Hon. James Hugh Faulkner (Secretary of State): I should like to thank the hon. member for having given me notice of his question. I am informed by the CBC that the CBC is in no way a party to any possible control of information by the police or others.

Mr. Fairweather: Can the minister tell us whether the Canadian Radio-Television Commission is taking any action to study this plan which could result, if implemented, in a serious limitation of press freedom? I suppose I ought to direct that question to the Minister of Communications.

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, as it became evident, after a letter was sent to both broadcasting associations by the chairman of the CRTC, this agency was not aware at all of those agreements and an explanation by the broadcasters was requested.

[*English*]

PROPOSED POLICE CONTROL OF NEWS DURING CRISES—POSITION OF ROYAL CANADIAN MOUNTED POLICE

Mr. Erik Nielsen (Yukon): I have a supplementary question for the Solicitor General. May I ask whether any policy is being evolved within the police security planning and research group to step into this field should they assess a situation as one which affects national security?

Hon. Warren Allmand (Solicitor General): There has been no plan, no agreement whatsoever, by the RCMP or the police security planning group with respect to this matter. There had been a meeting between the former Solicitor General and the radio broadcasters, but it was merely with respect to the forcible occupancy of radio stations during crises such as the general strike last year. It had nothing to do with respect to direction of news or control of news.

* * *

• (1430)

GRAIN

DISCUSSIONS TO EXPEDITE DELIVERY OF QUOTAS BY SASKATCHEWAN FARMERS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct a question to the minister in charge of the Canadian Wheat Board. Further to the questions that have been directed to the minister in the past several weeks in regard to plugged grain elevators in Saskatchewan, can the minister inform the House whether he has held discussions with the transportation committee and/or the Canadian Wheat Board and received any assurance that farmers who have been unable to deliver their quotas will be able to do so?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we have been having regular discussions, both at the official level and between myself and the Canadian Wheat Board, about the expeditious movement of grain. Certainly the basic position of the Wheat Board is that there will be an adequate opportunity for delivery of grain during the course of the current crop year. In addition, special consideration will be given to granting additional time for deliveries at any elevator point that is congested at the termination date for a delivery quota.

[*Translation*]

Mr. Beaudoin: Mr. Speaker—

Mr. Speaker: I apologize to the hon. member for Richmond—

[*English*]

The hon. member for Saskatoon-Biggar has a supplementary so perhaps he should be allowed to ask his supplementary and then I will recognize the hon. member for Richmond.

Mr. Gleave: Mr. Speaker, since this situation has existed for some time, may I ask the minister whether he has had conversations with the elevator companies and the Canadian Wheat Board regarding the congestion that exists at these delivery points, and will he report to the House in the very near future on what action he is going to take in the near future, not next August?

Mr. Lang: Mr. Speaker, there have been such conversations and the action that is being taken has already been indicated to the House.

* * *

[*Translation*]

POST OFFICE

WINDSOR, QUE.—PROVISION OF DOOR TO DOOR MAIL DELIVERY

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, may I direct a question to the hon. Postmaster General.

Since the authorities of Windsor in my riding have made representations to the hon. minister to obtain home delivery within the city boundaries, would the hon. minister tell us if his department intends to respond favourably to this request? If so, when will this be done?

Hon. André Ouellet (Postmaster General): Mr. Speaker, following the request made by the Windsor authorities, I have asked my senior officers to conduct a new inquiry which will determine if this municipality can indeed be advantaged by a postman service which would distribute the mail. If this inquiry establishes that the locality now has 2,000 delivery points, I can assure the hon. member that we will provide such a service as quickly as possible.

* * *

[*English*]

TRANSPORT

RAILWAY FREIGHT RATES—DISCUSSIONS WITH ATLANTIC PROVINCES

Mr. Charles H. Thomas (Moncton): Mr. Speaker, my question is for the right hon. Prime Minister. In view of the throne speech promise to meet with the provincial governments to discuss and examine the impact of freight rates on economic development and consumer prices, and in view of the statement emanating from the recent Halifax meeting that the initiative rests with the federal government and the railways, will the Prime Minister tell the House what action has been taken to implement this throne speech promise?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Transport has announced in the House a few times that such meetings either had gone on or were contemplated. In my letters to the premiers of the provinces regarding a federal-provincial conference of first ministers, I indicated that at this level we would be looking at the result of meetings between the ministers of transport of the various provinces and the federal government.

Mr. Thomas (Moncton): I have a supplementary question, Mr. Speaker, which I will direct to the Minister of Transport. Since the railways have reportedly told the maritime premiers that freight rates should be determined by market forces without consideration of the national interest, is the minister now prepared to meet immediately with the premiers and the railways and to make some decision regarding the responsibilities of our national carriers and what type of assistance should be provided in lieu of freight rate increases?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we intend to meet the maritime premiers as soon as possible so as to have an exhaustive discussion on freight rates and I think I will be able to do it within the next few weeks.

[*English*]

STUDY OF PROBLEMS AFFECTING WESTERN CANADA

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a supplementary for the Minister of Transport which also arises out of the throne speech.

Mr. Speaker: Order, please. I hope that the question is a supplementary, though I would doubt that, simply because a question also refers to the throne speech, it really would be a supplementary. I think an effort is being made this afternoon by hon. members, certainly by the Chair, to recognize as many members as possible by permitting as few supplementaries as possible. However, I recognize the hon. member for Vegreville.

Mr. Mazankowski: Thank you, Mr. Speaker, but with all due respect I believe I have a right to be heard. My question has to do with the study due to take place in co-operation with the western provinces respecting transportation needs. In light of the fact the minister indicated that a meeting was going to be held with the maritime provinces, can the minister outline to the House when this study of transportation problems affecting the west is going to take place?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, at the beginning it had been almost agreed that CNR and CPR officials would meet the premiers or, at least, representatives of the prairie provinces. If the latter want to consult each other prior to meeting the railway officials before the end of March, I think we will be able to meet them after this meeting and have an exhaustive discussion on the freight rates.

* * *

[*English*]

NATIONAL PARKS

PROVISION OF FACILITIES FOR SKIING

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask a question of the Minister of Indian Affairs and Northern Development having to do with requests that have been made for ski facilities in various national parks across Canada. Would the minister let the House and the country know whether any decision has been made by the government with respect to the requests for such physical facilities for skiing to be provided in these various parks either by the government or by private industry?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, until now in all national parks the government did not create any ski trails at Jasper or Banff; they have been created by private industry in compliance with government regulations. We have not developed any specific program relating to ski facilities in national parks, but I understand that the right hon. member would like to know the situation in the Prince Albert park. We are currently studying this situation and no decision has been taken as yet.

[*English*]

Mr. Diefenbaker: Mr. Speaker, may I thank the minister for giving an explanation of this matter. Can he give the House any idea when a decision will be made, since we have no ski facilities in the park in northern Saskatchewan?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I quite understand the problem of the right hon. member for Prince Albert. It seems, however, that to date private industry has not been interested in creating a ski centre in the Prince Albert park. As for the government, it has never created any ski centre in any national park.

* * *

[*English*]

VETERANS AFFAIRS

POSSIBILITY OF INCREASE IN WAR VETERANS ALLOWANCES AND DISABILITY PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. In view of the welcome assurance he gave on Friday to the effect that there will soon be an announcement of government policy respecting the ceiling on permissible income under the War Veterans Allowance Act, can the minister say whether that announcement of government policy will also include proposals to increase the amount of the war veterans allowance and the amount of the basic disability pension under the Pension Act?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, in a reply to the hon. member may I say that the government is giving this matter consideration and that an announcement will be made shortly.

Mr. Knowles (Winnipeg North Centre): Might it be tonight?

* * *

GRAIN

ELIGIBILITY OF PEACE RIVER FARMERS FOR SPECIAL ASSISTANCE IN LIGHT OF ADVANCE PAYMENTS BY WHEAT BOARD—FORECLOSURE PROCEEDINGS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the minister responsible for the Wheat Board. In view of the government's policy of assisting Canadian farmers in adverse positions with advance payments for their products under the policy of the Wheat Board, is the minister aware that the Wheat Board is informing the recipients of such advances in the Peace River country that as a result of such loans they do not qualify for any assistance announced by the Minister of Agriculture a couple of weeks ago?

• (1440)

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker, I certainly was not aware of that. I would be happy if the hon. member would let me have the evidence of such a report and I will take it up from there.

Mr. Oberle: Mr. Speaker, is the minister aware that the Wheat Board is threatening or starting foreclosure proceedings against some farmers in the Peace River country?

Some hon. Members: Shame!

Mr. Lang: Mr. Speaker, the exact words used by the hon. member may be inaccurate. The Wheat Board is taking civil action to collect moneys which have been owing on cash advances sometimes for as long a period as four or five years. This action is necessary in order to give the Wheat Board appropriate priority in respect of the claims against the farmer who was indebted and did promise to deliver grain but has not done so. Needless to say, the question of what action will be taken after the actual issuance of a writ is a matter for further consideration by the Wheat Board, but the issuance of a writ is frequently necessary to protect the claim.

* * *

NATIONAL DEFENCE

PAY OF CANADIAN ARMED FORCES PERSONNEL ON VIET NAM SUPERVISORY COMMISSION

Mr. Peter Reilly (Ottawa West): Mr. Speaker, I have a question for the Minister of National Defence. Is he now in a position to tell us what, if any, have been the results of the consultations he promised to have with his officials with a view to bringing into line the pay and allowances of soldiers serving in Viet Nam with the salaries paid to employees of the Department of External Affairs?

Mr. Stanfield: It will be in the budget.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, we are still in the 60-day period as I indicated when answering this question before, but consultations are continuing.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

JAMES BAY HYDROELECTRIC PROJECT—ECOLOGICAL EFFECTS—FINANCIAL ASSISTANCE BY GOVERNEMENT TO INDIANS

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the hon. Minister of the Environment.

Has the minister, like his colleague the Minister of Indian Affairs and Northern Development, financially assisted James Bay Indians in order that they may adequately discuss effects of the hydroelectric development on the ecology of the region?

[*English*]

Hon. Jack Davis (Minister of the Environment): No, Mr. Speaker, there has been no financial assistance given to the native people through my department. We have, how-

ever, made available to them all of the environmental studies which have been done separately by our department or jointly with the provincial Crown corporation involved.

* * *

LABOUR RELATIONS

RETROACTIVITY OF FOREMEN'S INCREASES FOLLOWING 1972 VANCOUVER LONGSHOREMEN'S STRIKE

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Labour. When the government forcibly settled the longshoremen's strike in Vancouver last year, full-time and casual help received increases retroactive to August. Why did the foremen only get a one-month retroactive increase?

Mr. Speaker: Order, please. That question should be placed on the order paper.

* * *

FINANCE

BANK OF CANADA ACTION RESPECTING EXCHANGE RATE DURING MONETARY CRISIS—REPRESENTATIONS BY UNITED STATES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Finance. In light of comments by Secretary of the Treasury Shultz regarding the action of the Canadian government in evening out movement of exchange rates over the past fortnight, can the minister indicate whether he has received any direct representations from the United States government in respect of the action by the Bank of Canada during the recent currency crisis?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker, we have received no communication from the United States authorities, nor have I received any comment directly from the Secretary of the Treasury of the United States. In looking over the reports of his statement this morning, there seemed to be some contradiction in the various reports and I should like to check to see what he really said. I want to reassert to the House that exchange fund intervention is only to maintain an orderly market, and I want to assure both the Canadian people and Secretary Shultz that we have a clean float.

Mr. Lambert (Edmonton West): Mr. Speaker, will the minister advise whether he or any of the officials of the Bank of Canada received any direct intimation that the United States would like the Canadian dollar to float at an appreciable premium over the United States dollar?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, what the United States wants and what Canada feels would be in the best interest of Canada may be different on that particular score, but whatever it is we are allowing the market forces to fix the value of the Canadian dollar.

MANPOWER

SUGGESTED ALTERATION OF ON-THE-JOB TRAINING PROGRAM TO PERMIT MUNICIPAL PARTICIPATION

Mr. Derek Blackburn (Brant): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration whether the terms of the on-the-job training program could be altered to permit municipal participation, and whether the January 31 deadline could be extended to permit municipalities to submit applications?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the first part of the question involves a matter to which I would give consideration, but the second part is more pertinent since all the funds have now been committed.

SUGGESTED USE OF RETRAINING AND OTHER PROGRAMS TO ASSIST WORKERS LAID OFF BECAUSE OF CLOSING OF NEWFOUNDLAND STEEL MILL

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. In view of the announced shutdown of the Newfoundland Steel Mill in St. John's, putting over 200 men out of work, and in view of the fact that many of these people are unskilled, I would ask the minister whether he has had discussions with the province with a view to bringing into force some of the provisions of the manpower retraining and other programs to assist in the already chronically high unemployment situation there?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we will do everything in our power to accommodate the hon. member's suggestion. Discussions are now under way.

* * *

LABOUR RELATIONS

ELEVATOR CONSTRUCTORS' STRIKE—ACTION BY URBAN AFFAIRS MINISTER AND CENTRAL MORTGAGE AND HOUSING CORPORATION TO ACHIEVE SETTLEMENT

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I should like to direct a question to the Minister of State for Urban Affairs in connection with the elevator constructors' strike. I direct this question to him in his capacity as the minister in charge of Central Mortgage and Housing Corporation which is the corporation most affected by this strike. What initiative has the minister or his department or CMHC taken to influence a settlement of this strike which is affecting so disastrously the completion of 100,000 dwelling units?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, there is no basis for intervention by CMHC in this situation. Occasionally, when complaints have been made to it, it has referred them to provincial authorities.

Oral Questions

TRANSPORT

PROVISION OF RAILWAY CARS TO MOVE BRITISH COLUMBIA APPLES

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is directed to the Minister of Transport. In view of the fact that British Columbia fruit growers are daily losing export business to the United States because of the lack of rail cars, and in view of the fact they have had to haul apples and load 79 cars in the United States on U.S. carriers, will the minister tell the House why Canadian National Railways is not making cars available to ship these apples?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will make an inquiry into the situation and report to the hon. gentleman shortly.

POSSIBLE DUMPING OF TORONTO GARBAGE BY CANADIAN PACIFIC RAILWAY IN HOPE TOWNSHIP, COUNTY OF DURHAM

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is also directed to the Minister of Transport. Can he inform us whether Canadian Pacific Railway intends to or is even giving consideration to dumping a large portion of metro Toronto's garbage in Hope township in the county of Durham?

An hon. Member: Where is the urgency of that?

Some hon. Members: Oh, oh!

Mr. Lawrence: Mr. Speaker, I have a supplementary question.

Mr. Fairweather: Garbage is a provincial responsibility.

Some hon. Members: Oh, oh!

Mr. Lawrence: Mr. Speaker, can the minister inform us whether there will be a representative of his department at the press conference being called this afternoon in Port Hope by Canadian Pacific Railway?

Hon. Jean Marchand (Minister of Transport): I am not aware of that, Mr. Speaker. I can inquire, but that is all I can say.

* * *

[*Translation*]

OFFICIAL LANGUAGES ACT

QUEBEC—PUBLICATION OF GENDRON REPORT—POSSIBILITY OF AMENDING SECTION 133 OF B.N.A. ACT

Mr. John Harney (Scarborough West): Mr. Speaker, I have a question for the right hon. Prime Minister.

Since recommendations of the Gendron report have effectively been published and are being widely discussed, particularly in the province of Quebec, may we, in this House, expect a statement from the Prime Minister or his government concerning the section of the report dealing specifically with the possibility of amending the British North America Act Section 133?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as far as I know, the Quebec government has not released the Gendron report as yet. I personally have not examined it. I will take the hon. member's question as notice and immediately upon release of the report we shall certainly want to study the aspect mentioned by the hon. member.

[*English*]

Mr. Speaker: I apologize to the hon. member for Humber-St. George's-St. Barbe, but the hon. member for Scarborough West has a supplementary question. The hon. member will be recognized immediately following that.

[*Translation*]

Mr. Harney: Mr. Speaker, I have a supplementary.

Considering that the report has not yet been published officially but that the people of the province of Quebec have a very good knowledge of what is in it since it was published in the newspaper *Le Devoir* and the editor of that newspaper commented upon it quite seriously this morning, would the Prime Minister be prepared to comment on that subject?

Mr. Trudeau: Mr. Speaker, I should like to assure the hon. member and the House that on the linguistic question and its relationships to the constitution the government has actually held rather firm positions. We submitted the issue at the Victoria conference two years ago and, at the time, the government of the province of Quebec indicated that it would prefer to wait until the report of the Gendron Commission had been published before taking a final position on the subject. So, the first comments will have to come from the government of the province of Quebec. The federal government indicated once again its desire to guarantee both official languages in the constitution and we came within a hair's breadth of doing it in Victoria two years ago.

* * *

• (1450)

[*English*]

NATIONAL PARKS

NEWFOUNDLAND—POLICY RESPECTING RELOCATION OF PEOPLE AGAINST THEIR WILL

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I am glad you let me sit down for a couple of minutes so I could get over the shock. I should like to direct a question to the Minister of Indian Affairs and Northern Development. In view of the hardship being caused to citizens and communities by the establishment of national parks, would the minister indicate to the House whether he is considering changing the policy so that people will not be moved against their will?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the question of relocating people when we set up a national park is always of

the highest concern for the government but I wish to inform the hon. member that this relocation of people is done by provincial authorities and I would be very happy to discuss the issue with Newfoundland authorities. I discussed the matter with the Minister of Regional Economic Expansion a few days ago and I would be very happy to discuss it with the government of the province of Newfoundland.

[*English*]

Mr. Marshall: In view of the fact that the Bill of Rights gives Canadians the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof, would the minister renegotiate with the province of Newfoundland that portion of the memorandum of agreement establishing boundaries which will force citizens to be relocated against their will?

[*Translation*]

Mr. Chrétien: It is obvious, Mr. Speaker, that the government's intervention in the establishment of a service for the whole population often implies the relocation of people. We proceed through expropriations and I must say that in the present case, the expropriation and relocation procedures are under provincial jurisdiction. However, if they want to discuss the boundaries again with me, I would be willing to consider any request.

* * *

[*English*]

URBAN AFFAIRS

PROPOSED TORONTO WATERFRONT PARK

Mr. John Gilbert (Broadview): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In view of the statement by the Secretary of State for External Affairs just prior to the October 30 election that the federal government would finance an $80 million waterfront park in Toronto, what steps has the minister taken to implement that election promise?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, in that case it is not a national park but only a park within the city of Toronto and I think that the matter falls under the jurisdiction of the Department of Urban Affairs.

* * *

[*English*]

EXTERNAL AFFAIRS

REPRESENTATIONS ON BEHALF OF RONALD PATRICK LIPPERT IMPRISONED IN CUBA

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Secretary of State for External Affairs on the matter of Ronald Patrick Lippert, a Canadian citizen from Kitchener, Ontario, imprisoned in Cuba for the past ten years. Last night on the CBC program "Weekend" it was stated that the minister had announced that the Canadian government has made representations to the Cuban government for the release of Mr. Lippert on humanitarian grounds. In view of the fact the minister did not give such a forthright answer in the House when I previously asked him, as recently as last Wednesday, to take such action, would the minister advise the House whether he was misquoted by the CBC or whether at long last the government has decided that it should make such representations to the Cuban government for the release of Mr. Lippert?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, if the hon. gentleman will look at my answer in the House he will find that it is quite consistent with the statement I made outside. The question I was asked outside the House was a little more specific than the one he put to me. If he had asked me the same question, I would have given him exactly the same answer.

Mr. Cossitt: Mr. Speaker, I should like to ask the Secretary of State for External Affairs a supplementary question. Last Thursday Mr. Rene Anillo of the foreign affairs department of the Republic of Cuba was in Ottawa for the signing of the hijacking treaty with Canada. Did the minister take that opportunity, as I did myself, to discuss the case of Ronald Patrick Lippert with Mr. Anillo? If the minister did discuss this matter with him, is he in a position to give a report on the matter? If he did not discuss it with Mr. Anillo, can he tell the House why he did not?

Mr. Sharp: Mr. Speaker, I am sure that all hon. members welcomed the reason for which the Cuban vice-minister was here, namely, to sign an anti-hijacking agreement with Canada. That was a very good reason to be here. I have great confidence in our ambassador to Cuba who has been making representations at the right level, which is even above that of the vice-minister. I thank the hon. member for making his personal representations and I hope they will help.

* * *

FITNESS AND AMATEUR SPORTS

ANNUAL REPORT FOR YEAR ENDED MARCH 31, 1972—PROVISION OF FUNDS TO TRAIN ATHLETES FOR 1976 OLYMPIC GAMES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the fact that, according to section 13 of the Fitness and Amateur Sports Act, the minister is eight months late in submitting the annual report of the department to parliament for the fiscal year ended March 31, 1972, and thus is in direct violation of the provisions of the said act, can the minister tell the House why this report has not been submitted to date and when we can expect it to be submitted?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, if the facts are indeed as the hon. member has reported them, then I regret it infinitely; I shall look into the matter to find out exactly what the situation is in that regard.

[*English*]

Mr. Jelinek: I should like to assure the minister that those are the facts. I have a supplementary question, Mr. Speaker. In light of the fact that the government is suggesting a $14.5 million grant for fitness and amateur sports for the fiscal year beginning April 1, 1973, and in view of the fact that many sports bodies are patiently trying to prepare athletes from across Canada for the 1976 Olympic games, can the minister tell the House whether he is planning to use the $14.5 million toward aid to Montreal or for assistance in developing a respectable team to represent Canada in 1976, and if in fact we can expect a budget on this matter and when?

[*Translation*]

Mr. Lalonde: Mr. Speaker, above all I should like the supplementary estimates for 1972-73 to be passed as soon as possible to help with the development of our athletes.

With regard to the budget for next year, just as it happens every year, part of the money will be spent on training Canadian athletes, on developing their physical excellence, not only in preparation for the 1976 Olympic Games but also for the winter games and all other amateur sports manifestations in Canada and abroad.

[*English*]

Mr. Speaker: There are a number of hon. members seeking to ask supplementary questions. Perhaps they might be asked tomorrow because we have gone beyond the question period. Orders of the day.

GOVERNMENT ORDERS

SUPPLY

APPROPRIATION ACT No. 1, 1973

The House resumed, from Friday, February 16, consideration in committee of Bill C-141, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973—Mr. MacEachen (for Mr. Drury)—Mr. McCleave in the chair.

On clause 2—*Schedule.*

The Chairman: Order, please. When the committee rose on Friday, February 16, Votes 5a, 10a and 15a in the schedule relating to the Department of Manpower and Immigration were under consideration and the hon. member for Timiskaming had the floor.

• (1500)

Mr. Peters: Mr. Chairman, when I spoke on this estimate on Friday afternoon I ran into some flack and was surprised to find the violent objection that was expressed by some of the hon. members to one of the statements I had made. I said that the Department of Manpower and Immigration was developed mainly for a specific minister who had considerable experience in the trade movement in Quebec, and had considerable expertise in the field of labour relations.

[Mr. Lalonde.]

I am sure that at the time the department was established it was thought that this would give him an opportunity to develop the kind of training that would allow people to cope with technological change, that is, people displaced because of technological change, and it would also enable him to establish the kind of relationship that would encourage all employers and employees to deal with the government employment agency. As most hon. members are aware, under the previous system the Unemployment Insurance Service handled both employment and unemployment. For many years it was a simple operation. A person went into an unemployment insurance office or national employment agency and made application for a job. If he was unemployed, he went across the office to another counter where he also made application for unemployment insurance benefits, and benefits were paid if the proper contributions had beem made.

When we established the Department of Manpower and Immigration we retained the fundamental concept that a person obtaining unemployment insurance must first register with Manpower, and benefits could not be drawn unless notification was received from Manpower of his registration. Save for this exception, Manpower was totally divorced from the unemployment insurance agency. It was divorced to the extent that Manpower officials were instructed not to help, in any way, shape or form, those who were illiterate and who wished to fill out application forms to receive unemployment insurance benefits. In my opinion, and in the opinion of most people, we made a bad mistake at that time.

There were several reasons for making that mistake. When the then minister of manpower came into office, he brought with him the view that the responsibility for education in all stages was a provincial responsibility. It is a view that I do not share. The old National Employment Service had established what was known as Program V. It was a retraining program. The service had hired instructors and established schools across Canada. In effect, it was training people for technical jobs, jobs for which they could apply in any province. The new minister of manpower violently disagreed with that program. He was of the opinion that educational services had to be obtained through the provinces. As a result, this meant that the qualifications for a plumber in one province were no longer applicable in another province. We had varying provincial standards rather than national standards.

Employers found Manpower totally unsatisfactory for another reason. They discovered that Manpower never really established employment qualifications. When a man comes into Manpower and says, "I drive a truck," he is listed as a truck driver. Those who talk about people getting unemployment insurance and beating the system often point out that there are trucking jobs available for truck drivers. Mr. Chairman, for the first time in my area we recently had three major projects that required the use of 30 ton and 40 ton trucks, able to handle immense loads. Driving one of those trucks is a totally different proposition for the man who comes into Manpower and is registered as a truck driver simply because he was raised on a farm and could drive a half-ton truck.

On occasion the local Manpower office would send out such a person to drive a Euclid, or to drive a truck in the

iron pits, or a truck at the very large hydro project in my area. And in many cases those men hurt themselves, and totally destroyed the trucks because they were unable to handle them. Manpower has never been able to establish the qualifications of people registering with it. As a result management reserves the right to do that. Further, Manpower has found that many employers will not accept its referrals. They demand that a referral come to their offices and go through their own employment services.

I see that the minister who was previously in charge of unemployment insurance has arrived in the chamber. He was well aware of that problem, and under the provisions of the new act he established an employee adviser committee. In fact, such a committee in many areas became an employment agency because it was in a position to decide on the qualifications of the individuals making application.

In my opinion, the Manpower officials in my area have done a very good job. They have solicited all employers in the area. They have made every effort to get a job for every unemployed person registering with them. But this is not the case in all areas. I can think of another office not too far away which has ten or 12 employees, and it would be safe to say that they do not place as many people as that in employment in a month. The only employment being provided is in fact in that office. I suggest that we must re-unite these two departments. The Department of Manpower is not serving the role for which it was intended. It is not serving it either in the educational field, in the retraining field, or in the placement field.

As you know, Mr. Chairman, many unions have gone into the employment field. They have done so on a simple basis. They use a hiring hall. They have the ability to assess and guarantee the type of training of the person sent to do a particular job. Here I think particularly of the SIU who will send out a person to a ship knowing full well that he can do the job. They know his experience, and it is almost impossible for them to make a poor referral, unless on moral or character grounds. As I say, they know the qualifications of the individuals concerned. The Department of Manpower is not in that position. With Manpower obtaining education through the provinces, the result has been the development of provincial standards rather than national standards. If you want a national employment agency that works, you must establish national standards, and we are not yet capable of doing that. Mr. Chairman, we should bring this matter to a head and decide what we are going to do with the Department of Manpower and Immigration. I do not think that the functions of that department can be satisfactorily divorced from the functions of the Unemployment Insurance Commission. I believe that if a person is unemployed he should be able to draw his benefits in the same place that he seeks employment; the two agencies must be united.

• (1510)

I am surprised that the unemployment insurance offices have drawn up what they call a job search statement. Apparently, they are hiring a large number of policemen around the country to take people off the unemployment insurance rolls, not to provide them with jobs nor make any effort to find jobs for them, but just to take them off the unemployment insurance rolls so that they can then apply for welfare. This means that in Ontario, and perhaps Quebec, a job search statement has to be completed by the applicant indicating that he has sought employment in a number of places. I suggest that this means then, that the manpower office is not really a national employment agency.

For this reason, Mr. Chairman, I consulted the main estimates to find out what the Department of Manpower and Immigration is supposed to do and on page 14-10 is the following statement:

Objective—To further the economic growth of Canada by endeavouring to ensure that the supply of manpower matches the demand qualitatively, quantitatively and geographically.

Then, follows a statement of the secondary objectives as follows:

—To help individuals select and obtain productive and personally satisfactory employment through efficient counselling in Canada Manpower Centres.
—To increase the level of skill of the labour force through adult occupational training, thereby providing needed skills for industry and raising productivity.
—To facilitate the adjustment of labour market demand and supply by helping workers relocate to the nearest areas where suitable, more productive employment exists.
—To help members of the labour force and employers adapt to technological and other changes.
—To help reduce fluctuations in employment and shorten the period of unemployment.

Mr. Chairman, in my area those objectives are not being pursued and I suggest they are not being pursued in most areas. For that reason, Mr. Chairman, I move that Vote 5a be reduced by $11,689,860 since the department has failed to provide for the needs of unemployed Canadian workers.

The Chairman: Order. The hon. member for Timiskaming has moved that Vote 5a be reduced by $11,689,860 since the department has failed to provide for the needs of unemployed Canadian workers. The Chairman has doubts about the rider that is attached after the figures, and would have to ask hon. members to address themselves to a point of order to show the Chair that the latter part of the amendment is in order. Otherwise, I would have to say that the amendment is not in order.

Mr. Nielsen: Mr. Chairman, is the amendment available so that members may look at it?

Mr. Peters: Mr. Chairman, I would be very pleased to withdraw the rider. I agree that there is probably some question whether there should be a rider.

The Chairman: If hon. members will refer to page 7 of the schedule they will understand the motion. The Chair has only one copy, and I presume no other exists. It is the first vote under Manpower and Immigration, Vote 5a and the motion of the hon. member for Timiskaming is:

That Vote 5a be reduced by $11,689,860.

Is the committee ready for the question?

Some hon. Members: Question.

Mr. Barnett: Mr. Chairman, I think it should be readily apparent to members of the committee that the effect of this motion would be to reduce the amount of money in that particular item in the schedule to the sum of one dollar, and I am sure hon. members are well aware of the import of such a motion. It should be pointed out that we are dealing with a supplementary estimate, one which increases the amount originally proposed by the government for expenditure in this particular area.

This motion is very timely because the government's spending program for the Department of Manpower and Immigration needs a thorough examination with a view to the possible elimination of the expenditure of millions of dollars which have been provided for one of its programs. As the hon. member for Timiskaming pointed out, in the main estimates a secondary objective is stated as being:

—To help individuals select and obtain productive and personally satisfactory employment through efficient counselling in Canada Manpower Centres.

I merely read that to lend weight to the point the hon. member for Timiskaming was trying to make through his amendment. Doubtless some of the programs for retraining and upgrading are useful, but some of my constituents tell me of their frustrations in trying to collect unemployment insurance benefits and trying to "obtain productive and personally satisfactory employment through efficient counselling in Canada Manpower Centres". In the last three or four years, hundreds of individuals have complained to me about getting the run around at the manpower centres and their complete frustration at going back again and again for nothing. I know of some people who have been denied benefits on the ground that they are not seeking actively enough to get a job. They have become so frustrated about the lack of help from the manpower centres that they have finally thrown up their hands in despair.

People spend months looking for jobs, going to manpower offices and getting the old "don't call us, we'll call you" routine. Some of my constituents are so frustrated that they have told me they consider the government's chief contribution to solving the problem of unemployment has been giving jobs to people who sit in Canada manpower offices and do nothing—to use the language of some of them—but sit around and pick their noses. When loyal Canadian citizens reach the point at which they are so frustrated by the activities of a department of government that, bluntly and publicly, they use the kind of language about the people in that department, then I suggest there is something seriously wrong with that operation, something which well justifies the kind of motion which the hon. member for Timiskaming has brought forward. Hon. members of the committee ought to think about it. For what purpose are we voting these billions of dollars in this appropriation bill? I imagine several million Canadians are wondering exactly that at this moment, and I think it is time this committee took a darned good look at the proposal to grant supplementary funds for the kind of purpose to which I have been alluding.

• (1520)

If there are not jobs available, and if the people in the Canada Manpower offices cannot serve any useful function in guiding people to useful and productive work, why keep those offices open? Why not cut down that operation and assist some of those programs involving retraining that may be useful in helping people obtain work. I am not critical of the individuals in my constituency who work in the Manpower offices. Some of them have been doing a conscientious job, and they have become very frustrated indeed. All the same, in my constituency there are four Canada Manpower Centres, three of which until recently have been staffed with several people. In one small office one person was employed for a while; I think there are two so employed now. At the same time, until recently, in my constituency there was not one man employed by the federal government who could answer a single question on how to go about filling out an unemployment insurance claim.

[The Chairman.]

Some hon. Members: Shame.

Mr. Barnett: Mr. Chairman, there are four Canada Manpower offices in my constituency and, until recently, not one single person employed in those offices was qualified to advise a person on how to become qualified for unemployment insurance benefits or tell a person whether or not he was eligible.

I remember some years ago there was some discussion in the House when we had reason to feel that our immigration department and the national employment service, then incorporated with the Unemployment Insurance Commission, were going their separate ways. Some members may recall how the then minister of immigration went to Italy to secure immigrants for Canada, at a time when employment in this country was on the increase. The discussion in the House revealed that the kinds of immigrant workers the then minister of immigration was seeking were actually in surplus supply in Canada, according to statistics available from the national employment service. We thought it sensible to correlate the activities of those two separate arms of government. I suppose many consented tacitly to what was taking place; as far as I can recall, I did. Certainly, not one of us at that time ever thought there would be created across this country manpower offices, each employing several people who were to sit around and have nothing to do. Of course, when I talk about their not having anything to do, I do not suggest that those people find nothing to do. I merely mean that they have nothing to do with regard to those objectives set forth in the program, as set out in the estimates.

The more verbose the language of the estimates becomes, the more I am inclined to believe that the estimates are simply propaganda put out by the government for its own purposes. The estimates at one time simply set out amounts of money to be spent and we were to judge the purposes and merits of appropriations for ourselves, or we could gather information by questioning the minister in committee of supply. Now, there are these elaborate objectives and secondary objectives. For example, under "Objective", with respect to the Department of Manpower and Immigration, we find:

To further the economic growth of Canada by endeavouring to ensure that the supply of manpower matches the demand qualitatively, quantitatively and geographically.

Under each of the three headings mentioned, I suggest this program has been a failure. I suggest, furthermore, that putting that sort of language in the estimates serves no purpose, or serves an illusory purpose. We know that the people sitting in manpower offices have no authority. They cannot give direction, nor can they create the kind of economic climate that will make it possible for people to find productive and personally satisfactory employment. Therefore, these grandiose objectives set out in the book of estimates on which the present appropriation bill is based are, to say the least, misleading. For that reason, I urge the committee to give serious consideration to the motion proposed by the hon. member for Timiskaming.

It is up to the minister to indicate why it is necessary to introduce a supplementary estimate for the spending of additional millions of dollars in a manner which many Canadians have concluded is a most unproductive way of using our tax money. Although I have not checked any statistics and do not know how many people are employed in Canada Manpower offices, I do not expect the minister to justify the expenditure of this money by saying that if we close some of these offices, a good many more Canadians will be unemployed. I do not think he would suggest that is the way to cope with the situation. I know unemployment figures have gone up. The point I am trying to make and the point with which the minister should deal is this: why is it that one hardly ever comes across anybody who has found a useful, productive and personally satisfying job through a Canada Manpower office? I do not know the answer. I have not conducted a poll on this question; however, in the last year I cannot remember a single person coming to me and say, "Tom, I have found a pretty good job through the Canada Manpower office."

An hon. Member: Right on.

Mr. Barnett: Not one said that. At the same time, dozens and dozens have told me, "You know, I have gone to the Canada Manpower office in the constituency and they have told me not to bother coming back, because there is nothing there for me."

An hon. Member: Right again.

Mr. Barnett: If this is true in my constituency, and I suspect it must be true in other constituencies because the hon. member for Timiskaming made it clear that this holds true for his, I think we should take a good, hard look at this matter before we lightly agree to an increase of this magnitude for this kind of government expenditure. I hope the minister will indicate where he thinks we ought to be going with respect to this whole matter.

I know the employees in Manpower offices could do useful work if they were given the necessary training and authority which would enable them to give guidance and direction to people coming to the offices and asking questions about unemployment insurance applications. This guidance and direction has been sadly lacking, certainly in my constituency. May I say that, ever since I have been a member of this House, I have supported the concept of the unemployment insurance program. Nevertheless, the whole concept of unemployment insurance is falling into disrepute because of frustrations people are experiencing, (a) in dealing with their claims and, (b) in obtaining satisfactory employment and help in unemployment insurance matters through Canada Manpower offices.

• (1530)

Mr. Andras: Mr. Chairman, I rise to comment on the remarks of the two previous speakers, particularly in connection with the amendment before us. As is often the case in this House, I find myself in agreement with some of their criticisms and suggestions. I start off on that note with particular reference to the possibility of closer co-operation and co-ordination between the Department of Manpower and Immigration and the Unemployment Insurance Commission, an initial reaction that I indicated I shared when I appeared before the committee approximately two or three weeks ago. I hasten to say that I want a little more opportunity and time to examine the reasons that several years ago, led to a considered and deliberate policy to separate what was then the National Employment Service from the operations of the Unemployment Insurance Commission. I caution hon. members as, indeed, I caution myself, that before I make any final decision, I wish to examine the thinking that went into that decision.

My initial reaction, however, was to ask the same question, particularly in light of current levels of unemployment and some of the difficulties we have had in the administration of the Unemployment Insurance Act, the question as to whether it would be better to put these two operations much closer together. The opportunity for that is certainly there now. Whether we should go into a formal amalgamation or merger or a de facto one between these two large agencies, the opportunity is there as they both report to one minister. This has been the practice since my predecessor took over this portfolio about a year ago. I think hon. members were probably a little heavy in their criticisms by going from the statement that there could be improvements in the operation of both unemployment insurance and Manpower, a statement with which I fully agree, to the other extreme of saying that Manpower is totally inadequate, useless and not performing.

In the brief time that I have had this responsibility, I have had some opportunity to examine the performance trends over the past few years. I noted, and I can say this quite candidly that job placements through Manpower centres seemed to take a slight downward dip until the middle of 1970. By an objective examination, I am able to say that since then the department has come up with a better performance in terms of placement, about which the last hon. member spoke. It is improving and, in fact, improving at a rapid rate. For example, in the calendar year 1972, a total of 1,343,000 job vacancies were referred by employers to Canada Manpower Centres across this country. That represents an increase of about 25 per cent over 1971. Those are references by employers to Canada Manpower Centres. It indicates a growing confidences on the part of employers who use the services of Canada Manpower Centres, and refutes the idea suggested by the hon. member for Timiskaming or the hon. member for Comox-Alberni that we consider the unemployment insurance reference to Canada Manpower Centre is not enough because it is not a significant placement agency. I suggest these figures are not indicative of that deficiency, since over 1,300,000 job vacancies were referred by

Canada Manpower Centres by employers. Those references resulted in placements by Canada Manpower Centres on behalf of employers of just under 1 million people; 998,593 to be fairly exact. That represents a 25 per cent increase over the previous year. That does not include short-term placements where jobs are of a duration of one week or less, casual employment, which amount to another 300,000 annually.

I do not suggest that this represents any degree of perfection or in fact a performance with which Manpower officials, the minister or a succession of ministers should be satisfied. However, I think it refutes the argument that we should severely handicap the Manpower department by reducing this vote to $1. This would be a serious reaction to what is obviously an improving performance. This department is on the way up. In almost every area I have been able to examine, it is showing an increasingly efficient operation. There is no doubt about it. The figures I have given indicate that employers are beginning to have greater confidence in Manpower offices across the country. This is reflected in the number of referrals which has increased so dramatically.

With regard to co-operation between the Unemployment Insurance Commission and the Canada Manpower Centres, there should be a very deep study and analysis before we can seriously consider a formal merger. There is an examination that is now taking place. In the meantime, there is a very definite program of co-operation between existing Manpower Centres and unemployment insurance offices across the country. In some 144 Manpower offices where there is no Unemployment Insurance Commission office located in the same community, they are taking on the responsibility of providing accommodation to unemployment insurance people. Therefore, there is an extension of the unemployment insurance operation. At the same time, there is full co-operation between the two agencies.

The unemployment insurance benefit control officers were referred to, in a context of the Manpower area, so I think I am entitled to respond that they are not operating as the hon. member said. I would hate to think of them being given the designation, connotation or image of a police system. They have a difficult job to perform. I am concerned that they perform it with understanding of human frailties and with compassion. They are instructed to always give the benefit of the doubt to the claimant with whom they are dealing. Nevertheless, to protect that whole scheme, to keep confidence in it and give it credibility, we have to prove to Canadians generally that people who are getting unemployment insurance are in fact entitled to it.

The benefit control operation is not designed to take people off the rolls and not get them a job. In the ordinary process, people receiving unemployment insurance have to indicate that they are registered with the Canada Manpower Centre. If they have been referred to some kind of job vacancy by Manpower which they have refused to accept, there is an assessment of the situation. If the job vacancy was anywhere decent, in close relationship to the primary or secondary skills of the individual and the conditions of work were reasonably acceptable, we think the claimant should have given consideration to accepting

that job. That is the role of the benefit control officer working in conjunction with the Canada Manpower people. I think it is totally reasonable to say to a claimant who is agreeing to the conditions of the Unemployment Insurance Act to actively search for work while he is enjoying the benefits, that if he is referred by the Canada Manpower Centre to a reasonable job he will seriously consider taking it. It is also reasonable that he give us an indication that he is not totally dependent on the Canada Manpower Centre.

Although the Canada Manpower Centre is fast becoming the primary reference of employers, to wit the number of vacancies I referred to a moment ago, we do not claim nor do we think it ever will contain all the references under its wing of all job vacancies existing in Canada. As an aside, I might say that we recognize the existence of private placement agencies, and the requirement, indeed the desire and the right of individuals to seek jobs on their own. We think this should be maintained, otherwise we would have to go to a totally controlled state where the government tells each individual what he can think, should think, can do or cannot do. But, I do not think it is unreasonable to ask the claimant who is getting the benefit of unemployment insurance payments to also search beyond the Manpower offices. In fact, the indications are that it is performing.

• (1540)

This particular vote refers to administration of training. It is an interesting coincidence that tomorrow, at the request of the Council of Education Ministers from the provinces across the country—including the western provinces, I might point out—I, along with the Secretary of State and one or two other ministers will be meeting with provincial ministers of education, and the thrust of one of their recommendations is that the funds available for adult retraining be increased. This is the very vote which is being attacked by hon. members across the way. The gist of provincial speeches is that they would like more money, not less, yet the effect of the hon. member's motion would be to wipe out the $11 million we need altogether with the exception, of course, of one dollar which would not even pay the postage to enable us to tell the provinces the news of the great disappointment they would suffer if that took place.

What we are dealing with now, this particular training, is the institutional side of the program. On-the-job training is very important as well, of course. We are in the process of comparing the value and the effectiveness of industrial training as opposed to institutional training. Many of the provinces are expressing some concern; they feel that industrial training, which is only in its second year, may signal the beginning of a reduction in the funds available to institutions. We think there is room for both. We believe there is a necessity for both.

The hon. member for Timiskaming drew attention a few minutes ago to the impracticality of aspects of our training of a few years ago in terms of instructing students in the use of heavy equipment for instance. Well, I do not think they could learn to drive a 40-ton truck or a big crane or a big mechanical shovel in a community college. And God forbid that the community colleges would start buying those trucks and that kind of equipment simply to

justify their existence; their buildings would probably be knocked down if they did! We have, in fact, recognized this difficulty and that is one of the very purposes of our project to permit direct support to industry through on-the-job training allowances, one which has shown up very well in the preliminary experiments carried out last year.

Incidentally, I can give hon. members some characteristics of the people who were hired. Sixty-two per cent of them were single and 24 years of age or less. This is an area of unemployment which is bothering all of us—young people seeking their first jobs. Just over 11 per cent of those trained under this program had received less than a grade eight education and 81 per cent had been educated up to grade 13. Fifty-eight per cent of the trainees hired did complete their training. Unfortunately, 34 per cent quit voluntarily and about 8 per cent were discharged for one reason or another. Of those who completed their training—and I think this is an indication we are on the right path—93 per cent are employed, 90 per cent of them in the very occupations in which they were trained under this scheme, and 89 per cent stayed with the employer who undertook to train them in the first place. A further interesting fact is this: of all the trainees who were hired, only 7 per cent are known at this point to be unemployed. I think this is an indication that though we may be far from perfection, and while much more must be done to make this project more productive, the whole operation is beginning to take on a good flavour and produce results. I think those engaged in it should be allowed to carry on and that we should not entertain the idea embodied in this motion that the vote before us should be reduced to one dollar, thereby severely handicapping the operations of the Manpower department.

A word about the concern the hon. member for Timiskaming expressed about the operations of the office in his own constituency. He claims there are more employees in that office than have been placed through it. I certainly do not like to dispute the hon. member's interpretation of the situation but I should be glad of an opportunity to check into it and, if necessary, we might be able to do something about it in a very direct manner. But I hope he is wrong, and was using this particular situation as an example, with poetic licence—I know he is a poet. In any case, I would ask him to reconsider his amendment because the effect of it would be one which I do not think he or his hon. friends or, indeed, any hon. member in any other section of the House would, on sober reflection, desire to bring about. I think their consciences would bother them thereafter if this somewhat mischievous suggestion were carried to the conclusion he seeks.

Mr. Peters: May I ask the minister a question? I gather he is as confused as I am as to which vote applies to training. I notice that in the main estimates it is vote 10 which refers to the training program, not vote 5. Vote 5 relates to operations. I may be wrong in this assumption, but I did check the main estimates and I believe not.

I will agree with the minister that I did use poetic licence when referring to the number for whom employment has been found. I did, however, make a survey, and 82 per cent of the people who replied stated they had never succeeded in securing a job through the efforts of the manpower offices. In view of this, the talk on the streets and the rest of it, I should like to ask whether the manpower operation is conducted differently in the various provinces. In other words, does the record differ considerably as between one province and another in terms of success?

Mr. Andras: I frankly admit I should like an opportunity to get a provincial breakdown.

Mr. Nielsen: And the territories.

Mr. Andras: Yes, indeed. I am always in trouble with the hon. member for Yukon for failing to mention the Yukon and the Northwest Territories explicitly. I know he will never accept—as indeed, I would not, were I in his place—the explanation that these figures were included in the British Columbia figures. But I will get a breakdown for the hon. member. I will give them to him later, if he is disposed to carry on this debate, or if not, I will get them to him privately. I have no doubt in the world that there will be a variation in the statistical performance of various regions owing to the obvious difficulty of placing people in a region of high unemployment as opposed to a region of low unemployment. Without having the figures before me, I am unable to confirm it, but I suspect that in Ontario there will be a higher success ratio since more jobs are available, because unemployment in that province is not as widespread, as in the province of Quebec. However, I should say no more on that subject until I have the facts available.

• (1550)

Mr. Alexander: Mr. Chairman, may I make a few remarks with respect to the motion moved by the hon. member for Timiskaming. I listened at considerable length to what the hon. member said, but I can agree with only a very small part of the philosophy he is trying to project at this time. The part of the philosophy I do agree with is that the members on this side of the House have frequently and consistently indicated that the roles of manpower and unemployment insurance should be as one. Both can be effective only if this comes about.

I must give the minister some credit. When he was apprised of this view, he indicated to us during discussion of the miscellaneous estimates that he would like an opportunity to look at the matter and to ascertain why in 1966 it was felt necessary to separate the two. Notwithstanding that the minister has said some 1,300,000 unemployed have been placed by employers and that something like just one million jobs were reported as having been accepted, there still seems to be a heck of a lot wrong with manpower vis-à-vis unemployment insurance. Certainly, I do not hear too many of the people who are looking for assistance and guidance on manpower matters praising the role of the manpower office, so I suggest there must be a breakdown somewhere. Although there are pilot projects which give the individual more choice and may assist him, there must be something wrong with the whole system.

I think I speak on behalf of most hon. members when I say without hesitation that it is not too often we receive letters praising the efficacy of manpower operations. This is why I say there must be something drastically wrong. As far as statistics are concerned, we can appreciate what

they mean but it seems to me there must be greater correlation between the federal government and the provinces in terms of our manpower needs for the future.

On the other hand, the government has created a very high level of unemployment. Although I do not want to get partisan at this time, the whole system has been frustrated by the fiscal and monetary policies of the government which have created unemployment of unprecedented levels. In 1966, there was a scheme whereby the Department of Manpower and Immigration was to concern itself with labour shortages, with the need for national training, mobility programs and improvement of job placement services. However, owing to the high level of unemployment the staff of the department has been unable to handle the workload, and those who have been trying to seek some alleviation of problems that are very real to them have simply been frustrated.

I submit that the minister should seriously consider wedding manpower with unemployment insurance. Indeed, the whole field of labour should be as one. I cannot see how the department can be at all meaningful until that is the case. Having said that, I am also very much aware that unemployed people must register with manpower and with the Unemployment Insurance Commission in order to show there is some inclination on their part to take a job. I should like to ask what happens after they have done so. Is it the fact, as I believe it is, that they sign their name on the register and then that is all? It seems to me no effort is made to assist such persons in terms of finding them a job.

Having once registered, surely to goodness what the manpower officials must do in order to take them off the roll is to find them a job. I venture to say that the vast majority of unemployed Canadians want to work, and that having registered with a manpower office it is then up to that office, as the national employment agency, to find them a job. That, Mr. Chairman, is where they are failing in their task and it is why some people are unemployed for three or four months in the year. If manpower is doing such a great job, why is it so many people remain unemployed for so long a time?

As I say, I am surprised that the hon. member for Timiskaming should move such a motion because he seems to me to have missed the point of the vote, even though his initial suggestion regarding a blending of manpower ans unemployment insurance is a good one. Let me once again put on the record vote 5a, which can be found in the schedule to Bill C-141:

5a DEVELOPMENT AND UTILIZATION OF MANPOWER PROGRAM

Development and utilization of manpower— operating expenditures—To extend the purposes of manpower and immigration vote 5, Appropriation Act No. 3, 1972 to authorize payments to a province in respect of any necessary administrative support and inspection services supplied by the province in connection with training provided to adult employees under section 6 of the Adult Occupational Training Act and to provide a further amount of $11,689,861.

Now, what surprises me is that the New Democratic Party, whose members are always talking about standing up for the unemployed and giving them equality of opportunity to become part of the mainstream of our economy,

[Mr. Alexander.]

is attacking the type of policies that give people affected by technological change and technological advancement the opportunity of receiving on-the-job training, which is a very significant aspect of our manpower retraining program, or instruction at an institution.

Despite what the hon. member for Timiskaming says, his motion would have the effect of wiping out assistance given to the province of Quebec, a province where I understand there are 12 to 14 per cent of Canada's unemployed. The situation is even worse in Newfoundland. The situation is so bad there that members from that province raise the problem at every opportunity they get. Ontario is in the same boat since it has masses of people who have been brought to this country and rightly so, to take advantage of what can be a great future for them. But they need this kind of training in order to compete.

As far as corporations are concerned, I know my hon. friends would call them corporate welfare bums. But at the same time, have they ever considered that industry must be put in a position where it is competitive, which means that individuals who work in that industry must keep abreast with technological advances? The New Democratic Party, the champion of the worker, the champion of the disillusioned, now says to them, "Thou shalt not be educated". I take a dim view of that kind of approach, although in some respects I have every sympathy for the hon. member's motion.

• (1600)

Mr. Nielsen: Would you ask the minister to confirm that the money for on-the-job training is in that vote?

Mr. Alexander: I believe he has confirmed that. I think there are something like $10 million involved. How could anyone possibly take a stand to reduce that amount to $1?

I am very pleased to hear that the minister is going to meet with the provinces on this whole system in respect of job training. I hope that manpower programs will be looked into and reassessed in terms of needs in various regions and cities, because while I think on-the-job training programs are good there is something wrong with a system under which less than half of those who are graduated are able to acquire the jobs for which they were trained. In view of that, we must be very careful about these job training programs in times of high unemployment. We must reassess our priorities in terms of training because there is no point in having highly trained people who cannot find employment and just add to the unemployment rolls.

With all due respect to the minister, who I know always looks kindly upon advice, when he gets together with the provinces he will have to determine where we are going in the next five years and what type of skills will be required. There is no sense training people if, when they are trained, they cannot get work. The minister will have to give the provinces some guarantee as to an accepted rate of full employment, whatever that may be. The Minister of Finance says it will probably be around 6 per cent. I think that is very encouraging. Whether or not he realized just what he said, I do not know, but I hope that when the budget comes out tonight it will be a panacea for all regions of this country. I am sure that is what the people

expect. If it is not a panacea, the government will not get much support from my friends to the left. They apparently want to cut out this type of training so you can see how vicious they can be when they want.

Mr. Nielsen: The so-called party of the working man.

Mr. Alexander: The key to this whole thing is the provision of high employment opportunities. We cannot continue to do what we have been doing in the last couple of years when our fiscal and monetary policies have created massive unemployment which ruins and frustrates all manpower programs. These programs are geared to normal circumstances, and "normal" in this sense means a minimum of unemployment, not high unemployment.

I hope when the minister speaks with his colleagues he will pass on the message that these programs are good but we should not continue education in terms of those skills which are not needed or become obsolete. These programs seem to absorb people and make things look good, but at the end of the program period these people are again out on the streets without employment and are perhaps tapping the Unemployment Insurance fund.

I do not think I have to continue talking about this matter.

Mr. Railton: Mr. Chairman, I wonder if the hon. member would permit a question?

The Chairman: Is the hon. member rising on a question of privilege?

Mr. Railton: Yes, Mr. Chairman. I think there has been an incorrect statement. In our area 70 per cent of the people who received on-the-job training were working within three months of the time they completed their courses.

The Chairman: Order, please. The hon. member for Welland has made a statement rather than a question of privilege. He apparently takes issue with the statement of the hon. member.

Mr. Alexander: I accept that statement, Mr. Chairman. I am very pleased to know that is the situation in the hon. member's area. What I was stating was that the minister's own figures in respect to manpower on-the-job training would indicate that less than half of those trained received jobs for which they were trained.

Mr. Andras: Oh, no, no.

Mr. Alexander: If I am wrong I know the minister will correct me, but my understanding is that less than half of those who graduated from the on-the-job training program were able to acquire the jobs for which they were trained. If I am wrong, I will sit down and let the minister correct me.

In any event, we might have been happy had the NDP come up with a sensible motion which intended to accomplish that which the keynote speaker of that party indicated in terms of manpower needs. Perhaps hon. members of that party have an excellent point, but when they try to tamper with and trample upon training programs which are really needed, speaking on behalf of this party we cannot go along with them. We will vote against the motion.

The Chairman: Order, please. The Chair must make a confession to the committee. Under the provisions of Standing Order 58(13), during the proceedings in respect of any item of business under the provisions of this standing order no member may speak more than once or for longer than 20 minutes. I am afraid we have departed from this practice in the last few days, particularly in respect of some members of the ministry.

I just draw this to the attention of hon. members, although I realize it would be an injustice if we now invoked this rule against ministers who have been asked to reply to certain arguments or allegations. I think it should be applied in respect of subsequent items in this schedule. This has been an omission on the part of the Chair which will be corrected at a future time. I will not invoke the rule in respect of the Minister of Manpower and Immigration who has been invited to make certain responses to the hon. member for Hamilton West.

Mr. Nielsen: Mr. Chairman, before we proceed I wonder if you would be so kind as to cite the order again so that I might look at it?

The Chairman: Yes it is Standing Order 58(13).

Mr. Andras: Mr. Chairman, I will be as brief as possible. I would like to confirm for the hon. member for Hamilton West the terrible damage that this motion might have done. I was pleased to hear the hon. member's stated intention not to support the amendment. Any hon. member who votes for the amendment now before us should come with me tomorrow to face those ministers of education from the provinces and tell them they cannot get any more administrative money for a co-operative manpower training program across this country. I would hate to face them and have to tell those fine gentlemen from Saskatchewan, Manitoba and British Columbia the source of this damage to the programs, particularly when they are coming here to plead with me for more assistance rather than less.

Perhaps I might take one more brief moment to give the provincial breakdown requested by the hon. member for Timiskaming. In the Atlantic provinces, there were 119,985 vacancies notified to manpower centres and 96,267 placements. These figures are related to regional breakdowns, but they could be given on a provincial basis if the hon. member so wishes. Unless he indicates otherwise, I will proceed on a regional basis.

Mr. Lundrigan: Go ahead and give them on a provincial breakdown.

Mr. Andras: In the province of Quebec there were 278,853 vacancies, with 209,793 placements. In Ontario, as one might have expected and I indicated this earlier, there were 466,548 vacancies reported by employers to manpower centres, and of these, 348,810 were filled as a result of CMC references to these employers. We will have to take provincial breakdowns in order to avoid offending the hon. member for Yukon. In Manitoba there were 52,000 vacancies referred and 35,970 jobs filled. In Sas-

katchewan, there were 30,169 vacancies notified by employers and 21,146 placements. In Alberta there were 97,112 references by employers and 65,505 placements. In the Northwest Territories there were 3,211 references and 2,362 placements. In British Columbia, there were 150,998 and 120,436 placements. In the Yukon, there were 2,352 vacancies, and 2,140 placements as a result of those references by employers to the Canada Manpower Centres.

• (1610)

This is the information for which the hon. member asked me a few minutes ago and I am pleased to be able to place it on the record.

Mr. Lundrigan: Mr. Chairman, what are the breakdowns for the Atlantic provinces?

Mr. Andras: In Newfoundland, there were 27,046 vacancies notified by employers to CMC, and 21,525 placements.

Mr. Lundrigan: Mr. Chairman, I do not believe it.

Mr. Andras: In Prince Edward Island, there were 8,478 references and 7,841 placements. In Nova Scotia, there were 48,572 vacancies notified and 38,211 placements. In New Brunswick, there were 35,889 references of vacancies and 28,690 placements.

I might indicate for clarification that these placements to which I am referring do not include casual placements of a week or less and that across Canada those totalled an additional 300,000 short-term jobs for casual employees.

Mr. Nielsen: Mr. Chairman, I rise on a question of privilege. Perhaps the only way that I and my colleagues from the Northwest Territories can see this done is to rise each time on a question of privilege. These figures are the kind of figures we would like to see recorded in all returns. The minister has given them to us, but where the failure arises is that they are not included in statistical releases, such as, for instance, the report on the operations under the Unemployment Insurance Act. The minister has them and all that the printers have to do is to publish them in separate statistics. I hope that his officials will ensure that that is done in the cases of the two northern territories in the future.

Mr. Andras: Mr. Chairman, I rise on the question of privilege. I agree entirely with the hon. member. I thought that he would rise to thank me, at least to recognize that we did have the statistics and put them in separately, having missed doing so a few other times. So long as the performance is as good as this one, I would be delighted to have those figures included in the future reports of the Unemployment Insurance Commission or of this agency and other agencies with which I am related.

Mr. Rodriguez: Mr. Chairman, I should like to reply for a moment to my friend, the hon. member for Hamilton West. This party has always been interested in the working man and woman. We have always held that unemployment insurance was no substitute for a salary well earned. But it seems to me rather strange that, since unemployment was created in an attempt to slow down inflation, we are now blaming people for the mess in which they find themselves. As we all know, it is a requirement that an unemployed person register with a manpower centre when applying for unemployment insurance. Yet, on the other side of the coin, it is not required that every available job in Canada be registered with manpower. To give you an idea of the situation in the Sudbury district, at the moment there are 7,600 people registered with manpower looking for work, and yet that office only has a turnover of 400 jobs a month. I suggest that the manpower office in that area is not performing the service which it should perform in terms of placing these people in jobs.

I have also noticed that the unemployment insurance office has now established what is called the claimant's assistance program. It seems to me that this program on which they are embarking falls within the realm of manpower centres in that it offers counselling to those who are unemployed in an attempt to help them make up a resumé in applying for a job. I have also noticed that the manpower centre is now turning people over to the unemployment insurance office in cases where people are not interested in a part time job or where the job offered to them by the manpower centre is located too far from the place where they live. It seems to me that on the one hand we want to assist people and, on the other hand, we establish a gestapo-kind of operation.

I want to say a few words on some of the practices in manpower offices in terms of discriminating against those people who want retraining for other kinds of jobs. For example, it is not unknown for a counsellor to say to a person: "we do not have an opening in the retraining program as yet, and there will not be one for three weeks or three months". When I contacted the Manpower office personally to find out why Miss Brown was not accepted for the retraining program, I was told by the counsellor that she was not suitable for office work. When I asked what he meant, I was told: "she is not attractive enough". I think that this practice of evaluating individuals who come to manpower offices for help contradicts the very spirit in which the office has been established. The Sudbury area, for example—and the Minister of Manpower and Immigration was there this past weekend—is a far-flung area with small communities. Yet people as far away as 60 miles are expected to come in and report to the Manpower office because there is no office in their particular area to serve them. It seems to me that if we are really interested in helping the unemployed find jobs, we should establish offices close to them where we can give them advice on the spur of the moment and help them in finding jobs.

I have also come across the practice in some Manpower offices of sending applicants or people registered with the Manpower centre to non-existent jobs. I have had a couple of cases in the Sudbury area which have occurred in the last couple of months of persons being sent to jobs which had been filled four weeks previously. It seems to me that, because of the high number of unemployed in the particular area, the manpower centre cannot keep abreast of the number of vacant jobs. The problem in the Sudbury area is far too many unemployed and far too little help in terms of trying to place these unemployed people in jobs. I would much prefer to see the two departments brought together, unemployment insurance and manpower centres. The aims and objectives of these two bodies are very close and related. People have the impression that these

two offices are in a real mess. They do not want to go near them at all and they are becoming leery of the whole operation.

• (1620)

I support the amendment moved by the hon. member for Timiskaming. The money provided in this estimate would be better spent if the government were to use it directly in trying to create jobs, rather than using it for all these rather questionable ways of retraining people for non-existent jobs. By the time they are retrained the jobs have disappeared, and we have to start retraining them for something else. We are trying to stick our finger in the dike, but the pressure on the other side of the dike is far too great.

I suggest that we attack the problem directly by using these funds to establish secondary industry, for example, in the Sudbury area. There is no reason in the world why all the raw materials should be shipped away from Sudbury to Sweden, Norway, Japan and the United States, where the finished products are made, and this at a time when our own people remain unemployed. Jobs in secondary manufacturing should be provided in a mining area like Sudbury. In the last two years, we have seen many mining towns become ghost towns. There was the example of Coniston, and now Cobalt is closing down.

It seems to me that the whole approach taken by the government has been designed to deal with symptoms rather than with the problem. The only way to solve unemployment is by directing public funds into the establishment of factories, if private enterprise will not establish them. And private enterprise will not establish factories as long as the same multinational corporations that own the mines in Canada own and operate factories somewhere else. I repeat that government funds should be used to establish industry and provide job opportunities for our people. With the present system we will end up with one plaster on top of another, all covering the body cancerous, until the whole becomes an immense patchwork quilt. In such a situation even the bureaucracy begins to lose control of itself.

For this reason, I support the amendment moved by the hon. member for Timiskaming that the estimate be cut to $1 until some study is undertaken to show that spending money this way is effective in solving unemployment.

Mr. Lundrigan: Mr. Chairman—

The Chairman: Is the House ready for the question?

Mr. Lundrigan: Mr. Chairman—

The Chairman: The hon. member for Portneuf.

Mr. Lundrigan: Mr. Chairman, will you look this way a little later on to be fair about it.

The Chairman: Order. The hon. member for Portneuf.

[*Translation*]

Mr. Godin: Mr. Chairman, I did not ask for the floor.

[*English*]

Some hon. Members: Question.

The Chairman: Is the House ready for the question?

Mr. Lundrigan: Mr. Chairman—

The Chairman: The hon. member for Gander-Twillingate.

Mr. Lundrigan: Thank you, Mr. Chairman. The musical intonations from the recognition of the hon. member for Gander-Twillingate bring me no end of pleasure.

The Chairman: Order.

Mr. Lundrigan: I have often wondered if the weather has any effect on the attitudes of Members of Parliament and on the proceedings in this chamber. It has an effect on the bird population. Some fly south to escape the winter cold. Today, it seems that some of the NDP have taken leave of their traditional senses in moving a motion which is the most inexplicable thing that I have seen the NDP do since I came to the House of Commons five years ago. In fact, I had to reread Vote 5a in order to be sure we were talking about the same thing. It deals with "training provided to adult employees under section 6 of the Adult Occupational Training Act." Today, the minister confirmed that over $10 million is for on-the-job training, and I have just heard the hon. member for Nickel Belt say this item should be reduced to $1.

Mr. Barnett: Mr. Chairman, since the hon. member has referred to the particular details of the vote, does he recognize that the motion which has been proposed does not do away with the vote? It leaves what is sometimes referred to as a dollar item, which gives the government authority to operate a program. Doesn't he realize that the motion does not cut off the authority of the government to carry through with that program?

Mr. Nielsen: Rubbish.

Mr. Barnett: Since the hon. member is suggesting that what we have proposed is inexplicable, would he not agree that we often vote $1 items which provide the government with authority to carry out programs? The purpose of the motion is to shift the onus to the government fo find the $11 million out of the more than $200 million already voted.

Mr. Lundrigan: I agree with the embarrassment expressed by the hon. member. That is the only way I can describe his intervention. His question is rhetorical. If you take away the funds, the program does not really exist. Really what he is saying is that he is very embarrassed about it, even though he just spoke in support of the motion.

The hon. member for Nickel Belt has told us that the people in his area are all well educated, that there is no need for involvement with little people, and that the unions are against this kind of program. When he was speaking one of my colleagues said that the NDP has gone into debt with the unions and not only with the Liberals. I would ask the hon. member if the steel workers in his riding all agree with his stand?

Mr. Rodriguez: Mr. Chairman—

The Chairman: The Chair has recognized the hon. member for Gander-Twillingate, unless he is prepared to accept questions which I gather he is not prepared to do.

Mr. Lundrigan: Mr. Chairman, the hon. member does not want to ask a question. He wants to make an apology for the speech he made. He can get the floor afterwards. Three members of the NDP spoke on this subject. The hon. member from British Columbia seemed to be saying that if there was something wrong with a man's head, the best thing to do would be to cut it off altogether. If a man has an infected arm, you should cut it off rather than recommend any medication; just eliminate the thing completely.

That hon. member is saying that if there is something wrong with the Adult Occupational Training Program it should be cut out altogether. I doubt whether those hon. members realize the kind of people that they are coming down on when they support this kind of recommendation. The Adult Occupational Training Program was designed to help people who are almost completely unable to enter into our economic system because of lack of education. They are the little guys, the smallest people in our society in terms of capability.

Some hon. Members: Shame!

Mr. Lundrigan: Many of them are people who grew up during the depression years, who had to be taken out of school by their parents and put into jobs in order to help eke out a living in a difficult economic environment. Many of them are now 45, 50 and 55 years old. They have no basic education and no basic training. Somebody decided that we should help them to develop marketable skills, but today the NDP members have taken leave of their senses. They are opposed to this. They are flying north in the winter instead of south. Somebody made a mistake.

The hon. member for York South presents himself as the protector of the rights of the Canadian people. He says he holds the balance of power. He says that he is going to go along with anything that is good for the country. In effect, he becomes King David in our Canadian system, but today he and his party introduce a motion that will disadvantageously affect the lives of about 2,000 people in my province where we have an unemployment rate of 18 per cent.

• (1630)

Some hon. Members: Shame, shame!

Mr. Lundrigan: We have had ample manifestation of the feelings of the people in the Cape Breton area of Nova Scotia. The two gentlemen from Cape Breton in my party would not, I am sure, welcome this kind of support.

The NDP today appear to have inadvertently made a very serious mistake. When I finish my remarks, I think the hon. member for Timiskaming is going to stand in his place and withdraw his motion. My colleague from British Columbia and the hon. member from the Nickel Belt represent disadvantaged areas, as I am sure we all do. I am sure they are going to say that they were mistaken in their comments and that they overdid it in order to manifest muscle. If they do not, then the Procrusteans—wasn't that the mythological person who used to stretch people when they were too short—will be in agreement with the hon. member for Winnipeg North Centre.

[Mr. Rodriguez.]

Some hon. Members: Hear, hear!

The Chairman: The hon. member for Greenwood.

Mr. Peters: A point of order, Mr. Chairman.

The Chairman: The hon. member for Timiskaming, on a point of order.

An hon. Member: You gave your speech; you blew it.

Mr. Peters: On a point of order, Mr. Chairman. If hon members will look at the estimates that are being amended they will find that Vote 5a is "Development and Utilization of Manpower—Operating expenditures". I presume this modifies and supplements Vote 5 in the main estimates. Included within the operating expenditures is the appropriation which is the dollar item, Mr. Chairman. If I was wrong in believing the appropriation was a separate item—

Mr. Nielsen: That is not a point of order.

Mr. Peters: —I would ask leave, Mr. Chairman, to withdraw the amendment.

Some hon. Members: Agreed.

Mr. Nielsen: Mr. Chairman, I submit that the remarks of the hon. member for Timiskaming by no means come within the ambit of a point of order and as far as I am concerned, after hearing the NDP filibustering, I for one want to stand them up and see them vote against their own amendment. I take that position and my consent is not forthcoming.

Some hon. Members: Hear, hear!

Mr. Andras: On the point of order—

The Chairman: Order, please. The Chair does not feel that a point of order has been raised. I think that the understanding during the debate was that it concerned the effectiveness of a certain program that is at least identifiable to the members of the committee who have taken part in the debate. In that sense, I think there is a very clear issue, although a number of remarks have been made on whether or not the proper vote is being amended. As far as the Chair can determine, the motion does what the hon. member for Timiskaming has intended it to do.

Some hon. Members: Hear, hear!

The Chairman: If the committee is ready, I will now put the question.

Some hon. Members: Question.

The Chairman: The hon. member for Greenwood.

Mr. Brewin: Mr. Chairman, I am only going to say a few words—

Some hon. Members: Hear, hear!

Mr. Brewin: I have heard the motion made by the hon. member for Timiskaming and I think it will serve a useful purpose, that is to enable this committee to give consideration to the deficiencies in the manpower training program.

An hon. Member: You don't need an amendment for that.

Mr. Brewin: However, Mr. Chairman, I do not agree with the hon. member for Timiskaming that the vote be cut to one dollar and I would propose, if I am in the House, to vote against the amendment.

Some hon. Members: Hear, hear!

Some hon. Members: Question.

The Chairman: Is the committee ready for the question?

An hon. Member: What are they going to do on the budget?

The Chairman: The Chair will now put the question, and so that it will be intelligible to members who have not taken part in all stages of the debate I would point out that on page 7 of the schedule under Manpower and Immigration the first item is Vote 5a, Development and Utilization of Manpower. The hon. member for Timiskaming has moved that Vote 5a be reduced by $11,689,860.

Some hon. Members: Oh, oh!

An hon. Member: Where are David and Stanley?

Mr. Bell: Knowles and Lewis are paired with each other.

Amendment (Mr. Peters) negatived: Yeas, 5; nays, 122.

The Chairman: Does this terminate discussion on the three votes under Manpower and Immigration?

Some hon. Members: Agreed.

The Chairman: If this is agreed, we will move to the next items under National Health and Welfare, namely, Votes 5a, 35a, 40a and 45a.

Before I recognize the first participant in the debate, may I repeat that I think we should revert to the more normal practice that no member may speak more than once or longer than 20 minutes, except that both the mover of a debatable motion and the member speaking in reply thereto may speak for 30 minutes. In other words, the suggestion is that instead of replying immediately, the responsible minister should allow the spokesmen for the various parties to speak and then reply. I think this will bring us back within Standing Order 58(13).

The hon. member for Vancouver-Kingsway.

Mr. Barnett: On a point of order, Mr. Chairman. I find myself a bit puzzled by the ruling I understood you to make.

Mr. McGrath: Not nearly as puzzled as your constituents.

Mr. Barnett: Does that ruling mean that Standing Order 58(13) takes precedence over Standing Order 55 which relates to the House sitting in Committee of the Whole. Standing Order 55 reads:

(1) The standing orders of the House shall be observed in committees of the whole House so far as may be applicable, except the standing orders as to the seconding of motions, limiting the number of times of speaking and the length of speeches.

And, later:

(3) No member, except the Prime Minister and the Leader of the Opposition, shall speak for more than 20 minutes at a time in any committee of the whole House.

• (1640)

I always understood, Mr. Chairman, with deference, that that rule has general application when the House is in committee of the whole, notwithstanding what may be in any standing order.

Mr. Nielsen: Mr. Chairman, may I briefly speak on the point of order. I find myself in agreement with the Chair. With respect to the point raised by the hon. member for Comox-Alberni, he referred to the chapter under which Standing Order 55 falls. Chapter VIII deals with committees of the whole House generally, whereas the order under which the committee of the whole is now sitting falls under chapter IX entitled, "Business of Supply and Ways and Means". Standing Order 58 (18) relates to a unique procedure. The committee of the whole is now governed by that standing order. While the order cited by Your Honour leaves something to be desired in terms of draftmanship, it none the less is clear, in my view, that it applies to all proceedings under Standing Order 58. It could have been drafted in terms which would make the meaning abundantly clear by saying, "Notwithstanding anything else contained in these standing orders," and then go on to spell out the order. In my view it is clear that Standing Order 58(13) applies to proceedings under Standing Order 58(18).

The Chairman: I thank the hon. member for Comox-Alberni for raising the question and the hon. member for Yukon for his contribution. I would call the attention of the committee to the decision of Mr. Speaker with regard to the uniqueness of the procedure in which we now find ourselves involved, and the course chosen with regard to these particular estimates. The fact is that the Standing Order, as noted by the hon. member for Yukon, does apply only when we are dealing with supply procedures. For that reason, the Chair has invoked that particular subparagraph of Standing Order 58.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I shall keep in mind your admonishment about the length of speeches. Actually, for the last little while I have been so busy that I have not had time to speak. This is my first opportunity to speak on the estimates.

I shall not deal at length with the old age security pension, except to say that, as far as my party is concerned, the increase in the basic old age security pension which we fervently believe will be introduced tonight is urgent and essential. People over 65 are anxiously awaiting the announcement which, in the face of rapidly increasing living costs, they hope will be a worth-while one. They are anxious to find out what the minister means in practical terms when he proposes a substantial

increase. We have been impressed with the fact that the minister seems to realize that the elderly of this country cannot everlastingly get along on promises. The government must bring in some practical assistance.

The members of my party have suggested that the basic old age security pension should be increased to $150. That represents a considerable increase and, in our view, a necessary and essential increase in view of today's rapidly rising living costs. We have not been able to pin down the official opposition on what it thinks should the pension increase. Apparently, those members are not concerned about increasing the basic old age security pension. They think that the supplementary pension ought to be increased by about $10. That is what we have found out so far, and we have not been too successful in pinning them down. We are awaiting tonight's budget anxiously. Then, we shall find out what is to happen.

For a few moments I want to talk about the needs of another group of citizens. I want to ask the minister what can be done for them. I am talking about those who are left out, about people who are not covered by any form of social security legislation or pension. These people are horribly insecure and depend on charity or on friends. Their only other recourse is, officially, to go on social assistance. I am talking about a large group of men and women, and for the most part they are women, who have no pensions or allowances of any kind and who must choose between depending on private charity, on social assistance, and on the assistance of friends. They face a pretty bleak outlook. That group is made up of people in their early sixties, in their fifties and, yes, in their forties. Most of them, the women particularly, for various reasons cannot find work that pays. In this group there is a large number of widows, women who married early without any particular training for work. They are now left without resources of any kind. Many were widowed before the Canada Pension Plan came into operation. There is nothing in the pension plan for them.

An hon. member, our whip, has just spoken to me, Mr. Chairman. I have been brought into line and asked to bear in mind Your Honour's injunction. I was referring to widows, to women who married early without first acquiring any particular training and who have a long, long way to go before they reach 65. May I read part of a letter. This is the latest one of this kind to be sent to me. I have received many such letters from my constituents. It reads in part as follows:

> I'm a widow since April 24/72, and there's no such thing as a widow's pension. My age is 57; at this age you're not able to get work, and I'm not able to do heavy work.
>
> I'm a diabetic and high blood pressure. When young people can't get work how can I; and another thing, my husband was not working at the time the Canada pension came in, so I don't even have that. I had unemployment insurance until a month before Xmas and that was that. The money in the bank, about $400.00, isn't much when the taxes come up. I've got to pay $300.00 and what does that leave me? . . .
>
> I'm in need of medications, which are very expensive for diabetes and high blood pressure. I had a few dollars but it soon goes when nothing is coming in.
>
> We need a government that will do something for us widows and soon. I do hope something can be done.

I have been sent dozens of letters like that, as have other hon. members.

[Mrs. MacInnis (Vancouver-Kingsway).]

May I mention another group, women who worked but cannot do so now. I have in mind a very personable woman who is young, or relatively young when one considers that 65 is the age at which one becomes entitled to the old age pension. She is in her forties. At one time she was a public servant and, deciding that she wanted to better herself, left her job and attended university with a view to upgrading her education. What was the result? About five years ago, when she came out of university she went to look for work and could not find anything at all. Since that time that woman has gone to every single university and college faculty in British Columbia or on the lower mainland, and has not found anything. At her request I visited her, in the homes of two or three friends. She has had to stay with them for a little while and then move to other friends. Then, when her welcome is worn out, she has had to move to other friends. She doesn't want to go on relief. She was raised as a self-respecting, hard working woman and does not want to go on social assistance. Yet, there is nothing else for her. What is she to do?

In addition, I want to talk about the many women who are in poor health and trying to carry on as best they can. One woman who came to see me had been trying to find work. She had a serious skin complaint. The only job she could get was one involving the use of soap and water in cleaning up around a rest home or working in the kitchen, doing dishwashing and that sort of thing. She has already had to go to a specialist for her skin condition. She has other health problems as well. However, the only kind of help available for that woman is social assistance. I also had a man call on me. For years he has been trying to do part time work. It is imperative that he give this up due to his health. He does not receive Canada assistance either. He has been carrying on as a self-employed person.

• (1650)

There are also the wives of the old age pensioners, people somewhat younger than their husbands, who are proving daily that two people cannot live on one income and two people cannot live as cheaply as one or anywhere near as cheaply as one. Members of the Créditiste party have made this one of their particular cases to champion. I agree with them completely. These people are in great need.

In addition to pensions for these elderly people, we also need better pensions for the blind and the disabled. There is still a $75 ceiling on these pensions. In my province of British Columbia, such people are now included under Mincome. Those people who now receive the provincial supplement have the assurance that they will not receive less than $200 a month on which to live. The blind and disabled are also included in Mincome and receive $200 a month. However, everyone cannot live in British Columbia, even though it sometimes seems to those of us who come from that province that most people are trying to do so. If our government continues to carry on as they are doing now, people will increasingly try to do so. But there is not room for them all.

We have been heartened by some of the minister's remarks. He at least knows that this crazy quilt of social security which has been built up patch by patch is no longer able to do the job of covering everyone who needs

social security. The old fashioned crazy quilt, picturesque and interesting though it may look to a spectator from Mars, is very uncomfortable when it comes to providing warmth and shelter. The minister knows we need to take a new look at the social security fabric.

My whip has just advised me that I have only a few more minutes. If the minister will allow me, I want to share one of them with him. Will the minister tell me what he has in mind for those people for whom there is no pension? Some of the sick and disabled have a small pension, but for the army of self respecting people who would take work if they could, there is nothing but social assistance. Does the minister have something in mind for those people?

Mr. Nielsen: Mr. Chairman, we do not intend to speak on any of these items under this department in order to facilitate the passage of the items and the supply bill. There are a good number of things we could be saying at this point, particularly on the non-medical use of drugs program, but we will reserve that privilege for another time and place, perhaps when the main estimates are being discussed in committee.

[*Translation*]

Mr. Fortin: Mr. Chairman, I take this opportunity to say, like the hon. member for Yukon (Mr. Nielsen), that we have some very important representations to make concerning the old age security pension, income security and social assistance, as covered by vote 35a. We are going to express our feelings, since it is late, at the next debate on this subject.

Mr. Lalonde: Mr. Chairman, I feel I must say a few words to the hon. member of the New Democratic Party who has raised a certain number of questions. First, I would say, concerning old age pensions, that I hope that it is a matter of hours rather than days now, as for knowing what the exact intentions of the government are on this subject.

Secondly, as regards the broader problem which was raised, we have it very much in mind. It has already been dealt with in the speech from the throne, when it was said that our objective was to come to a fair minimum garanteed annual income for all those who are unable to work, either because of illness, of age or any other disabilities. I hope to be in a position, by the end of April, to table in the House a bill explaining the government's intentions in this regard. The problem that was raised does exist. My provincial colleagues as well as myself are very much aware of that fact; we have already initiated consultations; early in April, we shall visit all the provinces for further consultations. I hope that by the middle of April, we shall be able to let the House know the general intentions of the government about the problems raised.

Mr. Fortin: Mr. Chairman, I would like to take advantage of this opportunity, if I may, to ask the minister of National Health and Welfare whether he intends to grant the old age security pension at 60, to increase it to $200 per month for those who are 60 years old and to $150 for the spouse, whatever his or her age may be, so that both of them may enjoy their retirement together with income security?

Mr. Lalonde: The intentions of the government in this regard will be announced very soon. I hope to have the opportunity of speaking about the whole matter when amendments relating to the old age security pension are introduced in the House shortly.

Mr. Fortin: In the bill to be tabled by the end of April, according to the minister's statement, will the matter I have brought up, namely eligibility to the old age security pension at 60, be dealt with?

Mr. Lalonde: I am sorry, Mr. Chairman, as perhaps I gave the hon. member the wrong impression. I did not mean to say that a bill would be introduced before the end of April, but rather a statement or a white paper. The bills will come after consultations with the ministers, at the federal-provincial conference, at the end of April. Only after consulting with my provincial colleagues do I intend to introduce legislation on this subject. However, the government's intentions which should be made public before the middle of April will answer the hon. member's questions, I hope.

[*English*]

Mr. Nielsen: Mr. Chairman, surely the minister is not telling us that we will not have any bill before the House until after the provincial conference in April. Surely, there will be an increase in pensions before then.

Mr. Lalonde: I certainly hope so, Mr. Chairman. There was probably a misinterpretation of the French into English. I hope there will be legislation on OAS and GIS this week.

Mr. Nielsen: Next week?

Mr. Lalonde: This week.

Mr. Harney: Mr. Chairman, I wish to address a brief question to the minister. A while ago he spoke about a guaranteed annual income for those persons unable to work. Does he include in that category single parents, women, or men for that matter, who are forced by circumstances to raise a family without the support of a partner?

[*Translation*]

Mr. Lalonde: This is a matter which is under study at the present time. I would suggest to the hon. member to wait for the government's general statement of policy. This matter is now under review.

[*English*]

The Chairman: Does this complete the discussion on the items under the Department of National Health and Welfare?

Some hon. Members: Agreed.

The Chairman: The next item is—

[*Translation*]

Mr. Fortin: Mr. Chairman, I understood this matter was going to stand until we discuss it again in the next debate, as it is getting late.

[*English*]

Mr. Nielsen: Mr. Chairman, there has been no general agreement with respect to private members' hour. The hon. member for Brandon-Souris is one of the most patient gentlemen in the House. If hon. members to my left do not agree to pass all remaining items and remaining stages of the bill, now, as I would hope they would do, we will have to ask the government House leader for some guarantee as to the standing of the order in the name of my hon. friend from Brandon-Souris so that it does not lose its place in the next private members' hour. But, surely, we can agree to pass this item now, so that my hon. friend can present his motion.

• (1700)

[*Translation*]

Mr. Fortin: Mr. Chairman, I think there has been some confusion, as we were consulted on the procedure for private members' hour. I could not answer, as the decision is not mine to make, but if the hon. member for Brandon-Souris (Mr. Dinsdale), who is the sponsor of motion No. 21, agrees that we should continue the debate during the hour set aside for private members' business, we are ready to go along with that.

[*English*]

The Chairman: The Chair, then, has to admit the greatest confusion of all. Perhaps the hon. member for Lotbinière can assist. I asked whether discussion of the four items under the Department of National Health and Welfare had been completed. I would not like to do an injustice to the hon. member or to other members of his party. I thought members of the other parties had agreed that this did, in fact, conclude the discussion. I am, therefore, in the hands of the hon. member for Lotbinière on this question. Has the discussion concluded on the items under the Department of Health and Welfare?

Some hon. Members: Agreed.

[*Translation*]

Mr. Fortin: No, Mr. Chairman. I spoke a moment ago. I would have liked to make a very brief speech. I would have had some remarks to make. I simply asked a question in the hope that this could—

[*English*]

The Chairman: Yes, I understand. The item is still open. The four items are still open.

Progress reported.

Mr. MacEachen: Mr. Speaker, if it is agreeable, we could make provision for the pride of place of the hon. member for Brandon-Souris (Mr. Dinsdale) if we could agree to devote the Private Members' Hour to the completion of the appropriation bill. If this were agreeable to the hon. member for Brandon-Souris we would do what we could to see that his primacy is protected.

Mr. Dinsdale: I would be quite happy to co-operate in order to expedite the passing of the measure before us. However, I am wondering whether it would be possible to proceed tomorrow with my motion. As I understand it, it would mean substituting "motion" for "private members' bills". On those terms, I would be quite happy to co-operate.

Mr. MacEachen: That is agreeable to this side.

Mr. Nielsen: There is one further point here. This is the second occasion on which my hon. friend, who is one of the most patient and co-operative members in the House, has been asked to stand this order. I think we on this side would be agreeable, provided the House is in general agreement that we would finish all stages of the supply bill by six o'clock. If we can have that agreement, we would go ahead.

Some hon. Members: Agreed.

Mr. Peters: No, Mr. Speaker. Just go ahead with the business. I have no axe to grind one way or the other, but I do not think there is any reason to make that condition.

The Acting Speaker (Mr. Laniel): It is very difficult for the Chair to see how far we have come toward agreement. Hon. members have heard the proposal that we forgo the private members' hour, at the same time leaving priority on the order paper to the motion in the name of the hon. member for Brandon-Souris with the understanding that this motion be taken as the first order of business tomorrow during the private members' hour. I am not sure, though, whether there is agreement as to the work of the committee and the completion of the estimates which are before the committee by six o'clock.

Mr. Nielsen: If we cannot get that kind of co-operation from members to my left, as we have been endeavouring to do for the last three days, I can see no reason for again putting off the motion in the name of my hon. friend from Brandon-Souris.

Mr. Peters: That is our business.

Mr. Reid: Mr. Speaker, if you would call item 21 you would find there is agreement to allow all the others to stand with the consent of the government.

The Acting Speaker (Mr. Laniel): As there does not seem to be complete agreement, it is my duty to call it five o'clock. The House will now proceed to consideration of private members' business as listed on today's order paper.

The Acting Speaker (Mr. Laniel): Is it agreed we stand all the motions up to 21 exclusive?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

HEALTH AND WELFARE

SUGGESTED MEASURE TO AID HANDICAPPED PERSONS

Hon. W. G. Dinsdale (Brandon-Souris) moved:

That, in the opinion of this House, the government should give urgent consideration to initiating, in co-operation with the provincial governments, and voluntary groups, specific programmes for chronically sick and severely disabled Canadians including (*a*) building standards designed to provide easy access to public buildings, schools and universities (*b*) adequate educational and vocational and employment guidance service (*c*) making available technical and electronic equipment so that handicapped persons might be able to control their immediate environment (heat, light, radio, T.V., typewriter, tape recorder, etc.), enabling many to live at home in the bosom of the family rather than "existing" in expensive hospitals for the handicapped and chronically ill (*d*) separate provision for younger and older patients who must be hospitalized (*e*) the general coordination of policies designed to aid this group so that "if years cannot be added to the lives of the very sick, at least life can be added to their years".

He said: Mr. Speaker, this is a non-controversial motion. Indeed, it is the kind of motion which should receive full support from all hon. members in the chamber. It relates to the subject which was under discussion before the hour of five, namely, the operations of the Department of National Health and Welfare. The atmosphere at that time was somewhat contentious, and I hope it will not spill over into the atmosphere which I anticipate will surround consideration of the motion I am presenting. If I were to put a caption on the subject matter I wish to discuss, I would describe it in the following terms—the urgent necessity for new goals for rehabilitation.

• (1710)

The approach of dealing with the problems of handicapped people in Canadian society from the basis of a pension plus a bed I am sure all hon. members will agree is no longer adequate. Yet it is a subject that I found, as I pursued it and did the necessary research to present the motion, many people are reluctant to talk about. There is a sense of embarrassment that almost reflects the attitude that prevailed up until comparatively recent times with respect to the mentally ill and the mentally retarded. This applies particularly to the chronically ill, those who are disabled as a result of chronic illness, and also those who are severely physically disabled.

I trust I shall present a viewpoint this afternoon which will demonstrate that people with physical handicaps, or for that matter with any disability, actually have a special quality that places them in a position to make a particularly effective contribution to the society in which they live. One of the by-products of disability, I have found from having met with these people and had extended discussions with them, is that they have developed a patience plus a perseverance that enables them to make a particularly effective contribution to their day and to their generation.

When we are reminded that approximately 7½ per cent of the population of Canada requires rehabilitation services of some kind, we immediately become aware of the nature of the problem. If we express it in population terms, it amounts to almost 1.5 million people. The traditional approach that has been exercised, and which prevailed up until the so-called present period of enlightenment, is that of providing minimum facilities that make it possible for these people to maintain a minimum standard of life which completely ignores their special emotional, psychological and spiritual needs.

Even in the profession of the social worker, you will find that the approach has been to help the families who find this affliction in their midst adjust to the inevitable and they agree to place the afflicted person in question away in an institution which is more appropriately described as a human warehouse than as a centre for effective rehabilitation. Not only is this a monstrous waste of the human potential that lies at hand in the physically handicapped, it is also a costly solution. I do not have the figures at hand, but to have one of these persons permanently hospitalized or set aside in an institution for the chronically ill is much more costly in monetary terms than would be any co-ordinated effort directed toward the comprehensive rehabilitation of Canadians who are disabled in some respect.

We should also be reminded that disability is far more frequently the result of social, emotional or economic dependency than physical impairment. We believe it is a fundamental precept of our way of life to regard the body merely as the receptacle for the spirit of man. Yet when that receptacle is cracked, more often than not we throw the receptacle, contents and all, out of the general social process.

I want briefly to view the problem this afternoon through the eyes of the disabled. I find that they want to become involved in the whole ongoing process of life. They want to be able to control their environment; they want to have opportunities for social and mental development. They want adequate housing with specific facilities provided—and I shall enumerate one or two of these in a moment—so they can manage their own affairs and with minimum support be able to live a full life. This applies even to the 42,000 Canadians who at this time are confined to wheelchairs. They need special facilities to give them mobility, and they need recreational opportunities. They want to be accepted as persons and become involved in the total life process. In particular, this requires economic security and jobs, for in many respects poverty is just another word for disability. As a result, unemployment among them is chronic.

To sum it all up, perhaps we can say that we must seek a society where there is a genuine respect for the handicapped; where understanding is unostentatious and sincere; where if years cannot be added to the lives of the very sick, at least life can be added to their years; where needs come before means; where the mobility of disabled people is restricted only by the bounds of technical progress and discovery; where the handicapped have a fundamental right to participate in industry and in society according to their abilities; where socially preventable distress is unknown; and where no man has cause to feel ill at ease because of disability. That was a quotation from a debate that took place when the United Kingdom parliament was debating a special act which has now found its way into the statute books and is known as the chronically sick and disabled persons act of 1970.

Voluntary groups in Canada have done an amazing job of coping with the problem, to a large extent with a minimum of public support. In 1952, the first comprehensive rehabilitation institute was established in the city of Vancouver, the G. F. Strong Institute, and this indicates just how recent are these developments. Today there are some 16 centres in operation across Canada and in all provinces. Universities have become involved and several of the major hospitals are fully equipped to handle the disabled.

I should like to pay tribute to a few outstanding names. This is risky because so many people have been involved, but I am sure hon. members will understand if I mention the name of Colonel Eddie Baker who did so much to come to grips with the handicap of blindness. Then, there is the Lyndhurst hospital in Toronto under Dr. Jousse. Dr. Gustave Gingras has made a great contribution both in the province of Quebec and throughout the world. He has become an eminent world authority on the problems of rehabilitation through his work at the Montreal Rehabilitation Centre. In addition there are many associations, such as the Paraplegic Association, the associations for crippled children and adults, for multiple sceloris, muscular dystrophy and so on. I could go on and on, Mr. Speaker, and name the whole group that today is encompassed within a fairly recent organization, the Canadian Rehabilitation Council for the Disabled, better known as the CRCD. This body is under the direction of Dr. Keith Armstrong who has worked to bring about co-ordination in the voluntary and, more recently, in the public sector through the instrumentality of CRCD.

Obviously, the government is aware of the problems in this field, because I was reading a statement made by the minister as recently as February 5, 1973 when he addressed the Montreal Chamber of Commerce. It is a speech in respect of Canada's social security policy and at page 4 we find this interesting observation:

• (1720)

In the first place, the Social Security Plan shall ensure to persons unable to work, the elderly, the blind and the disabled, an annual guaranteed income that is fair and compassionate.

This principle is already embodied in a whole series of measures which go back as far as 1927.

These programs, drawn up to meet special needs, have never been fully integrated; on the one hand, because they were adopted at different times for different purposes, and on the other hand, because it happened that the same program came under different jurisdictions.

That sums up the situation in a nutshell in respect of problems which confront us in the public sector of responsibility at the present time.

In passing I would just like to refer to the outstanding work that has been done by the Department of Veterans Affairs in this respect. They have the know-how and all the information, and what is needed now is co-ordination. The National Defence Hospitalization and Medical Centre is another outstanding institution which has the experience to act as an excellent resource centre in dealing with this problem.

The categories of my resolution are before members of the House. Let me refer to them briefly as follows; building standards and the necessity of the state to take some responsibility for giving leadership in this respect to provide for greater mobility including such things as special homes along the lines of Cheshire Homes. Group Captain Cheshire of dambuster fame has become a worldwide leader in this field. He was in Canada a few months ago opening some of these Cheshire Homes which meet the particular needs of the severely disabled from the standpoint of architectural standards.

There is another problem to which I refer in passing. Very often because there is not adequate housing we find young people accommodated with geriatrics cases, and this is obviously unsatisfactory so far as young people are concerned.

My motion also refers to educational and vocational opportunities and the need for an educational counselling and retraining opportunities. It is interesting to note one aspect of the problem that really affects the physically disabled and makes them feel they are discriminated against; the fact that many applications for jobs specifically ask whether a person is disabled or has a physical defect, the implication being that he is not eligible for these positions if that is the case.

Let me refer briefly to the technical aid aspect of my motion. There is to be a meeting in Toronto on Wednesday sponsored by the CRCD where, for the first time in Canada, there will be a report on the technical aids which are available in meeting the special needs of the physically handicapped in Canada. Later on in March there will be a meeting in Ottawa to bring together people who are skilled in the area of biological engineering to discuss how modern breakthroughs in technology might be applied to the special needs of the physically handicapped.

Development in the United Kingdom is far ahead of our development in Canada. I would refer to Possum which is a Latin stylization of "Posm", Patient Operated Selector Mechanisms. With poetic licence, this has been changed by the disabled users to Possum, the Latin for I am able or I can do. It makes it possible for a totally handicapped person, through technology, to control his immediate environment and return to the bosom of the family rather than living an existence which is less than human in these human warehouses to which I have already referred. An outstanding case is that of Miss Hilary Pole, a victim of myasthenia gravis, who is totally immobilized except for the movement of her big toe. Through posm technical aids, she is able to type out the most beautiful poetry on a typewriter, and was able to return to her home.

In Canada, we have similar developments that are almost ready to go into production. TOSC, developed independently along parallel lines to Possum, meaning Touch Operated Selector Control, was developed by a Canada quadraplegic, Mr. Bud Cairns, of the city of Toronto. We have these breakthroughs and what is needed now is a coordinating effort on the part of the federal government to bring to bear the delivery of what is available to a large number of handicapped people in Canada so that, as my motion suggests, if they cannot have years added to their lives, they might have life added to their years.

This will require the complete co-ordination of medical, educational, social and technical aspects of the problem. I trust that when the government spokesman replies to the

observations I have made this afternoon he will deal specifically with some of these recommendations. Ottawa must provide leadership. We do have the difficulty of jurisdictional dispute, but, as the minister mentioned in his speech on February 5 last, while a part of the responsibility lies with provincial governments, Ottawa must provide the co-ordination necessary to make it possible for provincial governments to deal adequately and comprehensibly with some of these problems I have outlined.

We have the Canada Assistance Plan, but there is no uniformity under that plan as it is permissive and standards vary in each province. As I look at the situation across Canada, it seems to me that the two provinces most advanced in this respect are the province of Manitoba, which happens to be my own, and the province of Ontario. If these provinces can do this, so can other provincial authorities.

Perhaps this motion could be referred to an appropriate committee for further discussion with the hearing of briefs, because the deeper I delve into this matter the more I am astonished at the lack of information. Once the motion became a matter of public interest and concern I began to receive letters from handicapped people across the country who have developed aids and programs on their own to assist themselves. Unfortunately, they are living in complete isolation without any comprehensive knowledge of the facilities and services available to help them.

A discussion in the appropriate committee would allow some of these viewpoints to be made known, and this would be extremely helpful. I hope too, the government will consider appointing a national rehabilitation council. The Canadian Rehabilitation Council for the Disabled has worked as a private agency in this field for the past number of years with limited resources, with some assistance from Ottawa and provincial governments as well as volunteer agencies. The time has come for Ottawa to accept its obligations in this respect, and I trust that the government will let this motion pass.

• (1730)

[*Translation*]

Mr. Georges-C. Lachance (Lafontaine): Mr. Speaker, we seldom have the opportunity in the House to discuss a problem with such a lack of partisanship. I am pleased to note the interest shown by the hon. member for Brandon-Souris (Mr. Dinsdale) in the rehabilitation of the handicapped and I congratulate him for having moved a notice of motion which reads in part as follows:

—the government should give urgent consideration to initiating, in co-operation with provincial governments and voluntary groups, specific programs for chronically sick and severely disabled individuals—

Mr. Speaker, I feel that we should seriously consider that problem. Some action has been taken in that field, but I think that we have not done the utmost to assist the handicapped.

Particularly during the last election campaign, Mr. Speaker, I have had the opportunity—previously also, but this is fresher in my mind—to talk with handicapped people, since there is a home in my riding with a number of handicapped people. The ones that I met do not obviously complain about their housing conditions; quite the contrary, first, one would be led to believe that these are people who live better than other Canadians since they live in a modern building. These in particular live in a modern building which was built precisely to help the handicapped. But how many do live in this home? One hundred and twenty or fifty—

It is hard to find out exactly how many handicapped there are in Canada, all the more because some are seriously handicapped, and others are less so; therefore, there is a question of percentage of invalidity which must be reckoned with. Several questions were put to me by these young men and women who are not very old and live in this home; it was brought to my attention that employment possibilities were very complex, but they were not complaining about housing conditions.

But it is not only that; those disabled of course want to be useful, to earn their living, to be kept busy and encouraged in their work. It is not that easy to get a 50 or 40 per cent job when you are 50 per cent handicapped; it might seem easy to find a 50 per cent job, but it is quite complex.

During the election campaign, I promised myself that after the election, I would try to look into this problem, and I got in touch with the research department of the parliamentary library whose help is always forthcoming. This department enabled me to find certain documents; my file is not yet complete but I take this opportunity to inform the House of the results of my research, unfortunately very briefly.

First, it must be acknowledged that in America, we have not done until now everything that could have been done for the handicapped. A few pieces of legislation were passed, but it is mainly in certain countries such as Sweden, Great Britain and Holland that more comprehensive and practical laws can be found for handicapped people.

I have here some documents precisely about the assistance given to the disabled in Sweden and Great Britain. It is always the same problem: means must be found to help the handicapped. It is true that since 1961, there is legislation on the vocational rehabilitation of the disabled, which is administered by the federal government but in co-operation with the provincial governments to help handicapped people. It is under this legislation that assistance is given to the handicapped.

But this legislation does not go far enough and it seems that it was not followed up in order to obtain beneficial results. We hear about research, medical care, vocational training, employment agencies, employment assistance, but as yet no one has taken the bull by the horns.

I do not know if the laws which apply in the United Kingdom and in Sweden can be applied in Canada, but I wonder whether a list of the disabled should not be drawn up, which does not seem to have been done as it was in the United Kingdom where a registry is provided for the handicapped to register. They are strongly urged to register but, of course, all of them do not. Besides, all the disabled cannot necessarily find a job. However, this registry provides at least an inventory—provided people agree to register—of those who really want to find a job.

This method might be implemented. Of course, certain people do not approve of such a register, all the more as some seem to have the funny idea that the handicapped do not want to be helped.

Today, that seems rather difficult. Dr. Meilleur, of the Manpower and Immigration Department, stated not so long ago that the department did not have the accurate statistics it needed to help the handicapped as it should. He also stated that it was difficult to get the necessary information through questionnaires. He said, and I quote:

• (1740)

[*English*]

Our forms are more and more neutral. Pretty soon we won't be able to ask which sex.

[*Translation*]

Still, there should be a campaign to explain to the people that it is extremely important for the handicapped to tell us of their wants, their needs; then, we could help them better.

Mr. Speaker, my time is almost over. Several of my colleagues want to discuss this problem. They could obtain information on the matter from the parliamentary library, especially on the way rehabilitation programs were studied and adapted in Great Britain and Sweden.

I have here a photostat of a brochure entitled "Rehabilitation and Care of Disabled People in Britain", that can be obtained from the library as well as that entitled "Services for the Handicapped", by Richard Turner. The latter is a study on the Swedish system.

Mr. Speaker, one can also obtain the document which was prepared for me by the research service of the library. It is dated February 12th 1973 and is entitled "Legislation Designed to Encourage the Employment of the Handicapped".

That is why, Mr. Speaker, I do not claim to have carried out an exhaustive study of the problem, but I am doing so. I have a special interest in it. In fact, during the election campaign I had the opportunity to meet young people of working age who are experiencing great difficulty in achieving a normal life.

They have skills—some fewer than others—and they are very anxious to work; some are interested in social work, work of all kinds.

I believe that it is only by a careful census and thorough of handicapped people and the appropriate action to enable them to find employment that they can be helped to lead normal lives.

As I said a few moments ago, should we adopt the formula developed in Great Britain? Legislation has been enacted, namely the Disabled Persons (Employment) Acts of 1944 and 1958, which deal with that system of records for the handicapped; the Secretary of State is given the opportunity to say that there are designated, sheltered jobs which even allow the incorporation on non-profit organizations designed to help the handicapped to obtain incorporation and to work. In general, these corporations, called Remploy Ltd., are granted governmental subsidies but some succeed in making quite interesting profits.

So I urge strongly hon. members to obtain those papers which have been prepared for me by the Library of Parliament and we will undoubtedly be in a position to discuss that matter in greater detail shortly.

[*English*]

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, in this parliament of minorities, where we often have difficulty in reaching agreement, I think it is rather significant that on a matter of this importance all parties are in agreement on the desirability of trying to get a better and fuller life for handicapped and chronically ill people. We are all grateful to the hon. member for Brandon-Souris (Mr. Dinsdale) for bringing forward a matter which is so dear to his heart, one on which he has done a great deal of research. The hon. member for Lafontaine (Mr. Lachance) has told us a great deal about what is being done in other places.

The sponsor of the motion said the matter should be dealt with under the heading of "new goals for rehabilitation." I think it should also be called "new goals for living." From experience I know that the handicapped and chronically ill, when given a chance, are people who do get a whole new inspiration for living. The severely handicapped and the chronically ill have perfectly normal instincts. What they want to do, above all, is to lead as normal a life as possible in spite of their condition. They want to care for themselves at home as much as possible. They want to go places like other people do. Within their own capacities they want to get satisfactory work. They want to enjoy recreation with other people to the extent that is possible. We in this country have been doing a few things to assist them. Voluntary groups have undertaken many projects. However, governments have done very little in comparison with what needs to be done.

Every time I go past the National Archives on Wellington Street in Ottawa I am greatly heartened to see the stone ramp which makes it easier for handicapped people to get into the National Library. I remember being told in our centennial year that many of the structures being built then were designed to provide easy access for handicapped people. But this is far from becoming universal. We should be undertaking much more of this type of thing. We should find ways and means of helping handicapped people to get transportation to go places. Here I think of a muscular dystrophy case in my riding. Fortunately, this man has friends who help him into a car which has a specially wide seat and once a week they drive him to a centre where he can engage in recreation. But many handicapped people cannot get to such places. We have no means of transportation for them, so they are condemned to sit in solitude.

• (1750)

One of the brightest spots in the matter of housing for these people concerns a man in my constituency. He has been severely handicapped from his early years, when he had a bad accident, and has to spend most of his life in a wheelchair. He was able to get work during his earlier life but now is retired and draws the old age pension. About a year ago he convinced Central Mortgage and Housing that they should allow him to conduct research into the needs of handicapped people in their homes, and what should be

done for them in the way of public and other kinds of housing. He did a great deal of research in this country, in the United States, and even in Sweden, and has made a valuable contribution to the outlining of some of the things that should be done by this government.

There is also the matter of sheltered workshops. Our government could do a lot more than is being done to provide activities for handicapped people so that they can lead a satisfying life. An adequate guaranteed income is essential, but satisfying social and useful activity must also be provided if these people are to lead satisfying and constructive lives.

I know that our time this afternoon is short. I am very tempted to take more of it, but I shall not because I know that one or two other members would like to say a few words. But I want to underline what the hon. member for Brandon-Souris said in his concluding remarks. I believe that we as a House should show that we are in earnest about this and are not just giving lip service to a "motherhood" resolution. If we really want to do something, we will listen to the plea of the hon. member for Brandon-Souris and send this resolution to the Standing Committee on National Health and Welfare for thorough study by handicapped people and those who work with them who could be called as witnesses. Perhaps in that way we can find the gaps in what is being done to help them.

Mr. Speaker, I urge that instead of talking out this resolution we agree to send it to committee. The Standing Committee on National Health and Welfare is not occupied at the moment, as far as I am aware. This would be something for it to get its teeth into, and would probably be much more useful than some of its other work. Let us help the handicapped to help themselves.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gaston Isabelle (Hull): Mr. Speaker, it is with pleasure that I shall say a few words on that motion, in my opinion, a very important motion, and the more so since it reminds me that in 1970 I had the opportunity, with the hon. member for York Centre (Mr. Walker), of travelling to Australia. In the beautiful city of Melbourne, we visited Australia's National Museum. We were surprised not only by the modern and extraordinary architecture of that magnificent building, but also by the sight of handicapped people who, having to move around in wheel-chairs, could have access to all the floors of that building.

I am convinced that perhaps the government has not done enough along that line. However, one should nevertheless remember that it has made some efforts; six years ago, the Post Office Department for its buildings adopted a policy requiring that in future such buildings should provide entrance at street level, allowing the handicapped to benefit from them as well as the other citizens.

Moreover, in those buildings, some of which were old, the department had some hand-rails eracted. In Calgary, a building was constructed in such a way that the handicapped could not only enter it, but also work in it and benefit from promotion opportunities as well as all the other public servants.

Mr. Speaker, of course, I should not like, as they say, to kill that motion, but may I be permitted to recall that sooner or later we shall all, inevitably, become handicapped, or at least less and less alert in the discharge of the most usual tasks.

But what about the Montreal Air Terminal, for instance? I do not mean that the architect who designed this awful piece of architecture is an imbecile, but why tell old people, Do travel, we shall grant you fare reductions, and then we have them walk about two miles, which is enough to kill them before they get to the plane. Perhaps we should follow the example set at the Paris Air Terminal, where moving sidewalks enable people and even handicapped persons to reach their plane with practically no effort. Perhaps we should stop building air terminals which not only penalize handicapped people but also people who normally become handicapped with age.

We should stop building such horrible things for our older people, for handicapped people who, for a reason or another, certainly took part in active life in Canada and certainly deserve some reward.

Mr. Speaker, there are many other things I would like to say. I think congratulations are in order for my friend Dr. Gustave Gingras who was, I believe, the first Canadian to promote rehabilitation. My hon. friend from Brandon-Souris (Mr. Dinsdale) spoke about Colonel Baker, but I think Dr. Gingras was one of the instigators of rehabilitation in Canada and should be praised for it.

Mr. Speaker, if the present motion is referred to a committee, I do not think this will produce any results. In my opinion, an effort should be made to tell the provinces they have something to do in this field. Health problems are shared and "shareable" to such an extent, especially on a world basis, that it is up to the provinces to deal with them. They are faced with so many problems, Mr. Speaker, that they do not think about these highly important matters.

In my opinion, health is the most important asset. In the case of those who have to get around and work with some disability, they should be treated as first class citizens by all governments. If provincial governments could take advantage of the Canada Assistance Act in such way as suggested by my friend for Brandon-Souris, I think that what he proposes to do in his motion could also be realized. Therefore, normally, all provinces should assume neither more nor less than their own responsibilities in this field, and I completely agree that this must be done by the provinces.

The Acting Speaker (Mr. Laniel): Order. I regret to have to interrupt the hon. member but the hour allotted for the consideration of private members' business having expired, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. John N. Turner (Minister of Finance) moved:

That this House approves in general the budgetary policy of the government.

He said: Mr. Speaker, the purpose of this budget is—first and foremost—to bring about a substantial reduction in unemployment. Unemployment is much more than an economic problem. It is a grave social problem, a serious human problem, and I am deeply conscious of the fact that for those who really want and need work, who are looking for work and cannot find it, unemployment can be bitter and frustrating.

This budget is aimed at the faster growth of our economy and the strengthening of its basic structure in order to achieve the greatest possible increase in the number of permanent, satisfying jobs for our rapidly growing labour force.

This budget is aimed at reducing inflationary pressures in Canada and at offsetting the effects of past inflation. This is essential to protect our country's international competitive position so as to ensure continued strong growth of production and employment. It is equally essential to reduce the squeeze of rising prices on family budgets and the erosion of the hard-earned savings of Canadians.

This budget is aimed at increasing the real income and improving the standard of living of Canadians.

It is aimed at ensuring that older Canadians share more fairly and more fully in the growing national prosperity—which their efforts during their working years helped to make possible—so they may better enjoy living in well-earned retirement.

It is aimed at balanced economic expansion so that all regions share equitably in our growing wealth, because national unity demands fair shares in national prosperity.

[*Translation*]

This budget reinforces and builds upon the budget which I put before the House last May. Taken together, the measures proposed last May and those I will propose tonight are strongly expansionary, while at the same time acting to curb the forces of inflation. They will stimulate the growth of production and employment, while helping business to moderate price increases. They will put more income, more purchasing power into the hands of Canadian consumers without increasing costs.

Hon. members may recall that the budget of last May, in addition to providing immediate stimulus to the economy, was designed to serve two basic purposes.

It was designed to achieve a greater measure of social justice by easing the financial burden borne by pensioners, by the blind and the disabled, by veterans and their dependents, by students and their families and by those who face heavy costs for medical care and treatment.

And it was designed to reinforce the structure of our economy over the medium and longer term by strengthening the competitive position at home and abroad of our vitally important manufacturing and processing industries.

[The Acting Speaker, (Mr. Laniel).]

Parliament last session approved the proposals to raise the guaranteed income supplement for pensioners and escalate that supplement, old age security benefits, and veterans' pensions and allowances to offset fully increases in the cost of living.

It is urgent that Parliament give early approval to the other proposals put foward in the May budget involving the income tax, sales tax and the customs tariff, most of which are effective in 1972.

The measures to reduce the tax burden of manufacturers and processors represent a first major step in the development of a coherent set of new industrial policies. They are needed to strengthen the foundation of our economy and its capacity to create jobs for our working men and women—who belong to the fastest growing labour force in the industrial world.

The manufacturing and processing sector is the largest single source of employment in this country. It provides jobs directly for nearly two million Canadians—nearly a quarter of the whole labour force. It provides jobs indirectly for as many again in the service sector, which depends for its growth on the underpinning of viable primary, processing and manufacturing industries.

The manufacturing sector, however, is highly vulnerable to the new forces of competition that are now developing around the world.

The reductions in the tax burden borne by these industries will help them to overcome the competitive handicap caused by the appreciation of the Canadian dollar since May, 1970.

These reductions will enable them to offset the serious competitive threat posed by the substantial tax subsidies for exports made available in the past year to U.S. corporations. The real danger of such subsidy programs is not the immediate impact they may have on our exports or our imports. That, too, can be serious and takes time to show up. The real danger lies in their possible effect on new investment in this country. This is more difficult to measure. Often there is no visible decline of business. Unless it is as profitable to invest in Canada as in the U.S. or other countries offering special incentives, new plants don't get built, expansions don't take place, jobs don't get created.

The easing of the tax burden of manufacturers will also help them to meet the increasingly intense competition from the new industrial giants that are emerging on the world stage—Japan and the expanded European Economic Community.

• (2010)

[*English*]

The very recent international monetary crisis underscores the significance of what I have been saying about our position in the world. No one can predict the outcome of the changes now underway in the world's trading and financial system or what their impact may be on Canada's trading position. It should be clear to all of us, however, that we will be better able to face whatever challenges

may confront us if we keep our industries strong, resilient and competitive.

What is at stake is not the welfare of corporations and their shareholders. At stake is the welfare of every Canadian. At stake are hundreds of thousands of jobs that today depend on our manufacturers staying in business and retaining their workers. At stake also are hundreds of thousands of good steady jobs in the manufacturing sector and supporting industries that will be required in future across Canada for our new workers. It is critical that we should all have a clear understanding of what is at issue. That is why I am committed and the government is committed to these measures.

It is sometimes argued that, far from creating new employment, these measures will only serve to reduce the number of available jobs by encouraging the displacement of workers by machines. That sort of concern has been raised periodically ever since the beginning of the industrial revolution. But the experience of many decades has shown that advancing technology brings with it continued expansion in productivity and output, continued expansion in the real income that workers are able to earn, and continued expansion in the number of productive jobs available. It is no coincidence that for some time now the most labour-intensive manufacturing industries in Canada have generally provided few—if any—new job opportunities, that they usually pay the lowest wages, and that they face the greatest difficulty from foreign competition.

It has also been contended that these measures should not be adopted because a significant portion of the benefit would go to foreign-controlled companies. Let me remind honourable members of a hard reality: these corporations, which are today a major source of employment in this country—providing jobs directly and indirectly for a million or more Canadian workers, face much the same handicaps as those that are Canadian-controlled. We have to move toward greater control of our economy in a way and at a pace that does not jeopardize jobs. I am sure these workers would not thank this parliament if it failed to take steps to counter the threat to their own jobs because of some misguided sense of extreme nationalism.

In its most recent Annual Review, the Economic Council of Canada warned that a failure to maintain the rate of productivity growth throughout the manufacturing sector would lead to higher costs, lower sales and fewer jobs for Canadian workers. The Council emphasized that new policies were required to deal with this threat. The Council concluded that, in its words, "the fiscal measures announced on May 8, 1972, concerning the manufacturing sector may be considered an important step in this direction".

Members of the House will recall that last May I said I was confident that Canadian businessmen would use the increased cash flow to improve and expand their operations and to engage in vigorous price competition at home and abroad. I said I expected business to hustle, to grow, to compete and to build jobs for Canadians. The recent pickup in production, investment and employment in the manufacturing sector leads me to believe that they are, in fact, already stepping up their performance.

I would like to advise the House tonight that the government has decided to make a modification to the rapid write-off and to introduce a new procedure to monitor the results of the incentives to manufacturing and processing industries. We propose that the two-year capital cost allowance provision be put in place for an initial period ending December 31, 1974. Moreover, the government will establish a reporting and review procedure in order to assess the effect of these corporate measures on prices and jobs.

It is our intention that a report be submitted to the House before the end of 1974. This report will be based on detailed information provided by a large number of individual companies and in-depth study of some 200 of the largest corporations. I believe that such an assessment will prove how constructive these measures will have turned out to be in creating new jobs and moderating prices. It will also be helpful to the government in reviewing the capital cost allowance provision to decide whether and in what form to extend it.

In order to better evaluate not just the new fast write-off, but all aspects of present capital cost allowances, I propose to initiate a thorough examination of the entire system. We intend to complete this review by the end of 1974 so that parliament will be in a position to modernize our whole approach to capital cost allowances. I am vitally concerned that our system for business depreciation be fair and reasonable and not a hidden method for avoiding taxation.

[*Translation*]

I would like now to review briefly the economic and financial situation.

Hon. members may recall that last year we published an annual Economic Review in April and we intend to follow that practice again this year. Because the budget is so early this year, it is not possible to issue the usual budget White Paper on government accounts at this time. This will be made available to the House as soon as possible after the end of the fiscal year.

In 1972 the industrial world enjoyed a strong economic expansion. When confidence returned after the international economic crisis of August, 1971, faster rates of growth set in everywhere—in Europe, in Japan and in North America. Output in the industrial countries went up at almost double the rate of the previous year. I would like now to give a brief account of how Canada fared during this period.

In 1972, Canada's gross national product rose 10½ to 11 per cent. Personal income per head was up close to 10½ per cent, and the standard of living of Canadians as shown by consumer expenditures per capita—after deducting the effects of price increases—was up by nearly 5½ per cent. We started 7 per cent more houses than we did in the previous record year. A total of 250,000 new jobs were created, as compared with 200,000 in 1971, an increase of 25 per cent. Farm income rose strongly and the return on business investment was restored to more normal levels.

Although the current account of our balance of payments moved back into deficit, we were relatively free of disturbance from the international economy. It is obvious

from recent events that foreign exchange markets have been prone to crisis. But our own experience with a floating rate has been favourable. The Canadian dollar, having been above parity in terms of the U.S. dollar through the middle part of the year, has fluctuated around parity in recent months. This held true even last week. The operations of the Exchange Fund Account have been limited to maintaining orderly conditions in the exchange market and have not complicated the task of managing the government's financial position.

In the first half of the year, competition among the banks drove up interest rates and led to an excessive rate of monetary expansion. But the agreement reached among the banks with my approval in June to lower interest rates on large deposits eliminated these distortions and the financial markets have been reasonably stable since that time. A generally expansionary monetary policy fostered economic expansion and encouraged Canadians to borrow in domestic rather than in foreign markets.

• (2020)

[*English*]

The final record of the government's financial position for the current financial year will not, of course, be known with certainty until well after March 31. In fact, a somewhat more than normal amount of uncertainty should be attached to this year's forecasts. In particular, because this is the first year of experience under the tax reform, the timing and size of tax refunds and final tax payments may depart significantly from historical patterns. On the basis of information available at this date, we expect something close to a balance on budgetary accounts and non-budgetary cash requirements of approximately $2 billion, giving total cash requirements (excluding foreign exchange) of about $2 billion. This total is the same as that anticipated in the May 8 budget. As compared with that budget, the non-budgetary cash requirements are higher largely because of the higher than forecast unemployment insurance benefits; the budgetary position is stronger because revenues have been buoyant. The fiscal stance of the government is best expressed by the government's total cash requirement, budgetary and non-budgetary. For several years now, we have followed the practice of determining our fiscal policy on the basis of total cash requirements and, indeed, this is the practice of most modern states in presenting their over-all financial position.

The economic expansion in Canada was interrupted in the third quarter of 1972 by events beyond the ability of anyone to predict or control. The weather was most unfavourable last summer in much of Quebec and Ontario. This adversely affected farm output and all the many industries and services which depend upon agriculture. In addition, a series of strikes shut down important parts of the mining industry, tied up the forest industry in British Columbia, closed down Canadian and other ports, and disrupted the movement of wheat, lumber, iron ore and other export commodities.

Since September we have seen a sharp rebound of economic activity. The fourth quarter, I am confident, will turn out to have been quite extraordinary. In the early weeks of 1973, all the signs—including our own revenues—are pointing sharply upward.

This year we are expecting the expansion to be driven mainly by business capital investment, inventory build-up and exports. Consumer spending and house building, which contributed so much to the earlier stages of the expansion, will continue at high levels but could rise less rapidly. It is evident that business investment is now accelerating in response to the growth in the economy and in anticipation of the enactment of the May budget measures. When these measures become law, the growth in business investment will become even stronger. So far we have seen little growth of inventories in this expansion. I expect that businesses will be adding to their stocks in 1973 in order to maintain higher levels of sales and shipments. Thus, we have the basis for a very good economic performance in 1973.

[*Translation*]

Two major problems confront us. The first is unemployment. The second is the rise in prices and costs. These are the key problems to which my budget measures are directed.

The most unsatisfactory feature of our economic performance has been the continuing high level of unemployment, even after two full years of economic expansion. We would have done better, it is true, had it not been for the weather and the effect of strikes last year in slowing down employment, production and exports. But other factors have been at work as well. The labour force is growing rapidly both because of the age structure of our population and because a growing proportion of young people and of women have joined the labour force.

It is a fact that while unemployment has remained high, employers are reporting difficulty in filling the growing number of vacancies. Certainly more generous provisions for the unemployed and the availability of support for many unemployed persons from spouses or parents permit people to take more time in finding the jobs that suit them best. We need more information in appraising the unemployment situation and I trust the study being undertaken by the Economic Council of Canada will be helpful.

The hard truth remains, however, that unemployment is too high. I attach the highest priority to the creation of jobs. My May budget was directed toward creating jobs. In September, a major program to create winter employment was announced. One of the very first steps which this government took after the recent election was also directed to this same goal. I refer to the Winter Job Expansion Plan, which for some time now has been putting people to work. This program was directed at alleviating seasonal unemployment, particularly in the slower-growth regions. Further action is needed to deal with the more general problem. We need to stimulate a higher rate of economic growth. We must achieve a growth of real output of goods and services in Canada appreciably in excess of our long-term average if new job creation is to keep up with our rapidly growing labour force and cut into unemployment.

[*English*]

The second major problem is that of rising prices and costs. We are by no means the only country with this problem. Inflation has now reached epidemic proportions in many parts of the world. Our own experience was less favourable in 1972 than it was in 1971. The acceleration in consumer prices was concentrated in foods, which rose sharply last year. In part this was due to local conditions, but in large measure it reflected the world-wide market forces pushing up the prices of grains, meat, sugar and other basic foods. A committee of this House is now investigating these matters. Non-food prices have not shown nearly as much acceleration at the retail level, but there have been sharp increases in the prices of a number of primary commodities in world markets.

All Canadians are concerned about the rise in the cost of living and the decline in the value of money which that entails. If nothing is done, there is a prospect that inflationary expectations will rise. This could disrupt financial markets, drive up interest rates, disturb the exchange market and impose a brake on the economy—in short, frustrate our efforts to increase employment.

Many have argued that the best way to deal with this problem is to set up direct controls over prices, wages and other incomes. As members are aware, Mr. Speaker, the government has given extensive study to the matter of controls and has prepared a contingency plan to be used if necessary. But the government does not believe that the present circumstances—hurtful as they are to many Canadian families—warrant the imposition of controls. Controls would demand a far wider public consensus and more evidence of an emergency situation than is now the case. Our approach is to increase the supply of goods and services, to increase personal disposable income, to relieve the pressure on those hurt, to restrict the government's own demands upon the economy and, above all, to trust Canadians, in their own self-interest—businessmen, working men and women, professionals, farmers—to exercise restraint in their demands for higher income. If that self-interest is not reflected in good judgment, then there will be a self-defeating escalation of costs and prices.

• (2030)

We are, then, faced with the twin problems of unemployment and inflation. An expansion of output will contribute to the solution of both. The government, therefore, believes that in its own fiscal policy it should continue to impart stimulus to the expansion of employment and to the supply of goods and services. It is essential to provide this stimulus in ways which will offer maximum resistance to the forces of inflation.

In seeking to stimulate the economy, while at the same time resisting inflation, I have taken into account the actions which were included in my last budget. Their effects have not yet fully been felt because of time lags. They will continue to have a substantial impact for some years to come. The measures I shall recommend tonight involve action on several fronts. I shall lean heavily, however, on the side of cutting taxes, as opposed to increasing expenditures. This reflects the government's determination to impose restraint on its own spending in order to avoid aggravating inflation. It also reflects the government's determination to do everything reasonably possible to encourage business, labour and the professions to exercise price and income restraint in the national interest and in their own interest.

[*Translation*]

I turn now to the budget measures themselves. Let me begin with a proposal to help our older people. This is a follow-up to the important measures we put in place last year to raise the guaranteed income supplement for old age pensioners and to increase both the basic pension and the supplemental allowance automatically in step with any annual rise in the cost of living.

We are very much aware of the position of elderly people in our country and over the years successive governments have attempted to improve their situation as rapidly as our resources would permit. We can be proud of what we have been able to achieve for the most needy among our elder citizens by provision of the guaranteed income supplement. That unique system of allowances was introduced in 1966 by the government of the late Rt. Hon. Lester Pearson. It provides old age pensioners in Canada with the highest guaranteed income in the world.

At the same time we recognize fully that there are many individuals and couples, 65 years and over, who—through hard work and careful saving—have made provision for retirement income out of their lifetime earnings. As a result, they do not qualify for any part of the guaranteed income supplement. In the great majority of cases, the incomes of these elderly citizens are still small, particularly in comparison to the rising incomes of other Canadians. Despite their hard work and careful planning for retirement, inflation has eroded the real value of their incomes and savings. Those on fixed pensions have been unable to share in the benefits of the rapidly rising productivity of our country.

[*English*]

The government has, therefore, decided that a further portion of the nation's strongly growing total production should now be allocated to increasing the basic rate of the old age security pension.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Effective on April 1, 1973, this pension will be raised to $100 per month. This represents an increase of more than 15 per cent over the pension level which would otherwise have come into effect on April 1 of this year. The cost of this additional increase is estimated to be $290 million for a full twelve-month period. The basic pension will continue at this rate until April 1, 1974. On that date, it will be escalated in accordance with the cost of living increase as provided for in my May budget and now prescribed in the Old Age Security Act.

Those entitled to the guaranteed income supplement will be able to add this benefit to the enlarged basic old age pension. The GIS, adjusted by the cost of living, will bring the combined OAS/GIS monthly payment for a single person to $170. For a married couple, the guaranteed income level will be close to $325 monthly. Over the past two years, therefore, the guaranteed income for all

elderly Canadians 65 years and over will have been increased by 26 per cent. Canada will thus maintain its worldwide lead in the care and support for ederly citizens.

Further, in line with the increase in the OAS pension, war veterans' allowances and civilian war allowances will be increased by similar amounts to a minimum of $151 per month for single people and to $257 a month for married couples. For recipients of the allowances over 65 years of age, the guaranteed income will rise to $206 and $357 per month for single and married people respectively. This increase preserves the relationship between veterans' allowances and old age pensions and is estimated to cost $9 million in 1973-74.

My colleagues, the Minister of National Health and Welfare (Mr. Lalonde) and the Minister of Veterans Affairs (Mr. MacDonald), will bring in legislation to have these increased pensions and allowances enacted and paid as rapidly as possible. With respect to disability pensions for veterans, a report containing proposals for increases in basic rates of pension is being referred to the Standing Committee on Veterans Affairs and the government will await the recommendations of that committee.

I would like to deal next with several measures in the fields of tariffs, sales taxes and excise taxes designed to stimulate the economy and to strike directly against the upward thrust in the cost of living.

First, proposals concerning the customs tariff.

The government is now recommending to parliament temporary cuts in the tariffs on a wide range of consumer products. I am tabling a notice of ways and means motion setting out the details.

In choosing the products that would be subject to these tariff reductions, and in deciding how large the reductions should be, every effort has been made to avoid any adverse impact on production and employment in our factories and farms across Canada. At the same time, we wished to ensure that the tariff reductions would be sufficiently broad in scope, and of sufficient magnitude to have a significant effect in dampening the upward pressure on consumer prices.

Particular attention was given to foods and other consumer goods for which tariff rates are higher than average, especially to those that are dutiable at a rate of more than 15 per cent. This rate is now pretty generally the basic protective rate in the Canadian tariff. The measure also covers a number of products in short supply, such as meats and out of season fruits and vegetables, for which there is not now a good case for a protective tariff.

Among the non-food consumer products covered by the measure are drugs and pharmaceuticals, kitchen and dinnerware, furniture, electrical appliances, house trailers, photographic equipment, sporting goods and toys.

Substantial cuts are also proposed for a number of most-favoured-nation tariff rates on goods that are not produced in Canada. These rates had been maintained to provide a sheltered market for Commonwealth suppliers, whose goods enter free of duty or at relatively low preferential rates. For such food products as bananas—

Some hon. Members: Oh, oh!

[Mr. Turner (Ottawa-Carleton).]

Mr. Turner (Ottawa-Carleton): If that does not get support for this budget, Mr. Speaker, nothing will. For such food products as bananas and citrus fruit juices, these preferences no longer serve the purpose for which they were intended.

The reduced rates proposed for raw and refined sugar and related products are broadly consistent with the recommendations of the Tariff Board, adjusted to take account of our obligations to Australia and the Commonwealth Caribbean.

• (2040)

To the extent possible, we are not cutting tariffs where to do so would have an adverse impact on job opportunities in Canada, where it would have little effect on prices, or where a tariff cut would run counter to other government policies. It is not proposed, for example, to cut tariffs on footwear, garments and textiles, on dairy products or eggs, or on fruits and vegetables in the season when Canadian-grown products are being marketed.

The total value of the imports that will be affected by these tariff cuts is about $1.3 billion. The economic impact must be judged not just by the reduction of charges on imports, but by the effect of such reductions in moderating prices charged by Canadian producers and distributors.

Hon. members will note that I am proposing that these tariff cuts remain in force for an initial period of one year. The reduction will be reviewed thoroughly before the measure expires. Furthermore, we are seeking parliamentary authority to delete items from this special list at any time during the course of the year should circumstances warrant such action.

There are several other tariff reductions which do not form part of this broad proposal the details will be found in the ways and means motion.

[*Translation*]

Next I would like to refer to several measures affecting excise and sales taxes.

First, I propose to remove the sales tax on confectioneries, chocolate bars, soft drinks, fruit drinks and other similar near-food products. The effect of this measure will be to exempt from sales tax all food and drink except alcoholic beverages.

Second, I propose to abolish the sales tax on all kinds of children's clothing, including shoes and other footwear. This tax reduction will provide welcome relief to young families with growing children, who face a constant need to replace outworn and outgrown clothes and shoes.

I have chosen to remove the sales tax on these particular items, namely the near-foods and children's clothing, because these products are consumed by virtually every Canadian family. Moreover, food and clothing account for a proportionately larger percentage of the budget of lower-income families, so that the tax on these products bears most heavily on those who are least able to afford it. This action should help to moderate prices for these basic necessities.

Next, I propose that the special 10 per cent excise tax on toilet articles and cosmetics be eliminated. I propose also

that the excise tax on clocks and watches be removed, except to the extent that a manufacturer's price exceeds $50. It seems to me that these are now articles of mass consumption and should not be treated as luxuries.

The purpose of these commodity tax reductions is to benefit Canadian consumers. I appeal to Canadian producers and distributors to so price their products that their customers will benefit in the form of lower prices and more value for their money. Parliament will be watching for results and I expect that Canadian consumers will, as well. These measures come into force immediately and, taken together, reduce federal revenues in the next fiscal year by about $190 million.

[*English*]

Mr. Speaker, I would now like to discuss income taxes. To begin with, I want to speak about tax reform. When I presented my budget last May, I told this House that one of my priorities would be to smooth out the rough edges of tax reform. Last May I introduced a number of important amendments to the Income Tax Act arising out of tax reform, and those matters will be debated by this House shortly. Tonight I want to propose a number of further improvements.

First I want to mention a matter of concern to the small corporation and small business. As indicated in the throne speech, this government is deeply concerned about the problems facing small business today. Later in this session of parliament, the government will announce its specific proposals for assistance to this category of enterprise. However, there is one aspect of the Income Tax Act which is of vital importance to these businessmen, namely, the small business deduction. This is the measure which permits the active business income of small corporations to enjoy a lower rate of corporate tax.

Under Part V of the Income Tax Act, the benefit of the small business deduction was withdrawn to the extent that a corporation used its retained earnings for the purpose of making long-term investments unrelated to its business activities. I believe that the policy which gave rise to the ineligible investment test was correct, but I have come to the conclusion that it is too complicated. I believe that these small corporations which enjoy the benefit of the lower rate of tax will, in fact, use these tax savings to expand their businesses, to improve their technology and to create more jobs for Canadians. For this reason, the ineligible investment test is not necessary. Accordingly, I propose that, effective January 1, 1972, the ineligible investment test be withdrawn.

Mr. Speaker, I would now like to draw your attention to another matter which is of great importance, namely the preservation of the family farm. Under the present rules, when a farmer dies and leaves his farm to his children he is treated as if he has sold his farm at its fair market value. In the result, there may be a capital gains tax liability. For many of our farmers this poses a serious problem. First, the value of a farmer's land is often subject to fluctuations which have little bearing on the real value of that land as a farm. Second, most small farmers have little available cash and have already exhausted their credit. Therefore, a tax liability at a time when there has been no real sale may leave the family of the deceased farmer with no alternative but to sell out.

To remedy this problem, I propose that, effective January 1, 1972, when a farmer dies and leaves his farm to his children there will be no deemed sale of his farm land. In the result, capital gains tax will apply only if the farm is sold, if the land is not being used as a farm at the time of death, or if it is not left to the family.

In my last budget speech, I mentioned that I was examining a number of matters relating to the taxation of retirement income. Tonight I am proposing a number of improvements which I am sure will be welcomed by taxpayers. In addition, I would also mention that I am continuing to examine a number of other problems in the area of pension and other retirement income plans, with a view to proposing further improvements as soon as possible.

In my remarks tonight, I have mentioned only two measures of particular importance arising out of tax reform—and then only in summary. There are many other important improvements dealing with such matters as registered retirement savings plans, deferred profit sharing plans, sale of milk quotas and other governmental licences and a number of other amendments affecting individuals, small corporations and farmers.

The ways and means motion I am tabling will describe all of the proposed amendments and I urge every member to review that document carefully. Every one of these amendments is an improvement to our tax system.

• (2050)

I now wish to propose major reductions in the personal income tax. I do this for three reasons:

First, to stimulate the economy by leaving more income in the hands of those who have earned it, who will be stepping up their purchases and in this way providing more jobs.

Second, to encourage restraint in wage demands which, in combination with the restraint I am asking of business and of my colleagues in government, is required to meet the inflation threat. These income tax reductions will contribute to growth in a way that does not threaten excessive cost increases.

Third, to offset the damaging effects of inflation on our taxpaying citizens. Inflation is, after all, a kind of tax which satisfies none of the canons of equitable taxation. It is simple justice to offer some tax relief to those who have been hurt.

Before referring to the new measures, may I remind this House that there is already a tax decrease built into the system as a result of tax reform. The rate of tax on the first $500 of taxable income decreased from 17 per cent to 15 per cent effective this year as a result of measures enacted in December, 1971. This process will continue year by year to 1976, when the rate on the first $500 will be reduced to 6 per cent.

In recent years we have experienced an unwelcome and unacceptable rate of inflation. I want to relieve the Canadian taxpayer of as much of this burden of rising prices as I can. And, in particular, I want to provide relief to that group of our citizens who are least equipped to fight rising prices—our lowest income earners. The tax reform introduced some 18 months ago removed from the tax rolls a million Canadians. Some of these people now

find themselves back on the tax rolls. I want to exempt from income taxes all these people who in 1973 would otherwise reappear on the tax rolls not because their real incomes have grown, but simply because of inflation. Moreover, I want these people taken off not only the federal tax rolls, but also provincial income tax rolls in provinces with which we have tax collection agreements.

Therefore, commencing in 1973, I propose to increase the basic exemption for all taxpayers from $1,500 to $1,600 and to increase the marital exemption from $2,850 to $3,000. This means that there will be no income tax whatever for a single taxpayer earning less than $1,700 and no tax on a married couple earning less than $3,100. The benefit of these increased exemptions will, of course, be enjoyed by taxpayers in all income brackets.

The combination of these proposed increases in exemptions, together with the other measures I will announce in a moment, will more than relieve every low and middle income earner of any increase in his taxes due to the inflation which has occurred during the period since the introduction of tax reform.

But this is not all that I have to say on this matter of personal taxation. Starting January 1, 1973 I propose a 5 per cent reduction in the basic federal income tax up to a maximum of $500 for every individual taxpayer.

However, there is one fundamental problem with a straight percentage reduction in taxes, particularly when it is to be a continuing part of the system. For that large body of our taxpayers below the middle income levels, their tax liability is not large in absolute terms. For these taxpayers, a percentage reduction in their tax does not provide enough relief. For example, in 1973 the basic federal income tax for a married man with an $8,000 income would be $954, after taking into account the increase in exemptions. For him, a 5 per cent reduction is worth only $47.70

To deal with this problem, I propose that the tax reduction be not just 5 per cent, but that there should also be a minimum reduction of $100.

Mr. Speaker, may I illustrate how some typical Canadian families will be affected this year by the combination of all these new income tax measures which I have just announced. For a married couple with two children and the breadwinner earning $5,000, the total tax will be reduced by $137. This represents a 47 per cent reduction from what the tax otherwise would have been this year. For that wage earner, this reduction in tax is the same as if he had received a wage increase of 3.6 per cent. If the same family had an income of $8,000, the total tax reduction will be $141, or 13 per cent—the equivalent of a 2.4 per cent annual wage increase. Another way of looking at the impact of these taxation cuts is to note that a married wage earner with two young children living in any one of the provinces will pay no federal income tax until his income goes above $4,473. These computations have been made for residents of provinces having the lowest provincial rate of tax. For taxpayers in other provinces, there would be minor differences in the calculations.

For the 1973-74 fiscal year, these measures will leave in the hands of Canadians an additional one billion, three hundred million dollars by way of reduction of personal income tax. And of this amount, 70 per cent, or about $900 billion, will be concentrated in the hands of people with incomes of less than $10,000.

The value of these tax reductions is four times greater than the value of last year's 3 per cent reduction. And, furthermore, the principal benefits go to the most needy and the most deserving.

The full value of these 1973 reductions will be reflected in payroll deductions at source commencing early in April. This will mean that there will be a very early improvement in the take-home pay of workers and, as a result, a quicker stimulus to the growth of the economy.

Mr. Speaker, let me sum up these income tax proposals for 1973:

(1)—an increase of basic exemption from $1500 to $1,600,

(2)—an increase of exemption for a married couple from $2,850 to $3,000,

(3)—a reduction of basic federal tax by 5 per cent, with a maximum of $500,

(4)—a reduction of basic federal tax of at least $100,

(5)—these measures have no termination date,

(6)—these measures give maximum relief to those whose need is greatest,

(7)—three-quarters of a million people are dropped from federal tax rolls.

• (2100)

[*Translation*]

Mr. Speaker, I come now to an income tax measure of fundamental importance. I am deeply concerned about inflation and the effect that inflation has on a tax system which is based on a progressive rate schedule. I therefore propose to take steps now to provide a lasting solution to this problem should inflation continue.

First let me explain more clearly how the problem arises.

Our tax system is based on a progressive rate schedule. This means that as a person's income increases, he pays a greater percentage of his income in taxes. For example, under our present system, in 1973 a person pays 15 per cent on his first $500 of taxable income, but 18 per cent on the next $500. In other words, as his income increases from one bracket to the next, the rate of tax on this additional income increases. Basically, this is a sound and fair approach and most advanced countries have adopted this progressive tax system.

But an increase in a person's income may be real or simply the result of inflation. Put another way, if a man gets a 5 per cent raise in salary, but the cost of living has also increased 5 per cent, he has the same real purchasing power he had before, and nothing more. Yet, the progressive tax system can leave him worse off than he was before because he has entered a higher tax bracket. What I want to do is eliminate that unfair and unintended result from our tax system.

Beginning in 1974, I propose to introduce the following system. First, in each year an inflation factor would be determined based upon the increase in the Consumer Price Index in an immediately preceding period. Second,

in each year the principal exemptions would be increased by this inflation factor. This would include the basic exemption, the marital exemption, the two exemptions for dependents, and the exemptions for the aged and the blind and the disabled. Third, every year each of the brackets of taxable income would be adjusted upwards by the inflation factor.

For example, if in a particular year, the inflation factor was determined to be 4 per cent, then the principal exemptions would each be increased by 4 per cent. Similarly, each bracket of taxable income would be adjusted upwards by the same percentage. Thus, the first bracket of taxable income, which is taxed this year at 15 per cent, would be raised from $500 to $520. The next bracket, which would be subject to an 18 per cent rate, would commence at $520 and would extend to $1,040, and so on right through the tax schedule.

The indexing of rates and exemptions will produce a tax liability which will no longer erode a person's purchasing power as a result of inflation interacting with the progressive tax system. A person will no longer pay tax at a higher marginal rate simply because inflation swept him up into a higher tax bracket. For a person on a fixed income—

[*English*]

Some hon. Members: Author!

Mr. Speaker: May we have order, please. It is extremely difficult for the Chair to hear the minister.

[*Translation*]

Mr. Turner (Ottawa-Carleton): For a person on a fixed income, the result of indexing would be to reduce his taxes each year if prices rise.

Members may ask why delay implementation of this indexing proposal until next year? There are two reasons. First, the income tax reductions and increased exemptions I have already announced for this year are far larger in magnitude than would be the effect of this indexing system if applied in 1973. Second, and more important, this proposal is a major innovation in tax philosophy and practice. It is not complex, but it will take some time for people and governments to adjust to it. For these reasons, I have concluded that it should come into effect only next year.

Mr. Speaker, a final comment on income taxes. I believe that this proposal for indexing the personal income tax puts Canada in the vanguard of countries with advanced tax systems. I suggest that this new system will be recognized everywhere as a bold and sensitive response to a rather fundamental tax problem. With the introduction of this change, Canada will join a very select group of countries which have eliminated the hidden revenues accruing to governments through the effect of inflation on a progressive tax system.

[*English*]

As I emphasized earlier, the budget of last May and the budget I am proposing to the House tonight are complementary and mutually reinforcing.

In proposing the reduction in the tax burden borne by Canadian manufacturing and processing companies in my first budget, I said I expected that, among other things, they would make use of this benefit to hold down the prices of their products.

The wide-ranging measures that I have just outlined in this budget will be of very direct and substantial financial benefit to every Canadian. The reduction in income tax rates and the increase in personal exemptions will increase the take-home pay of the average Canadian worker. The proposal to offset automatically the impact of inflation by the personal income tax indexing system will further moderate the weight of taxes next year and in the future. The reduction in sales taxes and excise taxes and customs duties I have proposed will help to moderate prices of many foods and household goods.

I want to see workers in this country receive a fair return for their labour. I want to see them receive a fair share of the real growth of our national income. But I expect them to be reasonable in their demands. I expect union members and their leaders to take full account of the increase in disposable income that will flow from these tax reductions when they enter wage negotiations. Indeed, I appeal to all income earners—and I include members of the professions—to be reasonable and moderate in their income expectations and demands. If we are to moderate the rise in the cost of living, then we must also moderate the rise in the cost of producing the goods and services that consumers buy.

[*Translation*]

I should like to turn now to the question of federal-provincial fiscal arrangements. Under the tax collection agreements, all provinces except Quebec relate their personal income taxes to the basic federal tax. The increase in the basic exemption for federal tax will cause some reduction in revenues for these provinces. However, they are protected by the floor we have already provided under the revenue guarantee provisions of the Fiscal Arrangements Act. I have previously assured the provinces of our readiness to make advance payments under that guarantee, in connection with our tax cuts of last May. I re-affirm that assurance as regards the personal income tax reductions which become effective in 1973. I also propose to consult fully with all provinces about the implications for them of the indexing system for personal income taxes.

There is, moreover, a very important point which must be emphasized. This is the obvious need for co-ordination in fiscal policy between the federal and provincial levels of government. Honourable members will be aware that over the past two decades a very substantial shift in responsibility for taxing and spending has been taking place—a shift away from the federal government to the provincial-municipal level. This shift reflects both the constitutional division of responsibility and the emerging social priorities of our country. It reflects, as well, the evident wish among Canadians for as much decentralization of power and authority as is consistent with a vigorous national unity.

But such a division of power also means that provincial governments—and those of the largest provinces in particular—must be prepared to carry an appropriate share of responsibility in policies for stability and growth in the national economy. This naturally means that substantial

provincial deficits, as well as federal deficits, may well be appropriate when there is a need to accelerate growth in the economy.

• (2110)

[*English*]

I make this point having in mind particularly the unanimous view of the provinces, expressed at last month's meeting of finance ministers, as to the need for continuing economic stimulus. This I have clearly proposed in the budget tonight. However, at our recent meeting, the provinces pressed hard for federal action to help them to obtain additional revenues. I feel sure they will acknowledge that the faster growth in employment and income which will flow from this budget should bring an early and substantial boost in their revenues. We estimate that this increase in provincial revenues could be of the order of at least $400 million, building up fairly rapidly over a period of two years. I expect—and in fact I have had some assurance—that the provinces recognize that immediate tax increases on their part could stifle the expansionary thrust of the federal budget at this critical time.

I hope, therefore, for full co-operation from the provinces in not taking any action to counter the forward thrust of this budget. Of course, each of the provincial governments must decide for itself what it must do in the light of its own circumstances. I stress, however, that the tax cuts announced tonight have no termination date. The revenue growth resulting from the accelerated economic upswing will mean that our tax reductions can form part of the basic federal tax structure. As the economy moves closer to full employment, and if provincial expenditure requirements outrun their revenue growth, the provinces may then decide that their longer-run fiscal situation requires them to raise their taxes. If they do so, it will be as responsible governments, accountable to their electors for decisions to tax, as well as to spend.

In the present circumstances I have also considered carefully whether some further financial help to the provinces might be possible and appropriate. One problem is clear. The largest part of the increase in provincial tax revenues flowing from the stimulating effects of the federal tax cuts will benefit those provinces where tax capacity is above the national average. These are also the provinces which are best able—at the appropriate time—to raise taxes. Their rates of personal income or sales taxes are low in comparison to other provinces. Similarly, their strong economic growth contributes to their credit standing and their ability to finance deficits.

The position of the seven lower-income provinces is more difficult. They are handicapped by more limited tax capacity, generally higher unemployment and slower growth. Consequently, it is here where the strongest stimulus is needed. These provinces will, of course, obtain some additional equalization payments arising from the increased revenues which all provinces will derive from the faster economic growth generated by this expansionary budget. Given the need for balanced expansion across the country, however, it is apparent that a further special effort is required to assist the slower-growth regions.

The government, therefore, proposes that beginning in the next fiscal year the general equalization system should be substantially broadened to include new grants on account of municipal taxes imposed for local school purposes. At our recent finance ministers' conference, a widespread consensus in support of this proposal was evident among the "have" and so-called "have-not" provinces alike. This is a major advance. It adds a new dimension to a revenue equalization system already far superior to that of any other federal country. One of its main advantages is obvious. It will enable the lower-income provinces to come to the relief of hard pressed property owners and tenants, who have had to carry an increasing burden of local school taxes. Indeed, the increase in equalization grants involved in this measure—about $190 million in the next fiscal year—amounts to as much as 28 per cent of the local school taxes collected in these provinces. I would hope, therefore, to see significant benefits passed on to their local ratepayers.

This proposal will increase total equalization paid in 1973-74 to the four Atlantic provinces, Quebec, Manitoba and Saskatchewan to about $1.4 billion. Equalization can thus be seen not only as one of our most powerful weapons in combatting regional disparity, but also as a major step at this time in the application of regionally balanced fiscal policy.

[*Translation*]

Finally, I should say a word about a further matter of great interest to the provinces. This is the so-called "opting out" issue. "Opting out" is a concept which has been actively discussed over the past several years. Under this approach, the federal government would terminate its present shared-cost payments to the provinces in support of the well-established programs in health, social assistance and education, and instead vacate some part of the tax field.

This basic approach was first put to the provinces by the federal government in 1966. It would now appear that the early concerns about this concept on the part of most of the provinces have been substantially dispelled. However, we have all come to realize that any such arrangement has to be carefully designed to preserve the basic objectives of the programs which have been legislated by Parliament. It will have to take account of the projected costs of the programs and recognize the wide variations in tax capacity among the provinces. It must be fair and equitable, both among the provinces and between the provinces and the federal government.

Above all, if the federal government is to carry the main burden of economic stabilization, maintain harmony in an over-all national tax system—while fulfilling its responsibilities for income redistribution among Canadians and among the regions of Canada—it must clearly retain a strong and commanding position in the personal income tax field.

Obviously there are important problems and issues in the "opting out" system. We intend to consult closely with the provinces about them. Our hope will be to work out better arrangements, which will assure improved services to all our citizens and fully respect the rights and responsibilities of both levels of government.

[*English*]

Mr. Speaker, I come now to a summary of the financial implications of the budget. The measures which I have

proposed tonight will have the gross effect of increasing the government's cash requirements by approximately $2 billion. The more rapid expansion of the economy which this budget generates will, however, bring in some revenues and permit some saving in expenditures. The total of these offsets will be of the order of $500 million. The net financial requirement imposed by these measures I calculate to be $1.5 billion in round numbers. Our cash requirements for 1973-74 will reflect this net figure. The most important impact will, of course, be on our budgetary revenues. I now calculate that our budgetary deficit will be some $975 million and our non-budgetary requirements some $1.025 billion. Taken together, our total requirement will, therefore, be $2 billion—as in the current fiscal year.

The treatment of the unemployment insurance account deserves special mention. The act requires that the government's share of the cost of unemployment insurance in 1972 be recorded, when incurred, as a loan in the non-budgetary accounts. When the actual costs have been established in 1973-74, they are charged in that year as a budgetary expenditure and the proceeds used by the Unemployment Insurance Commission to repay the loan, thus reducing non-budgetary requirements in 1973-74. This is a very good example of the point I made earlier in the House that the distinction between budgetary and non-budgetary outlays is artificial and that the significant figure is the over-all cash requirement.

I should like to remind honourable members that these figures are estimates, as were the figures I used earlier concerning the outcome in the current fiscal year. The actual outcome of the financial accounts will be determined in no small measure by the decisions of this House with respect to bills currently before it and legislation which will be proposed in the course of the session.

With the permission of the House, I should like now to include in today's *Hansard* supplementary tables showing estimates of Government of Canada cash requirements, federal government revenues and expenditures on a national accounts basis and reconciliations of these figures with those compiled on a public accounts basis, and details of the budgetary revenues. The information in these tables applies to the fiscal years 1972-73 and 1973-74.

I have already tabled several notices of ways and means motions describing the changes I am proposing tonight and I would ask that they be printed in the notice paper appended to *Votes and Proceedings*.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's note: For notices of ways and means motions, see today's Votes and Proceedings.*]

[*The tables referred to above are as follows:*]

GOVERNMENT OF CANADA
FINANCIAL REQUIREMENTS

	1972-73 Forecast[1]	1973-74 Forecast[1]
	(millions of dollars)	
Budgetary Transactions		
Revenues	16,300	18,000
Expenditures	−16,300	−18,975
Surplus (+) or Deficit (−)	—	− 975
Net Non-Budgetary Transactions Excluding Foreign Exchange Transactions	− 2,000	− 1,025
Total Government of Canada Financial Requirements Excluding Foreign Exchange Transactions	− 2,000	− 2,000
Foreign Exchange Transactions: Net Source (+), Net Requirements (−)	+ 83[2]	
Total Government of Canada Financial Requirements Including Foreign Exchange Transactions	− 1,917	

[1] Numbers in these columns should be interpreted as mid-points of ranges of estimates.

[2] This net amount arises from foreign exchange transactions in the fiscal year up to January 31, 1973.

GOVERNMENT OF CANADA
REVENUE AND EXPENDITURE ON A
NATIONAL ACCOUNTS BASIS

	1972-73 Forecast[1]	1973-74 Forecast[1]
	(millions of dollars)	
A—Revenue		
Direct Taxes, Persons	9,765	11,075
Direct Taxes, Corporations	2,725	2,925
Direct Taxes, Non-Residents	305	330
Indirect Taxes	5,280	5,885
Other Current Transfers from Persons	5	5
Investment Income	1,640	1,775
Capital Consumption Allowances	255	275
Total Revenue	19,975	22,270
B—Expenditure		
Current Goods and Services	5,640	6,350
(Non-Defence)	(3,670)	(2,100)
(Defence)	(1,970)	(4,250)
Transfer Payments to Persons	6,550	6,800
Subsidies	620	700
Capital Assistance	230	275
Current Transfers to Non-Residents	270	305
Interest on the Public Debt	2,290	2,515
Transfers to Provinces	4,625	5,110
Transfers to Local Governments	205	205
Gross Capital Formation	620	650
Total Expenditure	21,050	22,910
C—Surplus (+) or Deficit (−)	− 1,075	− 640

[1] Numbers in these columns should be interpreted as mid-points of ranges of estimates.

GOVERNMENT OF CANADA REVENUE
PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS RECONCILIATION

	1972-73 Forecast[1]	1973-74 Forecast[1]
	(millions of dollars)	
Budgetary Revenue	16,300	18,000
Deduct		
Budgetary Return on Investment	−1,275	−1,425
Post Office Revenue	− 475	− 510
Other Non-Tax Budgetary Revenues	− 120	− 145
	(−1,870)	(−2,080)
Corporate Income Tax, Excess of Accruals (+) over Collections (−)	− 70	+ 80

	1972–73 Forecast[1]	1973–74 Forecast[1]
	(millions of dollars)	
Add		
Government Pensions and Social Security Receipts	3,615	4,115
Government Investment Income	(1,640)	(1,775)
Interest on Loans, Advances and Investments	525	600
Interest Receipts on Social Insurance and Government Pension Funds	710	755
Profits Before Taxes (Net of Losses) of Government Business Enterprises	405	420
Capital Consumption Allowances	255	275
Miscellaneous [2]	105	105
Total Revenue, National Accounts Basis	19,975	22,270

[1] Numbers in these columns should be interpreted as mid-points of ranges of estimates.

[2] These miscellaneous adjustments represent special tax revenues from insurance companies, miscellaneous indirect taxes, miscellaneous transfers from persons and adjustment for the supplementary period (i.e., the period between the close of the fiscal year and the closings of the books for that year). In the national accounts, revenue in the supplementary period is shifted into the following fiscal year.

GOVERNMENT OF CANADA EXPENDITURE

PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS RECONCILIATION

	1972–73 Forecast[1]	1973–74 Forecast[1]
	(millions of dollars)	
Budgetary Expenditure	16,300	18,975
Deduct		
Budgetary Transfers to Funds and Agencies[2]	— 600	—1,550
Post Office Expenditure	— 460	— 585
Deficit of Government Business Enterprises	— 100	— 125
Other Deductions	— 120	— 120
	(—1,280)	(—2,380)
Add		
Government Pensions and Social Security Benefits	4,885	5,090
Expenditure of Government Funds and Agencies[2]	670	735
Capital Consumption Allowances	255	275
Miscellaneous[3]	220	215
Total Expenditure, National Accounts Basis	21,050	22,910
Surplus (+) or Deficit (−), National Accounts Basis	—1,075	— 640
Surplus (+) or Deficit (−), Budgetary Basis	—	— 975

[1] Numbers in these columns should be interpreted as mid-points of ranges of estimates.

[2] In the National Accounts, budgetary appropriations to various funds and agencies are replaced by the expenditure actually made by these funds and agencies.

[3] This item includes the supplementary period adjustment. In the National Accounts, expenditures on goods and services in the supplementary period (i.e., the period between the close of the fiscal year and the closings of the books for that year) are divided between adjacent fiscal years; most other expenditures are shifted entirely to the next fiscal year.

[Mr. Speaker.]

GOVERNMENT OF CANADA BUDGETARY REVENUE

	1972–73 Forecast[1]	1973–74 Forecast[1]
	(millions of dollars)	
Personal Income Tax	7,050	7,975
Corporation Income Tax	2,515	2,585
Non-Resident Tax	290	325
Estate Tax	60	15
Customs Duties	1,200	1,360
Sales Tax	2,270	2,580
Other Duties and Taxes	1,045	1,080
Total Taxes	14,430	15,920
Non-Tax Revenues	1,870	2,080
Total Budgetary Revenues	16,300	18,000

[1] Numbers in these columns should be interpreted as mid-points of ranges of estimates.

• (2120)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the budget I have presented tonight is both responsive and responsible. It is responsive to the two problems challenging fiscal management at this time—the problems of unemployment and inflation. The budget measures I have proposed attack these two problems by adding a further strong thrust to the present pace of expansion. With average good fortune—fair crops, labour peace and international stability—the economy should grow in 1973 at a real rate in the order of 7 per cent.

This rate of expansion will not only provide more jobs, it should provide them fast enough to bring about a significant reduction in unemployment. Indeed, I expect that at this time next year there will be some 300,000 more Canadians holding down well-paying, steady jobs. The faster expansion will also supply the additional goods and services needed to meet the increase in total demand and maintain strongly competitive markets. Moreover, the form of the budgetary stimulus will help to contain inflation, because the personal tax reductions should diminish the pressure Canadians now feel to demand higher pay and thereby relieve the upward thrust on costs and prices. Other tax cuts attack the rise in prices even more directly and immediately.

The indexing of the personal tax system removes an unjust and unintended consequence of inflation. It will effectively eliminate the tax penalty imposed upon our people by the application of a progressive tax to an inflationary rise in income.

The budget is also responsible. It is responsible in the built-in restraint it places upon the growth of government expenditure, and in the consideration it has given to the requirements of provinces and their municipalities. It is responsible in the dimensions of the thrust it seeks to impart to the economy. I am confident that our cash requirements can be accommodated without bringing pressure upon financial markets.

I have made clear our objectives and the framework of measures designed to achieve them. I cannot claim that we will be fully successful in what we are trying to do. Economics is still an imperfect art, not a science. Its subject is people and their behaviour, not merely past facts and statistics. Even if it could be reduced to simplistic measurement, the fact is that the data are incomplete,

imperfect, and often seriously contradictory. I do not want to labour this point, but all of us, inside and outside government, use the same basic information.

If we could stand back only briefly from partisan politics, I think we would all be ready to acknowledge that there is much about the economy we do not know—and cannot forecast. This, of course, does not absolve us from the responsibility of doing the best we can with the information we have, and of trying to improve it over time.

Mr. Speaker, I have sought the views and advice of knowledgeable people from all sectors of Canadian society—the provinces, the academic community, businessmen, labour leaders—

Mr. Nielsen: And the hon. member for York South (Mr. Lewis).

Mr. Turner (Ottawa-Carleton): —and ordinary Canadians in many walks of life. The hard practical views I obtained in this way have been applied rigorously to the advice submitted by my professional staff inside the government.

Mr. Hees: That includes men like the Leader of the Opposition (Mr. Stanfield).

Mr. Turner (Ottawa-Carleton): In the end, of course, I have had to make my own judgments, and reach my own conclusions, and carry the government with me.

That there will be criticism, I have no doubt. We shall be attacked in some quarters for still not doing enough to stimulate the economy. Others will say that we are doing too much and that by overshooting the target we will aggravate inflation. We recognize that we are running a risk, and that the risk is on the side of overshooting. That is a risk worth taking at this time in the interests of dealing more effectively with unemployment.

This budget is now in the hands of the House. Whether the program I have outlined meets the challenge currently facing the country is something members here will have to decide. I have confidence that Canadians will make it work: that business will provide the jobs and moderate prices; that labour will take into account the additional income now in the pockets and purses of working Canadians when assessing their claims for a fair and just wage.

I commend this budget to you, Mr. Speaker, and to this House of Commons. I am confident that parliament and the people will judge it to be responsive and responsible.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I would hope that the demonstration the House has just witnessed does not indicate approval of some of my colleagues for the budget. We saw tonight an example of a Minister of Finance (Mr. Turner) who was delivering his second budget speech—

An hon. Member: And very well, too.

Mr. Lambert (Edmonton West): —and it was obvious, Mr. Speaker, that the Minister of Finance had looked at his last budget speech, because other than changing a few words the first paragraph of this speech was much the same as the first paragraph of his speech of May last. In May last the minister said:

> —my first words to this House as Minister of Finance last February were that my most urgent priority was jobs. This remains my first priority. No economy is working as well as it should if there are men and women in this country seeking work who cannot find it.

Then come the following memorable words, spoken time and again by ministers of finance:

> The search for jobs is a human problem.

What did we hear tonight? The minister said: "The purpose of this budget is—first and foremost—to bring about a substantial reduction in unemployment. Unemployment is much more than an economic problem. It is a grave social problem, a serious human problem." Almost the same words are used. And what has happened since the previous budget was delivered, Mr. Speaker? We were told then that it was a responsive and responsible budget. If we look at the speech the minister made tonight, the first paragraph of his conclusion, we see the same philosophy, the same hope. What we now see is a confession of abysmal failure.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): Some of our new members were not present when the previous budget speech was made. We then heard statements almost similar to those made today. I will put some of the minister's previous statements on record. In the previous budget speech he said:

> I expect that unemployment will fall on the average in the course of this year, though the extraordinary month to month fluctuations in the size of the labour force will likely continue and be reflected in an uneven movement in the unemployment rate.
>
> There are mixed tendencies in the price picture. The growth of demand and rather lower productivity will make for price increases. The cost of imports may well rise less than last year.

Then we have these memorable words:

• (2130)

> We do not expect that food prices will rise as fast this year as last and their current tendency encourages us in this expectation. In summary, I expect that progress will be made this year in reducing unemployment.

Last month there were 688,000 unemployed. That is progress.

> The growth in jobs should be considerably larger than last year . . .

In short, I am expecting a year of considerable progress.

I should hope that the President of the Treasury Board (Mr. Drury) would hide his head in shame if he associates himself with these words because, as the minister said, "It is hard to forecast. It is dangerous to forecast." What have we had? The budget speech of May 8 contained nothing but a lot of empty forecasts. Coming from the same source, I suggest that this document which the minister read for an hour and 25 minutes tonight is also full of empty forecasts.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): October 30, 1972, was certainly a memorable day. It was the watershed, the time when this administration discovered there was a country called Canada. Tonight they announced more changes in policies, and more reversals. As a matter of fact, tonight we heard the minister adopting a constant dollar philosophy. He calls it personal indexing, but it is the same sort of thing. What did the minister say in Truro, Nova Scotia? He said the idea was totally wrong and that it was too costly. Suddenly, after October 30, what do we get: an adoption of this philosophy. We have seen a complete reversal in agricultural policy. At least, announcements have been made that are a complete rejection of former programs. In unemployment insurance, we have seen a minister eaten up, thrown to the wolves and changes being made. We have seen this in a great number of sectors. What have we seen with regard to inflation? We have seen its continuing recognition. I suggest to you, Mr. Speaker, that it is mere lip service.

Last year this administration decided against tax cuts. What do we see now? Tax cuts are welcome. But who are the people who insisted on them? Not this administration. This administration rejected them out of hand, time after time last year and all through the election campaign. Is this the discovery of Canada, or is it following the tradition of the magpie which robs the nests of other birds, taking this and that? One of my colleagues asks, what kind of a bird takes the nests of other birds but the cuckoo? What are we doing here, emulating a cuckoo or a magpie in taking this and that for others?

This government has suddenly discovered the family farm. Less than 18 months ago it voted against exempting family farms from capital gains. October 30 was a great day. We have figures in the May 8 budget with regard to unemployment. It is a major problem at this time. In May last year the minister said 330,000 new jobs had been created since the previous year. Today he says there were 250,000 in that same period. He has revised his figure downward to 250,000.

The minister has said that his budget is strongly expansionary. He says it is going to remove from the taxpayers' backs $1,300 million. But in his own tables on budgetary revenues it is shown that the government is going to take in an extra $1,700 million. The minister shakes his head. I suggest he consult the table of budgetary revenues, 1973-74 forecast. He will see that the total government budgetary revenues are estimated to be $18,000 million. That is precisely $1,700 million more than in 1972-73. The net result is $300 million pumped into the economy that does not belong to it. There is $300 million in addition to the money that was taken from it because it was taxed through additional government revenues. The minister says he is going to leave $1,300 million in the hands of the taxpayers as a result of tax reductions. But he did not say that according to his own tables. With the personal income tax cuts, he is going to take $925 million more. That means—

An hon. Member: What does it mean?

[Mr. Lambert (Edmonton West).]

Mr. Lambert (Edmonton West): Be my guest. After all, the minister worked with a text. There were $2,200 million in excess of requirements through a tax system that we were told was the most just and most equitable when it was being rammed through this House in 1971 by a government majority. I ask the minister and his colleagues who were here at that time if they remember the brief put forward by the government of Ontario on Bill C-259, and the statement by the then minister of finance of Ontario, Mr. McNaughton, to the effect that the personal income tax rates in Bill C-259 would overtax the people and yield even far greater revenues than the government thought. The fact is, that was right. We have had tax cuts; this is the first. In response to that, the then minister of finance said he would lower the tax rate over a period of five years. That is provided for in section 117 of the act. But now there are to be increased exemptions and a tax cut of 5 per cent.

• (2140)

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): It all demonstrates that the people over there were backing a tax system which was gouging the Canadian public.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Oh, they smile, those boys at the back. They were not here when that bill was being taken through the House, when we heard ministers and others making statements and assertions which have proved to be falsehoods, which amounted to misrepresentation, which were put forward in ignorance of the facts and which were certainly based on wrong forecasts. The Minister of Finance may purse his lips, but he was not responsible in those days. He was only minister of justice and he was not then putting forward responsible and responsive budgets.

We could go on to direct further criticism at this budget. I know those people over there think everything now is fine and rosy. Did the Minister of Finance tell you that the $20 increase in old age security benefit includes the cost of living increase for last year and the one which was due on April 1? Also, instead of $20, the increase amounts to $13; that is all. That is the net increase. We are going to hear the claim that it is $20. Let us get it right. It is only two-thirds of what will be claimed by government supporters. Look at it and see.

Of course, we are going to import bagatelle games, cricket bats and all sorts of things at 2½ per cent, or 5 per cent less. And those who favour mascara and eyeshadow—

Mr. Jamieson: Don't you?

Mr. Lambert (Edmonton West): —will be pleased. But the Minister of State for Urban Affairs (Mr. Basford) and the Minister of Communications (Mr. Pelletier), for instance, will take little pleasure in hearing that hairsprays and other hair fixatives are to be cheaper.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): I believe the study and presentation of this budget would have been much more intelligent if the government had decided to table its main estimates before the budget was brought down. After all, we have this evening been presented with an outline of the way in which the government intends to raise revenue. But think of the expenditures. The estimates have not been tabled. We are told they will come before us tomorrow. Well, tomorrow is tomorrow is tomorrow.

The Budget—Hon. Marcel Lambert

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Mr. Speaker, we have not seen the House in such a joyful mood on budget night for many years. On this note, may I adjourn the debate until the day after tomorrow?

On motion of Mr. Lambert (Edmonton West) the debate was adjourned.

On motion of Mr. MacEachen the House adjourned at 9.46 p.m.

25789—19½

HOUSE OF COMMONS

Tuesday, February 20, 1973

The House met at 2 p.m.

[*Translation*]

PRIVILEGE

MR. LeBLANC (WESTMORLAND-KENT)—STATEMENT RESPECTING ELECTION EXPENSES

Mr. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, having been absent by reason of sickness, I seize this first opportunity to rise on a question of privilege.

I was informed yesterday that on Monday, February 12, a daily newspaper of the national capital indicated that some hon. members, myself included, had omitted to submit to the local election officer their statutory statements on election expenses.

Mr. Speaker, that article is misleading. My official agent did file, before the date provided, my statement of election expenses, and it has been published in my riding in both official languages.

I checked today at the office of the Chief Electoral Officer and it has been confirmed to me that the statement of expenses, concerning my candidature, had indeed been received.

ROUTINE PROCEEDINGS

[*English*]

MAIN ESTIMATES, 1973-74

EXPLANATORY STATEMENT BY THE PRESIDENT OF THE TREASURY BOARD

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1974, was presented by Hon. C. M. Drury (President of the Treasury Board) and read by Mr. Speaker to the House.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I should like to table the estimates for the fiscal year ending March 31, 1974.

The main estimates for 1973-74 tabled today propose budgetary expenditures of $18,393 million and non-budgetary expenditures—that is, loans, investments and advances—of $893 million.

In the Speech from the Throne made in early January, this government reaffirmed its long standing commitment to the all-important goals of national unity and equality of opportunity for all Canadians. It spoke as well of the measures it would lay before parliament in the fields of economic policy and social policy toward the achievement of these goals.

You will find, Mr. Speaker, that in furtherance of social policy objectives, these estimates contemplate higher expenditures for such programs as public housing and land development; assistance to native peoples; unconditional transfer payments to the provinces that permit greater equality in provincial services; bilingualism; and payments to provinces to assist them in financing hospital, medical and welfare services.

Higher expenditures are also proposed to strengthen the economy, notably through assistance to the technological development of our industry, to the orderly development of northern transportation and to other fields of transportation and communications throughout the country.

In certain other cases, where decisions were taken too late to be reflected in the main estimates, funding proposals will be submitted to parliament during the course of the fiscal year.

• (1410)

The government also spoke of a high degree of professionalism as being the primary and most essential objective of the armed forces. Hon. members will note a significant addition to the defence estimates with the lifting of the ceiling placed on the expenditures of the Department of National Defence in 1970-71.

The total increase of $2,274 million in estimates for budgetary expenditures for the coming year over forecast expenditures for the current year is unusually large. About 40 per cent of this increase arises because last year, the transitional year between the old and the new unemployment insurance plan, there were no budgetary expenditures for the commission, while the estimates for the coming year contain $890 million as the payment, after the fact, of the government's contribution to unemployment benefit payments in calendar year 1972. This does not call for any actual cash flow since the contribution is more than covered by the money already advanced to the commission over the past months.

Two years ago this government began to issue a companion booklet to the estimates called "How Your Tax Dollar is Spent". It is designed to better inform the public on the use made by the government of the revenues collected.

Mr. Stanfield: Is that why so many Canadians are on sleeping pills?

Mr. Drury: Copies of the third issue of this publication are being distributed immediately to hon. members and will be available soon to the general public upon request and without charge through the distribution outlets of Information Canada. The special theme of this year's

issue is the programs which assist the consumer as he buys goods and services in the market place.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, we face today a novel situation in that on the day after the presentation of the budget, in which the Minister of Finance (Mr. Turner) outlined the methods whereby he proposes to raise money to cover the government's spending program, we are presented with the blue book of main estimates. It would have been far better, I suggest, if this had been done earlier provided the government was ready to do so. I suggest that the government was ready because the tabling of the estimates has been an on and off matter for the past two or three weeks. Actually, if one recalls events of about two weeks ago, it will be remembered that the estimates were to be tabled on Wednesday, and then on Thursday. The matter has been deferred from day to day. We should like to know the rationale of the government in choosing to bring in the main spending estimates on the day after the presentation of the budget.

The estimates disclose some interesting things. Having had the blue book delivered to me about 90 seconds ago, I do not think hon. members would expect me to be able to make a detailed analysis. The minister made a short statement indicating that the total estimates exceed those of last year by $2,200 million. That, in itself, is quite a revelation.

I am also conscious of the fact that he disclosed that the estimates this year will cover the deficiency in the unemployment insurance program last year, something which was vehemently denied. The government attempted to cover this up in many ways during the consideration of supplementary estimates. The minister can shake his head, but I suggest that many attempts were made to cover up the precise amount of the deficiency in the program. The minister and his colleagues tried to play a shell game with us in this regard.

We shall be examining the estimates in detail. They will now be sent to the various committees for study. I expect that some of the glow that seems to have arisen from last night's budgetary performance will undoubtedly be dissipated when we look at the blue book and see how the government proposes to spend those billions of dollars which are coming out of the pockets of Canadian taxpayers.

Mr. David Lewis (York South): Mr. Speaker, I think the last sentence spoken by the hon. member for Edmonton West (Mr. Lambert) was the only relevant one to make at this time in that tomorrow we will begin the budget debate in which we will discuss the general policies of the government. These estimates will go to the various committees of the House to be studied. I hope that some weeks from now we will know more about the details of the estimates than we know now. I see no reason for taking any more of the time of the House.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I have some very brief comments to make in this connection.

I thank the President of the Treasury Board for having given us a copy of his statement. We will have the opportunity to discuss further during the debate on the budget beginning tomorrow.

I note that last sentence of the minister's statement which reads as follows:

> The special theme of this year's issue is the programs which assist the consumers as he buys goods and services in the market place.

This idea was taken up yesterday in the budget speech and it could be noted that the government was increasingly dwelling on the consideration of the Canadian consumers' problems concerning national production. The government is showing a good intention as it was seen in some measures announced yesterday—not all of them.

Mr. Speaker, this is not new for the Social Crediters for, since we have been elected to the House, we have been urging the government to give all its attention to the consumer problem in Canada. It is nice to produce for billions of dollars but if that production does not reach its final end which is consumption then we will experience problems as those we have been and are still experiencing: inflation, unemployment and poverty in a very wealthy country.

I take the opportunity offered by the tabling of the estimates for the fiscal year ending March 31, 1973 to draw the attention of the House on table No 4 which appears on page 32 of Chapter 1, under the title: Percentage Distribution by Function 1973-74.

Despite the good intentions of the government, the fact remains that it will spend 14 per cent of its budget on the public debt. That represents $2,581 million in taxpayers' money which will be paid out to strangers, big companies, in interest only, without reducing the principal. Does that reflect an improvement or a worsening of the situation?

We already see in that column that the interest on the public debt will go up by $405,600,000 this year.

Mr. Speaker, this means that the measures announced yesterday by the expansionary budget of the minority government—which has no alternative but to listen to the demands of the opposition parties, including the Social Credit party—confirm the fact that the government does not really have any financial solution to propose. While encouraging economic expansion, it should reduce the public debt and enable Canadians to become in fact the masters of their own economy.

Therefore I deeply regret this method of financing Canada's debt and I say to the hon. minister that it is time more than ever for his government, instead of laughing at the Social credit suggestions, to consider our proposal or any alternative serious proposal which could make possible the financing of this item.

I conclusion, I would say that if we assign 14 per cent of the budget for servicing the public debt, only 13.2 per cent is allowed for economic expansion in Canada and this proves that it is more important for the present government to help financiers than to develop Canada.

ORAL QUESTION PERIOD

[*English*]

FINANCE

INCLUSION OF CORPORATE TAX CUTS AND ACCELERATED CAPITAL COST ALLOWANCES IN BUDGET PROJECTIONS—RELATIONSHIP OF UNEMPLOYMENT INSURANCE EXPENDITURES TO FORECAST DEFICIT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask—

Some hon. Members: Hear, hear!

An hon. Member: Is this the Last Supper?

Mr. Stanfield: It may be for some. Mr. Speaker, I would like to ask the Minister of Finance whether the revenue effects of the corporate tax cuts and fast write-offs are included in the projections in the new budget presented by the minister last night?

• (1420)

Hon. John N. Turner (Minister of Finance): I wish the Leader of the Opposition would be a little more precise as to what he wants.

Mr. Stanfield: I wish the Minister of Finance would not pretend he did not understand the question. I should like to ask the minister whether the effects of the proposed tax cuts for corporations engaged in manufacturing and processing and the revenue effects of the fast write-offs are included in the revenue accounts tabled by the hon. gentleman last night for the coming year? If that is not clear enough, I will make it even clearer.

Mr. Turner (Ottawa-Carleton): The hon. member is correct.

Some hon. Members: Tell your friends.

Mr. Stanfield: Then may I ask the Minister of Finance whether these corporate tax cuts and the revenue effects of the fast write-offs can come into force in the absence of approval by the House of the budget tabled last night?

Mr. Turner (Ottawa-Carleton): The hon. gentleman knows the answer to that question, but since he has directed it to me I shall reply for the benefit of the House. The corporate tax cuts certainly cannot take effect without the approbation of the House. As for the fast write-offs or capital cost allowances, technically they could be passed by order in council.

Mr. Stanfield: I have a supplementary question arising from the information given by the President of the Treasury Board to the effect that some $890 million is included in the estimated expenditures for next year to cover after-the-fact expenditures in connection with unemployment insurance payments last year. Is it correct to say that with regard to the effect of the budget on public expenditures of money going into the hands of the public, or revenue coming from the hands of the public, there is not a budgetary deficit of some $975 million but virtually a break-even situation as far as the budget is concerned?

Mr. Turner (Ottawa-Carleton): As to the statement that really forms part of that question, I regret to say the hon. gentleman is wrong. If you take it on a full employment budget basis for 1972-73 or 1973-74, the government accounts are in deficit. If you take it on the basis of cash requirements or the fiscal stance of total budgetary and non-budgetary accounts for 1973-74, the government will be in a total deficit position to the extent of $2 billion.

Mr. Stanfield: Does the minister challenge the statement of his colleague, the President of the Treasury Board, that some $890 million involves nothing more than paying off money already expended but outstanding in the form of advances and that consequently, in terms of actual expenditures rather than bookkeeping arrangements, the budget is in virtual balance?

Mr. Turner (Ottawa-Carleton): No, Mr. Speaker. I deny again the preamble to the hon. gentleman's question. I do not challenge anything that my colleague says; I sit right beside him and we are in constant consultation.

Mr. Stanfield: Then you had better talk to him again.

Mr. Turner (Ottawa-Carleton): The unemployment insurance account in the 1972-73 year is a non-budgetary item. As it switches into the 1973-74 year it becomes a budgetary item by way of a commitment of the Unemployment Insurance Commission to pay off the loan that constituted the non-budgetary item in the previous year. What the hon. gentleman does not understand is the accounting system used by the government.

Mr. Stanfield: I understand it, and I understand you, too.

ACCELERATED CAPITAL COST ALLOWANCES FOR CORPORATIONS—PROVISION OF MONITORING AGENCY TO CHECK EFFECT ON CREATION OF JOBS

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I direct a supplementary question to the Minister of Finance dealing with the fast write-off provisions for corporations. Is the minister prepared to set up immediately some form of monitoring agency or body, as called for by the hon. member for York South on May 9 of last year, I believe, to ensure that these fast write-off provisions do in fact result in ongoing job creation during the next two-year period?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think that is implied in what I said last night in the budget speech.

Mr. Lundrigan: I am aware that the minister said quite a lot last evening in his budget speech, but is he now prepared, in view of the question raised by the hon. member for York South last year, to announce immediately some monitoring procedures or accounting procedures, some form of machinery, to ensure that the fast write-off provisions will result in job creation during the next two years? Is he going to announce some measures with teeth in them?

Mr. Turner (Ottawa-Carleton): I can only answer the hon. gentleman by asking him to read carefully what he heard last night.

Mr. Lundrigan: Mr. Speaker, I have read carefully a dozen times what was said last evening. Is the minister now saying that he did receive some assurance that the hon. member for York South is satisfied that the government is going to study the issue again for two more years, and that the Canadian people are going to have no guarantee at all that the fast write-off provisions will in fact result in job creation?

Mr. Speaker: Order, please.

RELATIONSHIP OF BUDGET TARIFF CUTS TO TRADE NEGOTIATIONS WITH UNITED STATES—ACTION TO ASSURE THAT CONSUMERS GET BENEFIT OF REDUCTIONS

Mr. David Lewis (York South): Mr. Speaker, may I ask the Minister of Finance one or two questions arising out of his statement last night. I refer particularly to the unilateral tariff cuts announced by the minister in regard to food and durable and other goods, including removing entirely the tariff on bananas, I notice. Are these unilateral cuts in tariffs which largely affect imports from the United States part of the negotiations with the United States, and is the minister making the case, as he should, that these cuts ought to ease the negotiations concerning the trade irritants, as they have been called?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there was, naturally enough, no prior consultation with any official of the United States government, including my counterpart, the Secretary of the Treasury. The purpose of the tariff cuts was to fit in with the general philosophy of the budget and to reduce pressure on prices for the Canadian consumer. If I understand the significance of the hon. gentleman's question, may I say that this action certainly represents a step in removing trade barriers between the United States and Canada, and I believe that should be drawn to the attention of the United States.

• (1430)

Mr. Lewis: Mr. Speaker, the minister said that the reduction in tariffs was one of the steps he was trying to undertake to reduce the pressure on prices. Would he give very serious consideration to setting up some kind of surveillance agency, monitoring agency, prices review board or whatever in order to make certain that these reductions in tariffs do indeed get to the consumer by way of lower prices rather than being pocketed by the distributors, manufacturers or processors?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will take that under consideration. I have noticed that there have been announcements of certain price reductions already today as a result of last night's budget.

An hon. Member: On Mars bars and tennis rackets.

[Mr. Lundrigan.]

ACTION TO PREVENT RENT INCREASES FOLLOWING INCREASE IN OLD AGE PENSIONS ANNOUNCED IN BUDGET

Mr. David Lewis (York South): Mr. Speaker, I should like to ask a further supplementary question and I direct it to the Minister of State for Urban Affairs. My question arises from the proposed increase in old age pensions which is also reflected in an increase in the maximum pension plus the supplement. In view of the fact that increases in rents to old age pensioners have already taken place in anticipation of an increase in the pension, may I ask the minister whether he is taking steps or will undertake to do so to see that, in so far as CMHC manages some of these homes or in so far as these homes are built under limited dividend arrangements or through any other contributions or assistance under the National Housing Act, rents to old age pensioners are not increased so that the increase in pensions is not eaten up by hungry landlords?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I completely agree with the purport of the question. I think all hon. members would deplore landlords taking that kind of action and trying to recover in rent increases any increase in old age pensions. In so far as CMHC is concerned, where we are the managers of properties and the rent is within our jurisdiction—I made this clear the other day—any rent increases for 1973 are withheld for the moment until a complete review of the rental policy can be made. An element of that review will be to make sure that any increase in old age pensions is not taken back in rent increases.

[*Translation*]

MEASURES TO OFFSET DEFICIT AND AVOID INCREASE IN PUBLIC DEBT

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to ask a supplementary question concerning the budget.

In the budget introduced last night, there is a foreseen $2 billion deficit. Has the hon. Minister of Finance thoroughly reviewed this matter of a deficit and if so does he intend to introduce specific legislation other than through the usual way of income tax and loans to finance this deficit and prevent an increase in the public debt?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, this question calls for a rather technical answer and there are several alternatives. Under the rules of the House, I cannot answer this question in a simple manner.

Mr. Fortin: Mr. Speaker, I would like to ask a supplementary question.

Can the minister tell us in simple words what steps he suggests to make up for the $2 billion deficit forecast in the budget?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, there are three ways in which to do it: issue bonds, issue new

Canada Savings Bonds and finally reduce the government's cash balance.

[*English*]

CONTINGENCY PLAN FOR WAGE AND PRICE CONTROLS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct my question to the Minister of Finance. In the absence of any precise policy statement on food prices in last night's budget, will the minister indicate to the House whether he is now prepared to meet with the provinces to reach a consensus on a contingency plan for wage and price controls?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker.

Mr. McGrath: May I ask the minister whether the government has decided what precise criterion will have to come into force before the contingency plan would be brought into effect? Does the government propose to wait until prices go up by 20 per cent before the plan is brought into effect? Mr. Speaker, I should like to ask the minister at what precise point the government's so-called contingency plan will be brought into effect?

Mr. Nielsen: When it dreams it up.

Mr. Turner (Ottawa-Carleton): If, as and when it is necessary. I have said quite firmly in the House that I do not think the present circumstances warrant the imposition of price and wage controls, and I said that last night.

TECHNIQUE FOR IMPLEMENTATION OF ACCELERATED DEPRECIATION ALLOWANCES FOR CORPORATIONS

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, as the Minister of Finance indicated that the fast write-off procedures could, technically, be implemented by order in council, I should like to ask whether it is the intention of the government to use this technique or to introduce legislation for this purpose?

Hon. John N. Turner (Minister of Finance): I am sorry, but the hon. member was looking in one direction and speaking in another, and I did not think he was directing his question to me.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): I am sorry, Mr. Speaker, and I want to say that I apologize to the hon. member.

An hon. Member: You had better apologize.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): On a question of privilege, Mr. Speaker, I apologize to the hon. member. I did not realize the question was being directed to me.

Mr. Morgan: Mr. Speaker, I shall try to make the question clear to the minister. He indicated that the government could implement fast write-off procedures by order in council. Is it the intention of the government to implement the fast write-off procedures by using that technique or by legislation?

Mr. Turner (Ottawa-Carleton): That decision will be announced to the House in due course, Mr. Speaker.

Mr. Morgan: Will it be brought to the attention of the House during the budget debate?

Mr. Turner (Ottawa-Carleton): That is possible, Mr. Speaker.

Mr. Stanfield: If you do it by order in council, it will be the last thing you do by order in council.

BROADCASTING OF BUDGET PROPOSALS BY MEDIA BEFORE COPIES SUPPLIED TO MEMBERS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is directed to the Minister of Finance and arises from the fact that certain media were broadcasting the terms and conditions of the budget before the minister read the material part of his budget to parliament. Will the minister investigate why Members of Parliament were not allowed to receive copies of the budget last night prior to the public being informed by the media?

Hon. John N. Turner (Minister of Finance): I am sorry—

Mr. Woolliams: I am sorry, Mr. Speaker, I think the minister was engaged in—

Mr. Stanfield: On a point of order, Mr. Speaker.

Mr. Speaker: Order, please. The Leader of the Opposition rises on a point of order.

Mr. Stanfield: Mr. Speaker, if the Minister of Finance could not hear the member who asked that question, I wonder what he is capable of hearing?

Some hon. Members: Oh, oh!

Mr. Trudeau: He is not a minister.

Some hon. Members: Oh, oh!

Mr. Woolliams: Mr. Speaker, I will put the question again to the Minister of Finance.

Some hon. Members: Louder!

Mr. Woolliams: My question arises from the fact that certain media were broadcasting the terms and conditions of the budget some time before the minister had completed reading the budget in the House of Commons and at the same time Members of Parliament were denied the right to receive copies. Would the minister advise the House why that was the case and, if he does not know, would he investigate to find out the real reason for the situation that developed last evening?

Mr. Turner (Ottawa-Carleton): I will look into that, Mr. Speaker. I wanted to keep the House in a certain state of suspense, but all opposition critics were given copies of the speech and all members were given copies on leaving the House.

An hon. Member: No, they were not.

Mr. Woolliams: Mr. Speaker, the minister said he wanted to keep the House in suspense. Does he suggest, and I hope he is not, that the general public should be informed through the media as to the terms and conditions of tax cuts or tax increases prior to Members of Parliament, who were denied copies of his speech, and before the minister had finished reading it?

Mr. Turner (Ottawa-Carleton): I do not accept that premise at all, Mr. Speaker.

Mr. Stanfield: It is true.

Mr. Lambert (Edmonton West): It is what happened.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think the procedure followed was well within the traditions of the House as they have been established over many years.

Mr. Woolliams: Mr. Speaker, I rise on a question of privilege. The Minister of Finance says he does not accept that premise. Some Members of Parliament from this side of the House were listening to a certain media broadcast at 15 minutes after eight, long before the minister got to the terms and the conditions of tax cuts or tax increases in his budget. At the same time Members of Parliament like myself were denied copies of the speech in the lobby. Those are the facts, and I would ask him seriously to look into them. He knows that our rules follow the British tradition in this regard.

Mr. Lambert (Edmonton West): We got it on a transistor radio.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I recognize the hon. member for Winnipeg North Centre.

* * *

• (1440)

BUSINESS OF THE HOUSE

ORDER OF LEGISLATIVE PRIORITY FOLLOWING BUDGET DEBATE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Privy Council in his capacity as government House leader. Can the minister indicate to the House the government's order of priorities once the six-day debate on the budget motion is over? Will the government then call such measures as the bills to amend the Old Age Security Act and the War Veterans Allowance Act? If not, what is the order of priorities?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, following the completion of the budget debate of six days duration it will be the intention of the government to call, in addition to the Old Age Security Act and the War Veterans Allowance Act, the 1972 budget bills. There will also be seven opposition days, so bringing all that together will probably take up most of the month of March.

* * *

SOCIAL SECURITY

OLD AGE PENSIONS—POSSIBILITY OF PROVISION IN FORTHCOMING BILL RESPECTING PERSONS BETWEEN 60 AND 65

Mr. Stanley Knowles (Winnipeg North Centre): I should like to ask a supplementary question, Mr. Speaker. With regard to the old age security bill I should like to ask either the President of the Privy Council or the Minister of National Health and Welfare what has happened to the consideration we were told was being given to persons between 60 and 65 years of age? Will there be anything for them in the bill that is to be presented?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I will have something to say in the House on this subject as soon as I have the opportunity to do so during the debate on that legislation.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

JOINT STUDIES BY DEPARTMENT AND DEPARTMENT OF TRANSPORT FOR REVISION OF POLICIES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Because of the lack of emphasis on regional development problems in the current budget and the importance of transportation in equalizing economic opportunities in Canada, re-emphasized at a recent conference of Atlantic premiers and railway officials, have the Departments of Regional Economic Expansion and Transport initiated joint studies for revision of policies? If so, will any over-all statement be made this winter?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, on the first part of the question with regard to the emphasis laid on regional economic expansion in the budget, I call the hon. member's attention to the fact that there is slightly more than half a billion dollars in the estimates to be used for that purpose in the coming fiscal year. On the matter of combined transport and regional economic studies, yes, these are proceeding. I discussed them no later than this morning with my colleague, the Minister of Transport, and as I indicated last week I am carrying out a series of consultations with the provincial premiers.

Mr. MacKay: In view of the fact that only 30 per cent of the original estimates, or 50 per cent of the revised estimates, for incentive grant expenditures regarding DREE have been met during the past year or, to put it another way, the program operated at approximately 30 per cent of its capability, will the Minister of Regional Economic Expansion or the Prime Minister, who together with other

dignitaries are meeting tonight at the ivory tower—at the Carleton Towers in Ottawa—be making announcements concerning specific fiscal proposals relating to DREE?

Mr. Jamieson: Mr. Speaker, it is certainly not the intention of the Department of Regional Economic Expansion to build ivory towers. On the one hand, I am glad the hon. member has drawn attention to the fact that the incentive grants were not quite the rip-off that some people claimed. I am sorry, on the other hand, that we have not put out more in legitimate projects. As I said the other day, that is what we are anxious to do in the coming year.

POSSIBILITY OF AMENDMENTS TO ACT TO ALLEVIATE UNEMPLOYMENT

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. It is based on the urgent fact that unemployment figures in Quebec, as released ten days ago, continue at 10.2 per cent. In view of the failure of the minister's policies to alleviate this situation in the province of Quebec, can we be assured that amendments to the Regional Development Incentives Act will be brought before the House in the very near future, and when?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I do not anticipate that the plans we have will in the first instance at least require amendments, if the hon. member is speaking in the legislative sense. Within two weeks I would assume that my estimates would be before the committee. At that time I will be glad to give a complete and detailed account of the changes we propose to make with the objective of achieving the improvement in the employment situation that he and I equally desire.

Mr. Grafftey: Mr. Speaker, did the minister say that would be within two weeks?

Mr. Speaker: Order, please. Perhaps the minister might reply to the hon. member's supplementary and then I will recognize the hon. member for Yorkton-Melville.

Mr. Jamieson: I believe the question was whether it would be within two weeks. I understand that the committee probably will be considering the estimates within two weeks and at that time I will be very pleased to give a detailed account of our plans.

* * *

SOCIAL SECURITY

POSSIBILITY OF LEGISLATION RESPECTING GUARANTEED ANNUAL INCOME

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question which is supplementary to that asked by the hon. member for Winnipeg North Centre. It is directed to the Minister of National Health and Welfare. In view of the fact that no reference was made in the budget last night to a guaranteed annual income for those who cannot work, as was promised in the Speech from the Throne, can the minister say whether or not a bill will be presented at this session for a guaranteed annual income for those unable to work?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, in the Speech from the Throne the government has given five policy principles for the in depth reform of social security in Canada which is being considered jointly with the provinces. These principles will guide us during our discussions with the provinces in the months to come and particularly during the conference in April. Previous to this conference, the government will submit some proposals and if they are agreed to by the provinces, I hope that we will be able to submit certain bills to the House.

[*English*]

Mr. Speaker: Order, please. There are members who would like an opportunity to ask supplementaries on the subject introduced by the hon. member for Central Nova. I will return to them in a moment. In fairness, I think the Chair should now recognize the hon. member for Charlevoix.

[*Translation*]

POSSIBILITY OF LEGISLATION RESPECTING FAMILY ALLOWANCES

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, may I ask a supplementary?

As to guaranteed income, we realize that the budget speech says nothing about family allowances. Does the Minister of Finance or the Minister of National Health and Welfare expect to introduce legislation in this respect?

Hon. Marc Lalonde (Minister of National Health and Welfare): As I said earlier, Mr. Speaker, I hope to be able to bring before the House during the month of April some proposals that would be discussed with the provinces by the end of April and a bill on family allowances will be introduced in the House during this session.

* * *

[*English*]

FINANCE

FOOD PRICES—GOVERNMENT DEFINITION OF ACCEPTABLE INCREASE

Miss Flora MacDonald (Kingston and The Islands): Mr. Speaker, my supplementary is directed to the Minister of Finance with regard to his remarks on food prices. Would the minister advise the House whether the government has a definition of acceptable food price increases this year and whether that definition will be presented to the public and the food industry?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that would be rather difficult to define in terms of the tremendous range of food available to Canadians.

Miss MacDonald (Kingston and The Islands): Mr. Speaker, in light of the lack of such a definition, would the

minister advise the House how he will determine whether the tariff cuts will have an acceptable effect on food prices?

Mr. Speaker: Order, please. The minister may reply to the question briefly and will be recognized for that purpose, but I suggest to the hon. member that we are really entering into the budget debate itself. The minister will be recognized for the purpose of replying briefly, if he can do so.

Mr. Turner (Ottawa-Carleton): By watching prices.

* * *

REGIONAL ECONOMIC EXPANSION

DISCUSSIONS WITH NOVA SCOTIA OFFICIALS— DECENTRALIZATION OF RESPONSIBILITY

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a supplementary in respect of the question asked by my friend from Central Nova. I should like to ask the Minister of Regional Economic Expansion whether in light of the talks that are opening between his officials and officials of the province of Nova Scotia some time this week with regard to new DREE arrangements, the minister's officials will carry with them new instructions with regard to decentralization of the essential DREE structure? In other words, during these initial discussions will they be talking about the placement of greater responsibility in the region?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, with regard to initial talks, I think the hon. member will know these have been going on for some time and probably will be continuing during the current week. We are certainly not sending them down there to discuss with Nova Scotia, in response to the specific question, any hard and fast rules that we have laid down. If there is an instruction it is to try to make our program as responsive as we possibly can to the purposes of the provinces concerned, whether Nova Scotia, Quebec or British Columbia.

• (1450)

Mr. Forrestall: Mr. Speaker, I wish to ask a supplementary question. I believe I do not give you cause for concern in this regard too often, Sir. I am trying to determine from the minister when the government is going to get on with its undertaking to place a little more direct control over DREE programs with the Atlantic provinces?

Mr. Guay (St. Boniface): After they get rid of all the heavy water.

Some hon. Members: Oh, oh!

An hon. Member: You have got water on the brain, Joe.

Some hon. Members: Hear, hear!

Mr. Speaker: Order. I apologize to the minister. The hon. member for Cape Breton-East Richmond rises on a point of order.

[Miss MacDonald (Kingston and The Islands).]

Mr. MacInnis (Cape Breton-East Richmond): I rise on a point of order, Mr. Speaker, because of the continuous interjections in the House by the hon. member for St. Boniface in respect of the heavy water situation—

Some hon. Members: Oh, oh!

Mr. MacInnis (Cape Breton-East Richmond): —and the heavy water industry in the town of Glace Bay, my home town.

Mr. Guay (St. Boniface): It sunk the *Bonaventure.*

Mr. MacInnis (Cape Breton-East Richmond): It goes without saying and the hon. member for St. Boniface should make himself aware of the fact, that the present premier of the province of Nova Scotia, on April 1, 1965, while a member of this House, gave full credit to the then minister of labour, the hon. Mr. MacEachen, for placing that plant in Glace Bay.

Some hon. Members: Hear, hear!

Some hon. Members: Withdraw!

Mr. Crouse: Take a bow, Allan. You earned it.

Mr. Speaker: Order, please. It does seem to me that this is more a point of debate. I would not think it could be considered a point of order. I would hope we could continue with the question period because we are running short of time and in about seven minutes it will be over.

Mr. MacInnis (Cape Breton-East Richmond): I bow to your direction, Mr. Speaker, which I will gladly accept, but I caution the hon. member for St. Boniface that every time he opens his mouth on heavy water I will bring forth more information for the attention of the House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): On a question of privilege, Mr. Speaker—

Mr. Speaker: Order, please. I suggest to hon. members that we are not greatly helping this difficult part of our proceedings, the question period. I think it is a duty of all hon. members to give other members who are seeking an opportunity to ask questions and supplementaries a chance to do so. The hon. member for St. Boniface now rises on a question of privilege.

Mr. Guay (St. Boniface): First of all, Mr. Speaker, I would like to say that I am glad to see that the hon. member from Cape Breton is in the House.

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): My point of privilege is that the fact is that this plant was officially opened by the hon. Mr. Stanfield in 1967.

Some hon. Members: Hear, hear!

Mr. Muir: And Mr. MacEachen.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Guay (St. Boniface): When the hon. member rises on a question of privilege—

Mr. Crouse: You will have heavy water on the nose, Joe, like that guy in Nova Scotia if you are not careful.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. The hon. member rose on a question of privilege. I have serious doubts whether it is a legitimate question of privilege. I certainly do not want to prevent him from stating what his question of privilege is but he should do it quickly, if he has one.

Mr. Guay (St. Boniface): Thank you very much, Mr. Speaker. I did not know the members on the other side were that touchy. From now on we will have to take it easy with them.

Mr. MacInnis (Cape Breton-East Richmond): On a question of privilege, Mr. Speaker, this is the second time within a few days that the hon. member for St. Boniface has made reference to my attendance in the House. It was only on Thursday of last week that I sent the hon. member a note, after he had made reference to the fact that I was not in attendance in the House, in which I called his attention to the fact that I had been away from Ottawa four sitting days since the session opened.

Mr. Guay (St. Boniface): That is what you said, but it was more than that.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for St. Boniface should give an opportunity to the hon. member for Cape Breton-East Richmond to express his concern on his point of order. I think it is unfair on the part of hon. members to make reference at any time to the presence or absence of members of the House.

Some hon. Members: Hear, hear!

Mr. MacInnis (Cape Breton-East Richmond): As I was saying, Mr. Speaker, on Thursday last the hon. member for St. Boniface sent me an apology by way of a note. If it is his wish now to withdraw that apology, I am perfectly prepared to accept that and to match my attendance against that of any other member in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I wonder whether we might not now return to the question period. The hon. member for Dartmouth-Halifax East was attempting to ask a supplementary, I believe.

Mr. Forrestall: Mr. Speaker, I am sure the minister heard the question and I will not repeat it. Would he now answer it, and would he advise the hon. member for St. Boniface to take out a little insurance against fattened lips and bloodied noses?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The comments made by the hon. member for Dartmouth-Halifax East are unparliamentary, I suggest to him.

Some hon. Members: Withdraw!

Mr. Speaker: Order, please. I suggest to hon. members that there is no point at all in pursuing the matter.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The situation is getting more unpleasant by the moment, and I think all hon. members will be relieved when, in about two minutes, I call orders of the day. The hon. member for Labelle.

* * *

AIR TRANSPORT

INTENTION OF DEFENCE DEPARTMENT RESPECTING RESUMPTION OF SEARCH FOR LOST BEECH AIRCRAFT

Mr. Maurice Dupras (Labelle): Mr. Speaker, I wish to direct a question to the Minister of National Defence. In view of the fact that occupants of downed light aircraft have survived for long periods before in adverse weather conditions, is it the intention of the minister's department to resume air search for the Beech aircraft lost with four occupants aboard about 20 days ago?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, that search is one of the most extensive we have undertaken. Our personnel have flown some 750 hours, covering approximately 72,000 square miles, and we have had as many as 16 aircraft in the air on one day. I would add that the search is still continuing in the sense that our training flights, and also civilian aircraft, have been asked to maintain visual and radio observation in the search area.

INVESTIGATIONS INTO LOSS OF BEECH AIRCRAFT IN NORTHWEST TERRITORIES LAST FALL

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to direct a supplementary question to the Solicitor General and to the Minister of Transport whose departments are conducting investigations into the circumstances surrounding the twin Beech aircraft that was lost last fall in the Northwest Territories. Have the investigations conducted by the RCMP transport department officials yet been completed and, if so, what are the results?

Hon. Jean Marchand (Minister of Transport): So far as the Department of Transport is concerned there has been some inquiry. I have not yet got the report but there was an inquiry.

While I am on my feet, Mr. Speaker, I want to give the House the information that from January next all aircraft in Canada will have to have electronic location devices installed in them.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): Only very large aircraft will be exempted. We are now in consultation with the manufacturers and the aviation clubs, and we hope that from January 1 next this will be compulsory in Canada.

Mr. Nielsen: Will the Solicitor General please answer with respect to the RCMP investigation?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I do not have an up to date report on that matter but I will be pleased to get one for the hon. member.

* * *

• (1500)

SUPPLY AND SERVICES

SUGGESTED ENCOURAGEMENT OF PLACING OF GOVERNMENT CONTRACTS IN WESTERN CANADA

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question for the right hon. Prime Minister. Having in mind his recent speech in Winnipeg in which he laid importance on the well-being of western Canada in the federal scheme of confederation, would the right hon. gentleman give consideration to encouraging the placing of more federal contracts for federal purchases in western Canada and in particular in British Columbia where the number of such contracts in recent months has been minimal?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member and the House will recall that when the present Minister of National Defence was minister of supply and services he announced that it would be government policy to review the whole matter of purchasing and contracts by his department and by the government in order to ensure an equitable spread of such contracts.

Mr. Mather: I thank the Prime Minister for that answer. Would he consider encouraging the former minister of supply and services, now the Minister of National Defence, to consult with the present Minister of Supply and Services with a view to expediting a more equitable distribution of contracts?

* * *

NATIONAL REVENUE

REQUEST THAT CUSTOMS AND EXCISE TAX OFFICES IN REGINA NOT BE CLOSED

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a related question for the right hon. Prime Minister. In view of the statement by the Minister of National Defence, will the Prime Minister discuss with the Minister of National Revenue stopping the closure of the customs and excise tax offices in the city of Regina?

[Mr. Marchand (Langelier).]

HOUSE OF COMMONS

REDISTRIBUTION OF RIDINGS—REQUEST FOR PUBLICATION IN NEWSPAPERS OF MAPS SHOWING NEW BOUNDARIES

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, would the Prime Minister check with the Chief Electoral Officer and the redistribution officials to see that maps of the new boundaries proposed under redistribution are published in the constituencies? I make a personal complaint because not a single advertisement has been placed in any newspaper in my riding.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take that suggestion under consideration.

* * *

AIR TRANSPORT

CRASH OF ILFORD-RIVERTON AIRCRAFT IN WINNIPEG—REQUEST FOR PUBLICATION OF REPORT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of Transport. In light of the fact that there has been an investigation into the fatal air crash of an Ilford-Riverton aircraft at Winnipeg in June, 1972, can the minister give any indication when the report will be made public?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will inquire and make a report to the House.

* * *

REGIONAL ECONOMIC EXPANSION

FORMER RIVERS, MANITOBA, AIR BASE—INQUIRY AS TO APPROVAL OF APPLICATIONS—REQUEST FOR REVIEW

Mr. Craig Stewart (Marquette): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Can the minister inform the House when the several DREE applications for the former Rivers air base, which have been delayed for some time, will be approved?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I have had representations from the honourable Mr. Evans who was here last week and discussed with me this and a number of other matters. I have asked for expeditious treatment of them in terms of getting them before me, and I would hope to deal with them in the near future.

Mr. Speaker: Order, please. Hon. members will appreciate that we have been operating on borrowed time for a few minutes. I thought that hon. members might want to have a few additional minutes because of the difficulties we had during the question period, but we should not have too many supplementaries or there would not be much point in prolonging the question period.

Mr. Stewart (Marquette): Because of the serious economic situation at Rivers, would the minister order a review by his department of all DREE applications that involve the former Rivers air base?

Mr. Jamieson: Mr. Speaker, I do not know if it would be in quite that form, but certainly that is the objective of what is being considered at the present time. I would be glad to have any comments or advice that the hon. member can give me.

* * *

FINANCE

INCENTIVES TO STIMULATE INVESTMENT IN BUSINESS, INDUSTRY AND RESOURCES BY CANADIANS

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is directed to the Minister of Finance. In view of the fact the minister told the House to wait for his budget to learn about incentives to Canadians to invest in Canada and that the budget was strangely silent on this question last evening, can the minister now tell the House whether he proposes additional incentives to Canadians to stimulate their investment in equity ownership in business, industry and natural resources in this country?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I hope the hon. gentleman has read the budget carefully and all the ways and means resolutions. Certainly, my colleague the Minister of Industry, Trade and Commerce and I will be introducing measures that will stimulate interest in small business in particular in this country.

Mr. Bawden: In view of the overconfidence which the minister exudes while avoiding my question, can the Prime Minister tell the House whether he considers the marriage to be successful and secure now that the bride has seen the wedding presents?

Some hon. Members: Oh, oh!

* * *

WELFARE

SUGGESTED INCREASE IN FEDERAL CONTRIBUTION PENDING MEETING WITH PROVINCIAL MINISTERS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the fact that rising food costs are affecting those people who have to resort to welfare, and in view of the fact that the minister is not meeting with the provincial ministers until April, would he consider treating this as an emergency and raising the 50-50 cost formula with the provinces in order to help these people?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am sure the hon. member knows that the federal government is paying 50 per cent of the social assistance in Canada and it is up to the provinces to decide what kind of measures they want to introduce to help people who are in need.

Mr. Marshall: Mr. Speaker, I was trying to help the minister by telling him I knew that. I mentioned it and he repeated it. Will he take the lead and meet with the provincial ministers? This is a serious situation. These people are suffering and he should take the lead in meeting them. Would he kindly do that?

Mr. Speaker: Order, please. The hon. member for Assiniboia.

* * *

HOUSING

ACTION TO CONTROL RENTS IN PROJECTS UNDER PROVINCIAL OR MUNICIPAL AUTHORITIES

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the Minister of State for Urban Affairs related to housing. In view of his statement today that he would move in the direction of rent control for the area under his jurisdiction, can the minister inform the House if he will be taking any action to ensure that rents will not go up in those housing projects under provincial or municipal authorities?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, my statement referred to situations where Central Mortgage and Housing Corporation is itself the landlord and we have direct control and authority. We have no authority over provincial housing corporations, although one province has already implemented a rent control program and others, of course, are free to do so.

* * *

[*Translation*]

HEALTH

INDEMNIFICATION OF VICTIMS OF THALIDOMIDE—STATUS OF NEGOTIATIONS—POSSIBLE ASSISTANCE FROM MINISTER

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I wish to direct a question to the hon. Minister of National Health and Welfare.

Since the parents of children who were victims of thalidomide have decided to institute proceedings against the company distributing this drug, must we conclude that the negotiations between the department officials and the company have not been successful?

Hon. Marc Lalonde (Minister of National Health and Welfare): Absolutely not, Mr. Speaker, but the role of my officials has been to facilitate consultations and discussions between the families involved and the representatives of the company. I understand that one of the families was not satisfied with the settlement offered, that is the discussions between the parties, in this case the families and the business concerned.

Mr. Boisvert: Mr. Speaker, I wish to ask a supplementary question to the minister.

Would he be ready to grant his technical and financial support to these parents in the proceedings they are taking against the company?

Mr. Lalonde: No, Mr. Speaker.

Oral Questions

[*English*]

FLOODS

POSSIBILITY OF AID TO SOUTHWESTERN ONTARIO IN LIGHT OF GRANT TO BRITISH COLUMBIA

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct a question to the Minister of the Environment. It has been indicated that the minister has granted $12½ million for flood control and erosion relief in his own province of British Columbia. Can we expect a similar announcement for the continuing emergency in southwestern Ontario?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, that grant is part of a long term arrangement between the government of Canada and the province of British Columbia which has resulted from intensive studies over the years and is part of a firm federal-provincial agreement that also extends over many years.

* * *

TRANSPORT

NEED FOR MORE ICEBREAKERS ON SHIPPING ROUTES BETWEEN MAINLAND AND NEWFOUNDLAND

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Transport. In view of the fact that drift ice is creating great difficulties and delays in ship movement between the mainland port of North Sydney and Newfoundland, affecting all CNR boats, would the minister today direct that more icebreakers be put into service in this area? I understand that icebreakers directed to other areas are not too far away.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think everybody will recognize that we have had a very bad season as far as ice is concerned.

Mr. Stanfield: More bad weather?

Mr. Marchand (Langelier): No, a lot of ice and I am not responsible for it. I like it in Scotch. I think the Canadian government sooner or later will have to build more icebreakers. I agree with the hon. gentleman. It is a long job and a very expensive one, but if we want our ships to sail in winter time we will have to take the necessary measures.

• (1510)

Mr. Muir: Mr. Speaker—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Carleton-Charlotte on a supplementary and then call orders of the day.

[Mr. Lalonde.]

AGRICULTURE

TARIFF REDUCTIONS ON IMPORTS OF FARM PRODUCTS—COST TO FARMERS—EFFECT ON COST OF LIVING

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, my question is directed to the Minister of Agriculture. Last night's budget indicated that there would be several reductions in tariffs on agricultural products entering Canada. Has the Minister of Agriculture made an estimate of the possible cost in net income to farmers of this reduction in tariffs?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are in the throes of doing this at the present time, but I am not really concerned that they will have that much effect on farmers' incomes in Canada.

Mr. McGrath: Let them cut meatballs and gravy.

Mr. McCain: May I ask the Minister of Consumer and Corporate Affairs if he is prepared to estimate the savings to the consumer as a result of the reduction in food costs to be effected by the removal of duty on agricultural products?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, certainly I hope that the saving will be one of substance, but I am not in a position at this time to give a definite assessment.

Mr. Speaker: Orders of the day.

Mr. McCain: I asked if the minister could assess the effect on the cost of living of the reduction of duty on agricultural products entering Canada. Obviously he could not.

GOVERNMENT ORDERS

SUPPLY

APPROPRIATION ACT No. 1, 1973

The House resumed, from Monday, February 19, consideration in committee of Bill C-141, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973—Mr. MacEachen (for Mr. Drury)—Mr. McCleave in the chair.

On clause 2—*Schedule.*

The Chairman: Order, please. When the committee rose at five o'clock yesterday, votes 5, 35, 40a, 45a in the schedule relating to the Department of National Health and Welfare were being considered, and the hon. member for Lotbinière had the floor.

[*Translation*]

Mr. Fortin: Mr. Chairman, yesterday I asked for the opportunity to say a few words on items 35a and 40a. Shortly after the adjournment of the debate yesterday, the hon. Minister of Finance (Mr. Turner) announced in the budget speech something which is related to these

items, namely the old age security pension and basic rates which differ from those we discussed yesterday afternoon.

Mr. Chairman, I would have spoken any way about the age of eligibility for the old age security pension. When we read the report of the special joint committee of the Senate and the House of Commons on Poverty in Canada as regards the dependency of many Canadians, we note that they recommend that a guaranteed income be given to a maximum number of Canadians who find themselves in a state of dependency.

The reading of the annual reviews of the Economic Council of Canada, allows one to draw similar conclusions; when one reads the Speech from the Throne made at the very beginning of this session, one will note once again the good intentions of this government which is talking about implementing a guaranteed income scheme.

In view of the budget presented last night—which could be predicted yesterday afternoon—the government agreed, after numerous representations and pressures from the Social Credit party of Canada, to increase old age security pensions. We were asking $350 a month and the government agreed to approximate that amount with $325 a month. It seems to me, Mr. Chairman, that this is a gain for our party which proves that our requests are not always ridiculous since the government is forced to agree to our proposals one day or another.

We have been asking for a long time that the government consider in the context of a guaranteed income scheme, the possibility of lowering to 60 the retirement age in Canada so that if one person receives old age security at 60, his spouse, whatever his age may be, could be entitled to the old age pension. I take the opportunity offered to draw the government's attention on that important matter.

Since the government is in a minority position, since it cannot be as arrogant as it has been since 1968 and since it must take account of our claims, it agrees partly to what we have been asking. However, that does not imply that it will get our whole support.

In view of the problems facing our fellow citizens, it is essential that the government and the minister undertake, as for the examination of votes 35a and 40a, to give details more rapidly than it had forecasted, since the budget was presented last night, on the possibility of first lowering eligibility for old age security pension to 60 and, second granting the old age pension automatically to both spouses when one has reached the pensionable age.

Then, Mr. Chairman, if the government agrees to work for the liberalization of the human being in order to give him an economic security in this country, it will not only show its good will but also that it understands many citizens who live in poverty and dependency.

Mr. Chairman, the old age security pension as it now exists in Canada often gives rise to dissatisfaction. The basic pension of $82.88, which is now increased to $100, is a statutory pension, according to the statement of the hon. minister.

If someone cannot make both ends meet with this basic pension, then the whole mechanism of the oppressive bureaucracy gets started to have forms signed, to check the claimants' ressources and if they are more or less dependent they will be entitled to the garanteed income supplement.

• (1520)

Mr. Chairman, this is just administrative make work which imply very substantial expenditures for the administration of the old age security pension. We in the Social Credit Party feel that it would be a lot easier to grant an equal pension to all Canadians who are 60 years old, which would make the administration of this program easier and would permit an increase in the old age pensions, thanks to the money that would be saved.

Mr. Chairman, during the question period today and the debate yesterday the Minister of National Health and Welfare (Mr. Lalonde) committed himself to announce his plans to the House as to the age of eligibility. He said that first he had to meet with the representatives of provincial governments.

Mr. Chairman, I wish to remind the Minister of National Health and Welfare that this House has a right to know what his intentions are in this regard even before he discusses the matter with the provinces. The minister should realize that provinces have some jurisdiction in that field—we acknowledge it—and that parliament which represents the people of Canada should have its say in the setting of the guidelines of the social security policy in Canada, regardless of what the provinces think.

That does not mean, Mr. Chairman, that we should not object to the policy proposed by the provinces. Of course, we must look for efficient and continuous consultation with other levels of government. But the minister should realize the importance of consulting his colleagues to set up the policy and I am sure that he will get excellent advice from all members of this House, particularly from the Social Credit party of Canada.

I remember the time when the leader of the Social Credit party (Mr. Caouette) was proposing to set old age pensions at $75 a month when they were much lower than that. Both Liberals and Progressive Conservatives—it's all the same—were saying: Caouette is sick. Caouette is mad. It doesn't make sense. Now the first time one of these parties managed to remain in power, it increased the old age pension by $25 over and above what the Social Credit leader was asking for, which makes the national leader say, and justly so, that the old parties are late and at least 25 times sicker than he was then.

Since I came to the House I noticed that some of our colleagues, smarter than others, have a tendency to ridicule certain points of the Social Credit doctrine as well as some of our proposals. I pointed out on motions, in reply to a statement from the President of the Treasury Board (Mr. Drury) an item of the estimates introduced yesterday which shows that 14.2 per cent of the total budget will be appropriated for servicing the public debt which for this present year amounts to $2.5 billion. Yet no hon. member of the other parties has brought up this matter. Maybe it has no importance, but I will point out to my hon. colleagues that this item alone entails an increase of $450 million in this year's budget.

When you consider that over the same period of time only 13.2 per cent of the budget is devoted to economic

expansion, you realize that the Creditistes are not as crazy as they are said to be. They are probably right when they urge the House to vote new credits to finance Canada's normal development, including social security.

When the government announces tax cuts so as to raise the old age security pensions, it is at the same time forced to increase the public debt and to present a deficit budget. Everyone indeed knows that this year's deficit will amount to $2 billion.

I asked the hon. Minister of Finance (Mr. Turner) what measures he intends to take to finance this deficit—which was an important question. The hon. minister—everyone heard his reply—does not know. He said that he cannot do otherwise than use the two normal solutions which have been used for 100 years, namely government bonds and taxes.

In both cases, these solutions would reduce the taxpayers' purchasing power and boost our national debt. So, the more it goes, the more it is the same, and when the government grants tax cuts to save its skin, it has to increase the national, municipal and provincial debts. In brief, it has no long or short term solution to pay those debts.

The House is now requested to carry credits 35a and 40a totalling $5,385,000 for only a small portion of social security. But considering the cost of operating that program because there are so many forms to fill, the length of the negotiations and studies which never lead to concrete solutions, the increasingly dependent condition of most of our citizens in this country, which is a rich country, I think that if we claim some degree of intellectual honesty, we will have, in spite of ourselves, one of these days to consider this other Social Credit proposal which is to ensure each Canadian citizen of a guaranteed annual income through the issue of new credits from the Bank of Canada, thus avoiding getting Canadians into debt while granting them their share of the national product.

The minister gave an idea of his great plans in the Speech from the Throne, but after reading last night's budget speech we realize that the Minister of Finance did not dare to consult his colleague in National Health and Welfare Department since there is not a word about this in his budget.

Mr. Chairman, the government is not able to bring about the guaranteed annual income for all Canadian citizens. This government, as well as those who would want to replace it, the Progressive Conservatives, have no way of ensuring income security for Canadian citizens. And these same Progressive Conservatives want to govern the country.

Mr. Chairman, once more I ask the government what is the meaning of the credits the House is asked to vote since they only increase taxes and only minimal amounts are left.

Mr. Chairman, we should stop asking ourselves whether we have the means. It is obvious that we would have the means if we stopped getting Canadians into debt through abnormal financing procedures, namely taxes and Canada savings bonds.

The government has a financial tool on hand, that is the Bank of Canada. It should be used not just any old way

[Mr. Fortin.]

but in accordance with a regular procedure and within the framework of a balanced budget in order to give a guaranteed income to all Canadians, specially to the citizens as soon as they reach 60. Thanks to this measure, our older citizens will no longer fell left out.

In conclusion, I would like to relate to the minister a very typical example in order to prove the importance of this proposal. I know for a fact that there are in my riding many cases where the 65 year-old worker is no longer able to work for reasons of poor health. So he retires and gets a piddling pension from the government. The pension will be better now, but is it truly enough?

If a spouse who retires and stays put at home wants to receive the guaranteed income supplement, he will go and fill out a form. Then someone will check his bank account, find out whether or not he reports the interest on his savings and check as well whether he gets additional income from rents, etc. Because of what he receives and the fact that his wife is not yet 65 years old, his pension, his sole income, will not be enough. What happens in such cases? The wife, who is probably 62 or 63, and also probably ill and less capable of working than at 23, will go out and wash floors, do dishes in restaurants or hotels to earn $15, $25, $30 or $40 more to make ends meet.

Mr. Chairman, in such cases, the government is primarily responsible for the state of slavery, dependence in which Canadians find themselves who are no longer capable, in certain circumstances of fighting for themselves, because of the inflated economic situation we are in.

Mr. Chairman, that is why I request, with my colleagues of the Social Credit party, that the old age security pension be given automatically to married couples as soon as one of the spouses reaches age 60, this to enable them to live together, to rest and take advantage of their retirement without any financial worries.

To my mind, that is the primary role of the government and the minister would be well advised to tell us what is his position is in this regard, before we pass the votes before the House.

• (1530)

[*English*]

Mr. Nesbitt: Mr. Chairman, I do not wish to take up the time of the committee for very long. I wish to refer specifically to certain serious administrative problems which the Minister of National Health and Welfare faces in this department. I am raising this subject today because there is often difficulty in bringing up urgent matters of this kind during the question period.

I am not attributing blame specifically to the minister. After all, he is a new minister. I would blame the former minister, if anyone. But this is a matter which the hon. gentleman might well look into. I am sure he has received complaints at one time or another from almost every member in the House. Anyhow, he certainly will be receiving such complaints. This leads me to the question of disabled allowances—disability pensions under the Canada Pension Plan. In this regard, a letter sent out under the minister's signature describes what constitutes disability under the terms of the plan. He said:

The legislation provides that a person must be suffering from both a severe and prolonged mental or physical disability.

That is simple enough.

Under the legislation, "severe" means that a person must be incapable regularly of pursuing any substantially gainful occupation by reason of mental or physical disability. "Prolonged" means that incapacity to work at any substantially gainful occupation will be present for a long continued and indefinite period of time.

This all seems fairly simple. One would not suppose it would lead to any great difficulty in interpretation. But there have been many complaints about the way in which this part of the plan is administered, and it would seem to me that in the case of nearly all the complaints brought to my attention the conditions stated have been fulfilled.

Apparently, there is some medical board which carries out certain duties under the minister's instructions. We are told, in reply to questions recently placed on the order paper, that there are 13 doctors who possess certain qualifications for making decisions in these cases. It was also interesting to learn, in an answer on February 14 last to a question by my hon. friend from Simcoe North, that after an application has been received, "along with medical and other reports"—I don't know what that means; perhaps the minister could tell us—the applicant is asked to undergo an examination if it is felt that further medical information is required. Mr. Chairman, I should like to know, very specifically, just what constitutes these mysterious "other reports". Who sends them in? Where do they come from? What is the nature of these "other reports"? It is necessary, I suppose, for someone in the minister's department to decide that the terms of the act are being carried out, but the information required by the board is purely medical information, supplied, usually, by a family doctor or a clinic. But the board chooses to disregard it in many cases, apparently, and this leads to serious questions being raised in parliament.

I ask the minister to check very carefully into this board of so-called medical advisers. I do not want to go into detail, and name names, because that is not the practice in this House. But I think the minister might look over the qualifications—I do not mean the paper qualifications but the actual qualifications—of some of the medical advisers who are supposed to be doctors. I am informed by my hon. friend from Cape Breton-East Richmond that on one occasion one of these advisers appearing at a hearing seemed to be, at least, somewhat politically inclined, if not very knowledgeable. He said: "There are three things which are certain in this world. One is death, one is taxes and the other is the re-election of a Liberal government". It seems very strange indeed that medical evidence of this nature should be given.

Right in front of me I have documents relating to three cases which I have brought to the minister's attention. I do not suppose he ever actually saw them. Probably he did not. I have been here long enough to know how these things go. In one case, an applicant who was turned down a couple of times by this medical board, had lost a leg. The other was to be removed. I do not know whether or not he will be considered disabled. Apparently not by the board. But he would appear rather disabled to me. I do not see how he can do very much work in the future. His disability will certainly be prolonged, I would think. In another case, the man concerned is suffering from emphysema. I think it is common knowledge among members of this House that those who suffer from emphysema are not allowed to do heavy work, if any work at all. In fact, they are lucky if they can walk across the room or breathe. Another case I have before me at the moment concerns a lady in her late fifties who has suffered repeated cardiac arrests. On one occasion, the only reason she didn't die, according to a report from her family doctor, was that she happened to be in an intensive care unit. The prognosis in this case is by no means good, yet she is not considered to be disabled.

This kind of thing must be brought to the minister's attention. If he is a good minister, as I think he probably is, he should check very carefully into the kind of judgment which is passed out by this so-called board of medical advisers and find out the nature of these other mysterious reports which they are supposed to read. Will he give some personal attention to this matter, or appoint somebody to look into it, because a great many people across Canada are affected? I am sure every member of this House has received correspondence from his constituency on the subject. It is purely an administrative problem and I believe the minister should exercise, as soon as he can, his administrative authority in this regard.

Mr. Rynard: I should like to say a few words on the subject which my hon. friend from Oxford has brought to the attention of the committee. What we are dealing with, now, is the examination which takes place under the Canada Pension Plan in connection with applications for disability pensions. It appears a person has to be dying before he can qualify. From an examination of the list showing the number of applicants rejected it would appear that the conditions are getting tougher every year, despite the fact that increasing numbers of people are unemployed. In 1970, 78 per cent of the applicants, or 3,087, were determined as being disabled and 16.9 per cent were determined as being not disabled. In 1971, there were 10,019 applicants, 78.5 per cent of whom were listed as disabled and 17.7 per cent of whom were refused. In 1972, we find the ratio of those refused pensions had risen. Only 74 per cent passed and 22 per cent were refused. These figures reflect an increasingly tougher position in the granting of disability pensions. Looking at the situation from the point of view of the economy, I would think this trend should be reversed at a time when more than 600,000 people in Canada are unemployed. Leniency should be shown when a man is sick and becomes unemployable.

I have just one case history here. The person concerned underwent five operations, I think, two for cancer; his gall bladder and stomach have been removed; he was in hospital three times during the first four or five months of last year. Yet his application for a disability pension has been rejected. There is something very peculiar about the whole business. I am astounded to learn that the word of a general practitioner is not accepted, or even of the internist who examines an applicant locally. The board simply wishes to hear what treatment has been prescribed, and then makes up its own mind. This goes against everything we know of medicine, because the doctor who clinically examines a patient, knowing the history of the case, is in a better position to know the facts than anyone who sits

down at a desk and makes a ruling on the basis of a report.

We learn that the applicants' own physicians are not asked to determine whether a person is disabled under the terms of the Canada Pension Plan legislation, on the ground that a decision is more than purely medical in nature. So the decision is more than purely medical in nature! As the hon. member for Oxford asked, what else is it? What is being hidden? The standard reply of the department goes on to say that the decision must be made, as required by the legislation, by the Canada Pension Plan administration. As the hon. member for Oxford also pointed out, here is the administration itself deciding whether or not a man is disabled.

• (1540)

The reply continues, and I quote:

The applicant's physician is simply asked for objective findings of any functional limitations.

It is something like playing checkers at a distance and you phone in your moves.

This procedure, including the medical report form answered by physicians, was approved by a committee of experts on disability assessment—

I should certainly like to meet these experts, as I am sure would other hon. members of the House who have had some difficulty with the CPP administration. The reply continues:

The statistics of the nature requested are not kept since the applicant's physician is only forwarding a medical report; that is, the physicians are requested to report their objective findings rather than to provide their opinion as to whether the applicant meets the requirements of the Canada Pension Plan legislation.

Can you beat that, Mr. Chairman? I am sure that the minister feels he has a lot of cleaning up to do in his department. The reply continues:

After the application is received along with the medical and other reports, if it is felt that more medical information is required the applicant is asked to undergo an examination by a medical specialist (consultant) at Canada Pension Plan expense. With this information, a large number of applicants are able to meet the legislative requirements—

So, in addition to an applicant's own family physician examining him, the department wants a specialist to make an examination. That really burns me up, Mr. Chairman.

—whereas, had the specialists' reports not been obtained, many would not meet the criteria—

In other words, many applicants are more or less forced to go at their own expense to see a specialist. Is that fair to the ordinary citizen, or even to the doctor who originally examines the applicant?

—many would not meet the criteria to be determined to be disabled under the legislation; that is, if the decision had simply been based on the report of the family physician only.

I suggest that is partisanship at work there. Many applicants would be rejected if the family doctor only examined them. Therefore, through you, Mr. Chairman, I would ask the Minister of National Health and Welfare to clean up this mess and to put a stop to the unhappiness and unfairness created across Canada in respect of those who do not always have the opportunity to be examined by an internist. I know the minister will reply that everyone has this right, but how many people have the ability to exercise that right, especially those who are sick and down and out? Some people with cardio-vascular failure can hardly get about. Yet in some cases they are told they can take another job. I suggest the department is being unfair to people who are sick, to those who do not have the fortitude and courage to pursue their application, unless someone does it for them.

There is one other point I should like to make and it relates to women who work and contribute to the Canada Pension Plan on the same basis as men. When a working woman dies, her husband and minor children get not one penny in survivors' benefits, aside from a small death benefit which goes into her estate, unless, of course, they can prove they were financially dependent upon her. Yet widows and minor children automatically collect survivors' benefits when a man dies, the assumption being that wives are dependent on their husbands.

I suggest that the minister take another look at this question. There are today 2,831,000 women in the labour force, which I suggest is ridiculous since more than half of them are married. This is, therefore, no longer a valid assumption, and it is time to end this discrimination in the Canada Pension Plan in both of the situations that I have outlined, including that of the single woman.

[*Translation*]

Mr. Matte: Mr. Chairman, I just want to add to the remarks my colleague from Lotbinière (Mr. Fortin) made a moment ago. I am referring to a matter which I feel should receive more serious consideration from the minister than at present.

Examination of the items of the supplementary estimates reveal that operating expenses account for about one third of contributions.

Mr. Chairman, we have there a typical illustration of the fact that bureaucracy and technocracy sometimes cost as much as contributions themselves. And that is one of the reasons why our party stressed the necessity of the universality, for instance, of old age security, family allowances and minimum guaranteed income. That would eliminate ipso facto expensive investigations, bureaucratic waste and would further ensure greater justice towards the population since the granting of benefits on an overall basis would preclude omissions and ensure justice.

That is why, Mr. Chairman, I believe that a step forward was achieved yesterday. Old age security and the guaranteed income supplement will henceforth total $325 a month, approaching the minimum vital income required by people of 65 and over. However, apparently some considerations have been overlooked, which should have concerned not only the Minister of National Health and Welfare (Mr. Lalonde) but also the Minister of Finance (Mr. Turner), namely the plight of people aged from 60 to 65, which is very unfortunate.

At 60, Mr. Chairman, people have been working for more than 40 years. Most of those who are now 60 started working at 15, or earlier. And when one has worked for 45 years, one has directly contributed to the progress of one's country; one has also directly contributed, through taxes, its share of the revenue needed for the administration of the country. And when one has reached the age of 60, one

is not asking for favours or gifts, one is just claiming his due.

How is it that this possibility has not been seriously considered yet? It is quite surprising. And what happens to people aged 60? They have to call, at least in Quebec—I know the figures—on the Department of Social Affairs which, through its various local offices, grants, not pensions, not a vital minimum income, but rather an indecent pittance for 1973, since they evaluate the needs of a person, for clothing, food and other personal needs, at $39 a month, that is $78 for a couple. Add to this the rent, electricity and some insurance, for theft or fire—if you take the case of a 60-year-old couple that has no income or cannot find any work—and it is impossible for a person to contemplate the possibility to get any income at all. This is why one has to call on welfare services and then, they generally grant a couple about $125 or $130 per month.

If the needs, at 65, are estimated at $324.30, Mr. Chairman, how is it that, at 64, these same needs are estimated at only $125? Why this difference of $200? This is not a question of wondering whether it will cost too much to lower the age of entitlement to 60; we must simply wonder whether it should be done. If so, the cost does not matter because we are facing a deplorable and disastrous situation.

That is the reason, Mr. Chairman, which must prompt us and the minister to consider the matter seriously. And then, we have two alternatives: either the eligibility age is reduced to 60—which would settle the problem of many heads of family—or, as demanded by the Quebec Minister of Social Affairs, the province is entrusted with the care of managing or co-ordinating the entire welfare program.

If the Minister of National Health and Welfare would agree to consider seriously the problem so as to reach a realistic conclusion in that field, we would solve some very serious and painful problems for the Quebec government.

Mr. Chairman, it would be more than ever advisable for the government during this session to assume its responsibilities and to consider immediately the possibility of introducing a bill to reduce the eligibility age for old age security pension from 65 to 60.

• (1550)

[*English*]

Mr. Peters: Mr. Chairman, I do not wish to add to the length of this debate and I agree with everything that has been said, but I was particularly interested in the fact that the minister did not reply to the hon. member for Oxford and the hon. member for Simcoe North.

[*Translation*]

Mr. Lalonde: Mr. Chairman, I rise on a question of privilege.

The Deputy Chairman: The minister of National Health and Welfare rises on a question of privilege.

Mr. Lalonde: Mr. Chairman, when the estimates of my department were called, it was agreed, if I stand correct, that I would let the spokesman for each party state their views and that I would then answer. If the hon. member who, I think, was then in the House remembers he will admit that his comments about me are out of order and surely not proper.

[*English*]

Mr. Peters: Mr. Chairman, I was not aware of those comments. Many hon. members have the same difficulty outlined by the hon. member for Oxford and the hon. member for Simcoe North, and I wanted to suggest to the minister that if he was not now in a position to make a detailed reply in respect of arriving at the criteria in areas where experts are not available he might give us a written reply at a later time. He might indicate how we, as members, can assist people in isolated areas who do not have access to heart specialists or internists. Some of these people are only now having their requests rejected, and I ask the minister to give us a reply in a written form for the edification of hon. members.

Mr. Nielsen: Mr. Chairman, since the main estimates have been tabled and will be before the various standing committees shortly, if we get this kind of information in detail from the minister at this time it will prolong our consideration. Hon. members on both sides are entitled to these detailed explanations, and I am sure the minister is prepared to give them.

However, if the minister deals at length with these matters now, and other ministers do the same in respect of other estimates, we on this side will have difficulty avoiding participation in the debate, and that is what we wanted to avoid in the interests of getting this bill through all stages before five o'clock.

[*Translation*]

Mr. Allard: I should like to add a few words to what my colleagues have said concerning people aged 60 to 65.

This is sad, but these people are very penalized in their life and it is impossible for them to find a job now. When they lose their job, they are discriminated against because of their age and their performance.

Reference has been made to various solutions; it has been suggested that we lower pensionable age to 60. My party has made many proposals in this respect. Apparently, the government turns a deaf ear to our representations. Nowadays, you always hear about freezing this and freezing that. Perhaps I would make a suggestion which would be a lot less expensive, in view of the fact that the government is short of money: we should freeze people when they reach 60 and wake them up when they get to 65. This way, we could save a fair amount of money.

Mr. Caouette (Charlevoix): Mr. Chairman, I have a very brief remark to make. I think the minister implied a moment ago that he was ready to take notice of our suggestion and comment on them at the end, that is, in his own speech.

I have always noted—and this is confirmed by last night's budget—that older people are considered differently depending on whether they are heads of families or not. The head is granted the sum of $170 in addition to the guaranteed income supplement, whereas—

The Deputy Chairman: Order. I do not wish to limit the comments of the hon. member, but I would ask him to

confine his remarks to the vote now under discussion by the committee. He may discuss, generally, the Department of National Health and Welfare votes, but when his comments are related to yesterday's budget they are not in accordance with the rules of the House.

Mr. Caouette (Charlevoix): Mr. Chairman, I shall refer to the figures which have been used to establish these estimates. I mean that instead of referring to $170 I will quote the figures which were then established, that is $150 and $142, for exactly the same reasons.

I am sorry about the fact that women are considered as being less important than men, which is completely ridiculous. It is all very well to talk about family unity, but there are several instances where full pensions are paid to couples living as man and wife as allowed under Canada Pension Plan regulations.

Could the hon. minister say whether his department or the government are going to encourage family disunity much longer? Social Credit suggests that one and for all the status of women be recognized and that they be considered on an equal basis with men as regards old age security pensions.

The Deputy Chairman: Order. I think the hon. member for Lotbinière was in the House yesterday when the Chairman of Committees of the Whole (Mr. McCleave) referred to Standing Order 58 (13). I doubt he can be recognized a second time as he spoke before. Besides even the minister did not have the opportunity of replying.

Can the committee, which has until now allowed some members to speak several times, encroach upon the 20 minutes allowed each member in committees of the whole? In fact, according to the interpretation given yesterday by the Chair on committees of the whole, it does not seem that this would apply to the study of the supplementary estimates.

I mention this point, and invite the observations of the hon. member.

Mr. Fortin: Mr. Chairman, I rise on a point of order.

The Deputy Chairman: The member for Lotbinière on a point of order.

Mr. Fortin: Mr. Chairman, when I rose you called me back to order. I was rising on a point of order, because I know as well as you do that when the House sits in committee of the whole members speaks only once, for 20 minutes, that is all. I rise because the minister said a while ago, in reply to the hon. member for Timiskaming (Mr. Peters), who had raised a question of privilege, that he would be willing to answer at the end of the debate. I wanted to ask him, through a question of privilege or a point of order, whether he meant and, in fact, that he would not accept questions at the end of his speech?

• (1600)

[*English*]

Mr. Nielsen: On the point of order, with all due respect to the views of the hon. member, an hon. member is entitled to speak once, but after that if an hon. member wishes to speak he must obtain the consent of the committee. That is my understanding of Standing Order 58 (13).

[*Translation*]

Mr. Fortin: Mr. Chairman, on a point of order.

The Deputy Chairman: The hon. member for Lotbinière on a point of order.

Mr. Fortin: Mr. Chairman, I would respectfully tell the hon. member for Yukon (Mr. Nielsen) that I did not ask to be recognized twice. I simply asked, through a question of privilege, whether the minister had agreed to answer questions at the end of his remarks, in view of the question of privilege he has himself raised earlier following a question from the hon. member for Timiskaming (Mr. Peters).

Mr. Lalonde: Mr. Chairman, I would not like to interfere but if some points need to be clarified, it is up to hon. members to ask me questions.

I am rather embarrassed by the present situation. I understood, from the statement of the hon. member for Yukon, that it would be better if I gave a more elaborate reply in the more relaxed atmosphere of the committee to which the estimates tabled today will be referred. I am prepared to reply to the questions raised today by hon. members but I fear that this might extend the debate.

I am in the hands of hon. members. If they insist that we should discuss the points raised this afternoon, I have no objection but I think that the various party leaders would like to expedite consideration of the items presented to the House. I am ready to co-operate with the party officials to accelerate this study mainly because the budget debate will take place soon, because a bill amending the Old Age Security Act will be introduced and finally because the estimates will be referred to the Miscellaneous Estimates Committee.

[*English*]

Mr. Nielsen: We are in full agreement with that, Mr. Chairman. As an added argument, may I say the minister could give a fuller explanation before the standing committee and in the meantime he and his officials would have an opportunity to study in detail the points raised by hon. members and obtain detailed answers to their questions. That could be one of the first orders tackled by the committee.

Mr. Peters: On a point of order, Mr. Chairman; I think the decision is not up to the acting something of the Conservative party but rather is up to the minister. Because of the detailed questions which were asked by the two members, I had asked if we could be given a written critique. I would still hope that would be possible because if it were written members would have the benefit of being in a position to study it.

Mr. Lalonde: I fully agree with the hon. member and will be pleased to provide hon. members with a written answer on this subject.

I might say I am very sympathetic with many of the points raised by various members in this regard, including many members on this side. I have had, I suppose, as

many letters on this subject as on any other in my department in the last few months. I have asked my officials for a full report and review of this situation. In particular, I want to be quite sure that we are not applying to private citizens in this area tougher criteria than are applied in respect of public pension plans and that the public plan is not tougher on Canadian citizens than the private sector. I expect to have a report on this subject very soon. I have asked my officials to review the whole situation. However, I shall be pleased, before I appear before the committee or at some other time, to give a full reply in respect of this subject.

The Deputy Chairman: Is the Chair to assume that this completes the committee's examination of votes 5a, 35a and 40a of the Department of National Health and Welfare.

Some hon. Members: Agreed.

The Deputy Chairman: The Committee will now proceed to the consideration of vote 5a relating to the House of Commons.

[*Translation*]

Mr. Fortin: Mr. Chairman, we are now discussing, as you have just announced, vote 5a relating to the House of Commons: Program expenditures and the grant listed in the Estimates.

An article was recently published in a daily newspaper of the Ottawa-Hull area on bilingualism in the House of Commons, particularly among the protective staff. I imagine—

The Deputy Chairman: Order. I do not wish to prevent the hon. member from making his remarks, but vote 5a which is now before the committee deals with the administrative responsibility of the government towards the House of Commons and specifically with inter-parliamentary relations. The point raised by the hon. member has nothing to do with government responsibility, but concerns rather the responsability of the Speaker of the House who answers for that. It is not in order to raise that question at this time.

Does this complete the consideration of vote 5a? Is it agreed?

Some hon. Members: Agreed.

Mr. Matte: Mr. Chairman, I listened carefully to your remarks, but when I read vote 5a—House of Commons—Program expenditures and the grant listed in the Estimates—it seems to me that, with all due respect, that vote can easily include the 7 per cent bilingualism premium claimed by bilingual employees of the House of Commons.

The Deputy Chairman: Order. I must point out to the hon. member that the Chair has made its ruling. He only has to refer to the supplementary estimates which were distributed to the hon. members and he will see that it is clearly indicated that the amount of $15,000 deals specifically with grants respecting inter-parliamentary relations. Although the subject is broader, the issue of bilingualism and the organization of the protective staff in the House of Commons has nothing to do with government administration and cannot be discussed at this time in committee.

• (1610)

Mr. Fortin: Mr. Chairman, with regard to the item for inter-parliamentary relations which we are asked to vote, I recall a trip to Washington within the framework of Canada-U.S. inter-parliamentary relations. I then met representatives of the American government. It was at the time we were discussing salaries, working conditions of hon. members, senators and Congressmen. My hon. colleague from Timiskaming (Mr. Peters) is aware of that. His party was very ably represented by his colleague from Regina-Lake Centre (Mr. Benjamin).

Mr. Chairman, I recall the discussions that took place then and which greatly interested our American colleagues. The state of the Canadian Parliament was being considered. Our American friends, within the framework of inter-parliamentary relations, came to Canada and I had the honour to be among the delegates who received them. I recall that at a supper in the National Arts Centre, the discussion bore precisely on this typical aspect of bilingualism in the House of Commons.

The Americans were very surprised of this situation and they were enthusiastic and they congratulated us.

Mr. Chairman, so that countries with which we have interparliamentary relations get a better image of the House of Commons, I suggest that the minister who requests the adoption of vote 5a should ensure that in inter-parliamentary relations we not only discuss better friendly relationships between countries but we should also emphasize this particular feature of Canada as a country that we want to recognize as bilingual and bicultural.

Consequently, when representatives of foreign countries are welcomed to the House of Commons, Mr. Chairman, it seems to me the members of the security staff should get equal treatment, with regard to competence and salary, when it comes to the official languages. Mr. Chairman, why not give an interesting picture to the representatives of those countries, within our inter-parliamentary relations—

The Deputy Chairman: Order. The hon. member knows that he is now trying to do indirectly what he may not do directly. I would invite him to respect the ruling of the Chair. Surely the committee has enough work to do without trying to elude the decisions of the Chair. Does this complete study of vote 5a concerning the House of Commons? Agreed?

Some hon. Members: Agreed.

[*English*]

The Deputy Chairman: The committee will now proceed to Vote 10a and Vote 15a related to the Department of Public Works.

Mr. Peters: Mr. Chairman, I anticipate staying in order because we have support for the estimates, the bill, and if necessary for the budget. The only thing that bothers me is the influence of the hon. member for Yukon, but really

that has not been much. It has been more of an irritant than a deterrent.

I am interested in two problems connected with the vote dealing with accommodation. I notice that we are erecting a number of single purpose and general purpose buildings, and I am interested in one general purpose building that simply is not being built. It has appeared in and disappeared from estimates with some regularity. But before dealing with it, since the President of the Treasury Board and the Minister of Public Works are both present I would like to deal with what I consider a fairly serious situation in terms of parliament, with respect to the vote just passed.

I do not intend to transgress the rules, but the Minister of Public Works has responsibility for accommodation with respect to rooms 601 and 602. You will remember, Mr. Chairman, that a green rug was placed in the Blue Room. This has now been overlaid with another rug, at some expense. I would like either minister to tell me what happened to the $5,000 genuine antique Indian rugs that were in rooms 601 and 602, and to tell me if there is any intention to re-instal them?

The Deputy Chairman: Order, please. Again, I wonder if the hon. member is getting away from the prerogative of the Department of Public Works, and coming into the realm of the responsibilities for administration conferred on the Speaker of the House of Commons with respect to accommodation in this building. Although there might be an in-put contributed by the Department of Public Works, the decision would come under the jurisdiction of the Speaker of the House of Commons.

Mr. Peters: I certainly do not want to reflect on the Speaker of the House. I know he does not have such poor taste as to put a green rug in a blue room. It was not his fault. Obviously, it must have been done by the Department of Public Works. All I want to know, either from the President of the Treasury Board or from the Minister of Public Works, is what happened to the rugs, and why can't we have them back? It is my guess somebody took them home.

An hon. Member: Prove it.

Mr. Peters: I want them brought back.

What I am mainly interested in with respect to this supplementary estimate is why provision is not made for a new federal building in my riding at the Earlton airport. The Prime Minister came into that area last summer, and gave an indication to the people there that he was surprised that the airport was operating with pre-war facilities.

An hon. Member: Which war?

Mr. Peters: In Northern Ontario we flew off water most of the time during the first World War, so the facilities must be pre-Second World War. Good airport facilities have been built at Val d'Or and Rouyn. I ask the minister to give serious consideration to replacing the building at Earlton, which is obviously obsolete.

As I have said, this building was previously mentioned in supplementary estimates, but does not appear in this estimate. It also appeared on several occasions in the main estimates. I believe a terminal should be erected there such as was built at Rouyn. Rouyn has a municipal airport. The Department of Transport owns the airport at Earlton, and a new building could house both radio technicians and weather technicians, as well as other facilities operated by the federal government. I make the plea that the minister discuss this with the Prime Minister who at least has had the opportunity to be there. I believe this is a reasonable request as I have already waited for 15 years. I think the people of that area should have a similar service to that being provided on other routes. It seems very odd to fly from a nice airport in Montreal to Ottawa, Val d'Or, Rouyn and then come to the archaic facility at Earlton, and on to the good facilities at North Bay, all on the same route.

• (1620)

I hope that the minister will give consideration to this minor expenditure which would provide a facility which is badly needed already, and will be more so in the future since that airport is now servicing three airlines and a very large flying club.

[*Translation*]

Mr. Fortin: Mr. Chairman, this is too good an opportunity to miss. On several occasions since I became a member of this House, I have asked the Minister of Public Works (Mr. Dubé) to look into the matter of retaining walls along the St. Lawrence river. Either I did not get answers or they were in the negative, that is they did not mean a thing. I am surprised about this because we often get more co-operation from other departments. Finally, I did get excellent co-operation from this department through its Victoriaville office.

The St. Lawrence contains unheard of wealth. It is the largest inland waterway of the world and it flows along the constituency of Lotbinière as well as others on both shores. I am sure my Quebec colleagues recognize the importance of this situation.

Quite some time ago, the federal government would agree to build retaining walls, piers and harbours, but despite the legitimate representations made by municipalities, by the people of these areas and hon. members —regardless of party—nothing has been done in recent years.

Mr. Chairman, the primary consequence is an obvious danger of erosion along the St. Lawrence, specially on the south shore in the Lotbinière area. Along the St. Lawrence the land is constantly eaten away by tides and the passing of ocean liners, in the narrowest straits of the river, notwithstanding the content of the department's studies.

And through you, Mr. Chairman, I would tell the minister on the occasion of the budget debate that it would be extremely important for himself as for Canadians that he commit himself to review his department policy to earmark a portion of the credits granted by the House to protect a natural resource such as the St. Lawrence River.

I do not quite understand why at a time the federal government invested several thousand dollars to build wharves and retaining walls whereas today it allows to be

destroyed what was built and is not even prepared to study the dossiers.

Mr. Matte: Mr. Chairman, my colleague mentioned the south shore of the St. Lawrence River and as my constituency is located on the north shore, we have similar problems.

I have been trying for five years to have the minister understand that the standards which have been adopted when the retaining walls were built are inadequate and nothing is more astonishing not to say insulting for the St. Lawrence riverside dwellers than to be told: The standards are not met. The shipping channel is over 3,000 feet away and we cannot undertake this responsibility.

They completely disregard the concrete fact that there are dwelling along the river. Behind those dwellings, there used to be 100-foot backyards but one day the owners woke up and saw the river under the veranda! Considerable damages are made to properties by landslides. More time should be devoted to study this problem.

In some places and among others at Sainte-Marthe du Cap-de-la-Madeleine and at Champlain, Highway 2, which is only a few feet from the river, will eventually be damaged. Why wait then for disastrous damage to happen before changing standards which, in my opinion, are inadequate. They are the more so since statistics show that, until 1967, all retaining walls built along the river were entirely paid for by the federal government. Since 1967, it has been decided that the standards would be changed. I do not know what happened in the course of one year that the situation was so radically changed.

There have been expensive investigations made during the last two years. I think a few million dollars were spent for an investigation into this matter and retaining walls would have cost about the same amount. Then, let us put an end to investigations.

Whether the minister likes it or not, damages are being caused by navigation. We must now take into account that navigation is going on all year round, even in winter. Therefore the movement of ice resulting from the maintenance of the river, even in winter, is increasingly eroding riparian land. In my opinion, navigation is always indirectly responsible for most of the damages.

In fact, Mr. Chairman, how could one explain for instance the complete uprooting of trees which had grown for over a hundred years on the shores? If those trees could grow for 100 years, it means that nothing stopped them from growing. So why are they gone today? It is because of year-round navigation, and I think that problem is one the minister should attempt to solve since spring is already here and it is the best time to assess the damage. The minister should therefore send people down to size up the situation, review the standards of his department and do justice to those who live along the St. Lawrence River and are unable to remedy that situation themselves.

• (1630)

And when they are told that 75 per cent of the damages could be paid when they total $200,000, for example, even a contribution of 25 per cent is prohibitive for the riverain owners in the municipalities of my riding, and none of them would be in a position to pay $50,000 to have their property reinforced.

The minister should realize that immediate steps are necessary in order to change those standards.

Mr. Dubé: Mr. Chairman, may I be permitted to say a few words in reply to the recommendations, representations and suggestions made by the three hon. members who have just spoken.

In the case of the representations made by the hon. member for Timiskaming (Mr. Peters) with regard to rooms 601 and 602 of the central building, as you pointed out yourself, Mr. Chairman, I think that this question comes under the jurisdiction of the administration of the House of Commons rather than the Department of Public Works. Nevertheless, in compliance with the wish of the hon. member, I will try to find out who ever thought of putting a green carpet in a blue room, or a blue carpet in a green room, and I can assure him that as far as the old Indian carpet is concerned, it is not the Minister of Public Works who brought it home because his wife would not allow it.

As for the second representation, I understand it is about a terminal or some other building for an airport in his constituency; I must say that the airport problem does not fall under the jurisdiction of the Department of Public Works but under the jurisdiction of the Department of Transport. However I am sure that my colleague the Minister of Transport (Mr. Marchand) will, while reading *Hansard* as he does every day, take notice of the very interesting representations made by the hon. member for Timiskaming and will see to it that he gets justice, especially if it is an airport which has already been visited by the right hon. Prime Minister (Mr. Trudeau).

As for the hon. members for Lotbinière (Mr. Fortin) and Champlain (Mr. Matte), they dealt with erosion and retaining walls along the shores of the St. Lawrence river. The position of the government in this regard is quite clear: when erosion results from navigation and marine works, we assume full responsibility and build retaining walls; when it results from natural erosion, that is, ice, floods, the causes are natural: the responsibility is not ours but that of the province or the individual, whether it concerns his property, his home or his cottage.

Still, if those two hon. members know of specific cases which really fall within the responsibility of my department, I shall be eager to have retaining walls built where they are needed.

Mr. Fortin: Would the hon. minister allow me a question?

The Deputy Chairman: The hon. member for Lotbinière on a question.

Mr. Fortin: I thank the hon. minister for his courtesy towards us and his readiness to reply. I appreciate this and want to express it sincerely.

He is no doubt aware of the many cases we have discussed concerning retaining walls in some municipalities, for the protection of a national highway, as the hon. member for Champlain indicated on the north shore. However, the hon. minister was kind enough to send

people for a field survey with tide-gaugers in order to establish whether this erosion is the effect of tides or of oceanic currents. According to his department's standards, the minister had to give a negative reply. My question is as follows: Since in any case, as he and I both know, the province of Quebec will take no action for the preservation of this unparalleled resource, and since private interests, as the hon. member for Champlain indicated, cannot afford to deal with the problem, would the hon. minister consider a review of standards in order to enable the federal government to assist in rebuilding walls the government itself built a few years ago?

Mr. Dubé: Mr. Chairman, we are constantly reviewing the works for which we are somewhat responsible, and I take note of the representations of the hon. member. I can assure him that we shall consider what he has just outlined.

The Deputy Chairman: Will this conclude consideration of votes concerning the Department of Public Works?

Some hon. Members: Agreed.

The Deputy Chairman: The committee will now proceed to the consideration of votes concerning the Department of Regional Economic Expansion, that is votes 31a and 32a, as well as vote 35a concerning the Cape Breton Development Corporation.

[*English*]

Is it agreed that the committee has completed consideration of these votes?

Some hon. Members: Agreed.

The Deputy Chairman: Shall we move on to the next item?

Some hon. Members: Agreed.

The Deputy Chairman: The committee will now proceed to the consideration of Votes 15a and 35a relating to Secretary of State.

Some hon. Members: Carried.

The Deputy Chairman: We will also consider Vote 90a, relating to the National Museums of Canada.

Some hon. Members: Carried.

The Deputy Chairman: Is this agreed?

Some hon. Members: Agreed.

The Deputy Chairman: Shall we proceed to the consideration of the next votes?

Some hon. Members: Agreed.

[*Translation*]

The Deputy Chairman: We will now proceed with consideration of vote 10a concerning the Department of Supplies and Services. Is this agreed to?

Some hon. Members: Agreed.

[Mr. Fortin.]

The Deputy Chairman: The committee will now consider votes concerning the Department of Transport, namely votes 65a, 85a, 90a, L110a and L115a.

[*English*]

Mr. Harney: Mr. Chairman, I wonder if I could make a few remarks under the rubric of this aspect of the estimates. I hope I can say all I wish to say at one time, so that I do not have to proceed through the various pilotage authorities one by one. There are two matters which interest me, and I will be brief. One of them has to do with the Severn River, in Ontario. It is a navigable river. For many years mooring points for pleasure craft have been established on the Severn River. They were used extensively by pleasure boaters, being offered as a free service to the boating fraternity. On certain locations of the Severn River, particularly in the west end, mooring points have been closed for the past several years and many boaters have had to use privately operated marinas in the area. I do not see the minister present. Perhaps his parliamentary secretary is here. The question I wish to ask very simply is whether it is the policy of the ministry of transport to close down these public mooring points.

My other question is this: has the ministry of transport or any related federal authority entered into any kind of agreement with the Ontario Department of Lands and Forests with regard to these mooring points? I think the question is relatively important, because the boating fraternity in the area is increasing. Many more people are trying to and wanting to use these facilities, but at the same time they are finding it rather awkward to be forced into the not-so-tender embraces of the private operators of marinas. I trust that the Minister of Public Works was correct when he noted that the Minister of Transport pays religious attention to *Hansard.* As he is not here perhaps, in his reading, he may pay attention to my question and provide us with an answer.

An hon. Member: Where is he?

Mr. Harney: I expect he is coming. The second matter I wish to raise, and I am ready to be ruled out of order on the ground that I am not speaking to the correct estimate, has to do with the Richelieu River in Quebec. I bring up this matter under the rubric of the Department of Transport estimates because, until recently, the Chambly Canal, part of the canal works connected with the Richelieu River, was under the direction of the ministry of transport. I am not sure if there has been any change during the past couple of years in the department which has responsibility for the canal. I say that because the canal has stopped being, in any real sense of the word, a commercial canal and is now almost totally devoted to pleasure needs. The point I want to make is this: during the past few years flooding of the Richelieu River in the region above St. Johns, Quebec, has become serious and it is quite likely that this coming spring the flooding will be worse than that which occurred last spring.

• (1640)

We are told by the experts that the level of Lake Champlain in the United States, a lake which as many hon. members know flows out through the Richelieu River, is 19 inches above normal for this time of year. There was

flooding last year and there will certainly be flooding this year. This matter relates to this or a related ministry, because over the last couple of years there have been some very serious changes to the shape of the Richelieu River at St. Johns, Quebec. St. Johns is the point where the river has the first rapid. This is the point where the river and lake levels are effectively controlled. In the past couple of years, there has been a widening of the canal at St. Johns and a consequent narrowing of the river. Therefore, even normal flows of water from Lake Champlain would be restricted. This year they are expecting higher than normal flows of water.

It is important to note that, along with the widening of the canal which has brought about a considerable change in the size of it and the consequent narrowing of the river, there has been no dredging of the Richelieu River below St. Johns in the rapids section since 1942. Dredging should be carried out quite regularly in order to keep the river level below the point where it would cause problems in the spring. I feel that all of these factors combine to increase the natural level of the lake and river waters, but the widening of the canal and the subsequent narrowing of the river as well as the failure to dredge the river will combine to cause very, very serious flooding this spring. Possibly the Minister of Transport or the Minister of Public Works, if he has any jurisdiction over the projects going on there, could comment on whatever steps might be taken to obviate this flooding danger.

Mr. Benjamin: Mr. Chairman, I want to say something on the Department of Transport estimates, Vote 115a, with regard to the Pacific Pilotage Authority. I do not know if there is a minister present who can answer some questions that are very current concerning that body.

Mr. Nielsen: None of them can.

Mr. Benjamin: If not, I hope this is not an indication that the treasury benches are not all that concerned about whether the supplementary estimates are passed tonight. However, I will make my remarks in the hope that somebody will draw them to the attention of the Minister of Transport and possibly he might reply at eight o'clock.

At the moment we are involved in a work stoppage or a failure to renew contracts with the B.C. Coast Pilots Association on the Pacific coast. The Pacific Pilotage Authority reports directly to the Minister of Transport. I notice in the supplementary estimate an additional $24,000 for the Pacific Pilotage Authority for a deficit of the authority occurring between January 1 and the end of March this year. Is that $24,000 allotted in anticipation of any additional cost to the authority that may result from a settlement between the pilotage authority and the B.C. Coast Pilots Limited? If it is, we would like to know. If not, if it is just for the expected deficit from normal operations, we would also like to know.

We would like to know if the minister is prepared, either under supplementary estimates, in the new estimates or in the new budget, to provide additional funds to the Pacific Pilotage Authority so that they can be in a better position to arrive at a settlement with the B.C. Coast Pilots Association which, by the way, is not a union but a limited company. The negotiations are between two companies, so to speak.

I understand that the Department of Transport is responsible for some of the costs incurred by the Pacific Pilotage Authority and that if some of the demands of the B.C. Coast Pilots Association were met expenditures would be required by the Department of Transport for safety equipment. I presume that includes navigation devices. Some of these demands are related to working conditions, which I take it come under the purview of the Minister of Transport. If this item involves additional expenditures by the Pacific Pilotage Authority, were they to meet the demands of the B.C. Coast Pilots Association? If that is so, it is incumbent upon the Minister of Transport to acknowledge this and to say what additional measures his department is prepared to take or what additional funding he is prepared to provide to the Pacific Pilotage Authority so that that authority can negotiate with the B.C. Coast Pilots Limited on a much more positive and constructive basis then they have been able to do at present. It would be good if the minister would provide that information this evening, as it might help a settlement to be reached much more quickly on the Pacific coast. I am not referring to any kind of pay raise, implied, asked for or offered by either side in the dispute. That is between them.

I do not believe the ministry of transport is very much involved in that area, although it may be. In any event, I think it would be useful if the minister could at least answer some of these inquiries so that the negotiating parties at the other end of the country might be able to reach a settlement that much sooner. Unless they do, a great number of commodities, particularly in constituencies in the four western provinces and possibly right across Canada, may be affected. In my case, and in the case of my colleagues from Saskatchewan, it would affect cargoes of grain. Therefore, we are anxious that these two parties agree to settle very quickly.

During the oral question period on two or three different dates, we asked the minister questions in this regard. As far as I am aware, he has not provided any answers that indicate what measures he is prepared to take to further fund the Pacific Pilotage Authority, as well as what responsibilities the Department of Transport would have, in what areas and what kinds of money. Surely, it is time for the minister to give us those answers, if for no other reason than to give the two parties in the dispute something more on which to negotiate and settle their disagreement.

Mr. Knight: Mr. Chairman, I have refrained to a considerable degree from discussing the estimates. However, in view of the fact that the estimates of the Department of Transport relate to the Pacific Pilotage Authority, and in view of the particular situation which we face today, I find it appalling that neither the Minister of Transport nor his parliamentary secretary are here. Possibly the government whip or government House leader could tell us where they are at this time. We would like them to answer some questions relating to their estimates. I presume they feel they are important and would like to answer the questions of opposition members relating to the two estimates. If the minister cannot be with us, where is the hon.

member for St. Boniface? There has been a withdrawal of the services by the pilots on the west coast.

The Chairman: Order, please. The hon. member for Esquimalt-Saanich.

• (1650)

Mr. Munro (Esquimalt-Saanich): On a point of order, Mr. Chairman. If I might intervene at this moment, I should like to say that I have reliable information that the pilots went back to work voluntarily this morning. I think they are to be commended for doing so. Negotiations, I understand, are still in progress. In these circumstances, I think the hon. member's last comment ought to be changed.

Mr. Knight: The information conveyed by the hon. member in the back row is appreciated. I wish we could get some answers like that from ministers or from parliamentary secretaries. Maybe the Leader of the Opposition will give the hon. member a post as minister of labour or minister of transport in certain circumstances. I hope the hon. member for Vegreville is not listening to me.

Negotiations are still in progress, he tells us. In this situation, the questions we are asking are still open questions. We want to know what action is being taken by the pilotage authority to deal with points at issue in the negotiations involving safety precautions when moving ships in and out of harbour. If the minister could give us this information, we might be inclined to look more favourably on these estimates.

Mr. Drury: Mr. Chairman, the Minister of Transport had planned to be here this afternoon but, I regret to say, he has gone to the hospital for an x-ray instead. I hope his absence will be forgiven.

The hon. member for Scarborough West is correct in assuming that the Chambly Canal no longer comes under the jurisdiction of the Department of Transport, but it comes under the jurisdiction of the Department of Northern Affairs. I shall be glad to convey to the minister concerned his representations with respect to flooding and steps which might be taken to alleviate this situation. In this case, I think the appropriate minister would be the Minister of Public Works rather than the Minister of Transport. The Minister of Public Works has already heard the representations, and I believe he will take them under consideration.

With regard to the representations made by the hon. member for Scarborough West—

Mr. Harney: Excuse me, Regina-Lake Centre.

Mr. Drury: Regina-Lake Centre, I am sorry. I am sure he will welcome the good news that the pilots are back at work. I would not think that in the midst of negotiations between two semi-public bodies he would wish the government to declare its negotiating position outside of the actual negotiations. As long as negotiations are proceeding, and as long as there is no interruption of work, I think he would agree that it would be unhelpful for the government to declare, if you like, its final negotiating position.

[Mr. Knight.]

Mr. Benjamin: I agree, Mr. Chairman, that to intervene in any manner in the midst of any negotiations—

The Chairman: Order. Would the hon. member resume his seat? The Chair made the point yesterday that contributions to the debate are restricted to one per member on any one item of business. So, perhaps the hon. member could make his point by way of a question.

Mr. Benjamin: I am sorry. I meant to say it was a question I intended to ask. My remark was a preliminary one. I should like to know whether the minister could tell us this: has the Minister of Transport intimated in an indirect manner, if not on the floor of the House, to the pilotage authority that the additional funds which are needed to enable the authority to arrive at a settlement will be available? I am under the impression that the hands of the authority are tied because of a lack of assurance that funds will be forthcoming to the authority on the basis of which a settlement could be reached. Has any kind of assurance of the kind I have in mind been given?

Mr. Drury: I believe the minister has been in communication more or less continuously with the pilotage authority.

Mr. Peters: I should like to ask a brief question on behalf of the hon. member for Yukon who has limited himself. I am aware of his interest in this item because he has taken part in discussions on a number of occasions having to do with the Northern Transportation Act. There is an estimate here which originally amounted to $1 million. It has now been raised to $4 million and, on behalf of the hon. member for Yukon, I would like to know what facilities are provided in return for this amount of money.

Mr. Nielsen: Since the hon. member was not present in the committee at the time this item was fully discussed he cannot be aware that this sum, as the minister explained, was for the purchase of new barges to accommodate the great influx of freight into the Mackenzie to cope with the rapidly increasing oil and gas exploration work. This is an item with which I and the hon. member for Northwest Territories, I believe, would fully agree.

The Chairman: Does this complete the discussion on the five items under the Department of Transport?

Some hon. Members: Agreed.

The Chairman: The next item is Treasury Board Vote 5A.

Mr. Nielsen: Again, Mr. Chairman, in the interest of getting this item through, we intend to restrict ourselves from participation at any length in the debate, bearing in mind that there will be another opportunity to discuss these matters when the main estimates go to committee. We do, however, have serious reservations about this item, particularly with reference to the abuse of the contingency fund which is rapidly getting more and more out of hand. But we shall reserve our observations on that matter for another occasion.

Mr. Peters: I agree with the hon. member for Yukon that the contingency fund has grown immensely over the years and that it has obviously been augmented.

This is the question I wish to ask the President of the Treasury Board. Yesterday, I got into trouble with one of my confrères about what was covered by one of the votes under discussion—a vote in connection with which the Appropriation Act was used. I find that similar circumstances arise in connection with a dollar item on page 11 of the schedule—the vote relating to the Central Mortgage and Housing Corporation. Turning to item 35a on page eight, we see that the Cape Breton Development Corporation estimate has been increased by $5 million, $4 million of which was provided through the Appropriation Act. My own impression is that the procedure would be far simpler to understand were some regular form adopted in all cases where the Appropriation Act is used.

• (1700)

In the matter I was involved in yesterday, we were not talking about training at all but rather operating expenses for the manpower department. The hon. member for Hamilton West took me to task for being opposed to on-the-job training, which may or may not have had anything to do with the supplementary estimate or with the Appropriation Act since reference is also made to section 5 of the statute itself.

Certainly, I am confused when these statutory items are not separated from the others, such as the operating expenses in the supplementary estimates and the items that arise as a result of a section of a statute. It seems to me that in this bill we have done three things. We have used the Appropriation Act for the purpose of incorporating a $1 item; we have also used it in respect of the full amount requested in the supplementary estimate; and we have used it as part of a supplementary estimate. I am aware, however, of the problem created by the contingency fund.

Today the minister said that he was willing to consider making the supplementary estimates more understandable. I suggest that not only new members but also established members are confused when use is made of the Appropriation Act, statutory items and the section of an act, and then a supplementary estimate is used in its pure sense, none of which can be distinguished either upon examination of the supplementary estimates or the regular estimates, or even the bill itself.

Mr. Drury: Mr. Chairman, the hon. member has asked a rather technical question, and with his agreement I should like to study the representation he has made. I will provide him privately with an answer later on.

Mr. Nielsen: Mr. Chairman, it is now five o'clock—as a matter of fact it is five minutes after five—and by pure coincidence the private member's bill coming forward for discussion today is the one standing in my name on the order paper. I should like to suggest to the committee that we pass this item under treasury board and the items under urban affairs and veterans affairs, which are the only ones left, and pass all stages of this bill without debate. If that is not acceptable, I suggest we go on with private members' hour and resume the debate; but I hope that the former suggestion is acceptable.

Mr. Benjamin: Mr. Chairman, it is certainly acceptable to me, provided I can ask one question of the President of the Treasury Board regarding his estimate. I promise I will not make a speech; I will simply ask a question.

Some hon. Members: Agreed.

The Chairman: The hon. member for Regina-Lake Centre.

Mr. Benjamin: Mr. Chairman, may I ask the President of the Treasury Board about a matter that is of concern to the Secretary of State having to do with the grant for arts and culture. Approval of grants for a number of museums and art galleries were given by the Secretary of State's department in October and November last. May I specifically mention the Norman Mackenzie Art Gallery in the city of Regina which has still not received its grant and is awaiting approval of treasury board. The museum is in a very difficult position at the moment owing to the delay in authorizing the grant. I should like to ask the minister whether action is being taken and what is holding up the grant. Does the Secretary of State's department approve grants too easily and too readily? Why is it necessary for this length of time to elapse before approval is given by the President of the Treasury Board? People who have been waiting for months now are finding themselves in a very difficult situation.

Mr. Drury: Mr. Chairman, I regret to say that I am not aware of the circumstances surrounding this particular museum, but I shall be glad to make inquiries and let the hon. gentleman know.

Mr. Harney: Mr. Chairman, if the proposal is that we pass the remainder of the items without debate, I would have to put in a reservation. I have been waiting for some time to make some comment on the estimates of the Minister of State for Urban Affairs.

The Chairman: Order. It being five o'clock it is my duty to leave the chair in order to permit the House to proceed to the consideration of private members' business, in accordance with section (4) of Standing Order 15.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Malpeque (Mr. MacLean)—Finance—Meeting of federal and provincial finance ministers—Discussion of means to relieve tax burden on rural residents; the hon. member for Saskatoon-Biggar (Mr. Gleave)—Grain—Reported advice by Minister of Agriculture to

farmers on amount of wheat that should be planted; the hon. member for Fraser Valley West (Mr. Rose)—Canadian Broadcasting Corporation—Opposition of Canadian Teachers Federation to transfer of rights to film and videotape to private company.

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

PRIVATE MEMBERS' PUBLIC BILLS

BRITISH NORTH AMERICA ACTS, 1867 TO 1965

AMENDMENT TO PROVIDE SENATE REPRESENTATION FOR YUKON AND NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon) moved that Bill C-12, to amend the British North America Acts, 1867 to 1965 (Yukon and Northwest Territories Senate representation) be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, it might be said that my motivation for placing the bill on the order paper arises from the fact that I have spent some 16 years in this place and I am, perhaps, getting a little tired of it and looking forward to a greener and more casual pasture. But really this is not the motivation for the bill. All Canadians represented by members here, save a few, are represented in the Parliament of Canada. Two exceptions to this full representation are the Northwest Territories and the Yukon. It may come as no surprise to some of the older members of this House that this is the case. I am sure quite a number of the newer members here will be quite surprised to hear that this area of Canada, over 40 per cent of the area of the country, and all of those citizens who live north of the 60th parallel, have no representative in parliament as a whole. They have a member in this place. The seat for the Northwest Territories was established in 1949 by a change to the act and, of course, the seat for the Yukon has existed since 1903. From then, I may add, until 1949 one member represented the whole of that vast 1,600,000 square miles.

• (1710)

I want to bring to the attention of hon. members that the joint Senate and Commons committee on the constitution, when it completed its work, recommended that there should be Senate representation for each of these two northern territories. I would hope this alone would cause members to agree to send the bill to committee for, after all, that is all that is being asked on second reading, that the bill be sent to the committee for consideration. Undoubtedly, the committee would go into the recommendations of the joint Senate-Commons committee which held hearings throughout the Yukon and Northwest Territories and, after very careful consideration, came up with the recommendation that indeed these two northern territories should have Senate representation in order to be fully represented in parliament, not merely in this chamber.

The bill does nothing to affect any Senate representation in any other province in Canada. It retains that Senate representation intact. All it does is add two members to the Senate, making a total of 104, and gives to the Yukon a senator and to the Northwest Territories a senator.

I could go on at great length about government reform and all its aspects in the Yukon and Northwest Territories; reform that is so urgent and spoken of by the minister during the last campaign in real terms of promises of things that would happen when we came back. I shall not do that but will maintain my usual non-partisan approach to matters such as this in the hope that we can get the same kind of co-operation from members opposite that we have shown them over the last several days in getting their estimates and supply bill through. All we ask on this side is that the bill be given second reading and sent to the committee where all its aspects can be examined.

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am pleased to participate in this debate on Bill C-12, which I suppose is really an act to amend the British North America Act to provide Senate representation for the Yukon and the Northwest Territories. I should like to commend the hon. member for introducing this bill. I, personally, support the measure but, as a Canadian from western Canada, I do not feel the hon. member has gone far enough in his proposals.

Mr. Nielsen: Do you want half a dozen?

Mr. Marchand (Kamloops-Caribou): I do not feel this bill gets to the root of the problem of Senate representation, and I am speaking now of the need to redistribute the seats in the Senate to more accurately reflect the regions of Canada. Western Canada, especially the province of British Columbia, in terms of numbers is under-represented in the Senate. To put it mildly, this is an understatement. The facts show that the proportion of Senate power accorded to my home province is the lowest in the nation. Another glaring discrepancy is that the Prairie provinces, with a proportion twice that of the Atlantic region, have only slightly better than half the number of senators of the Atlantic region.

For the purpose of Senate representation, the west in 1915 was considered as one unit. While the four western provinces share many concerns, even in 1915 it could not be said that the whole of the west was one economic unit. It is even less so today. Furthermore, since 1915 the economic power of the west has dramatically increased. There is a real need for reform to correct—

Mr. Nielsen: Mr. Speaker, I rise on a point of order. The bill has nothing whatever to do with the Senate except to provide for representation for the Yukon and Northwest Territories. It has nothing to do with the subject to which the hon. member is referring.

Mr. Marchand (Kamloops-Cariboo): Mr. Speaker, this bill which deals with the Senate is such that I should be permitted to range a little wider than the hon. member

may want. There is a real need for reform to correct the unjust imbalance of Senate representation so that the distribution of Senate power will be fair and accurate.

Mr. Nielsen: Mr. Speaker, I must insist on a ruling on the point of order I raised because the bill itself—

Mr. Deputy Speaker: Order, please. I am prepared to make a ruling. Does the hon. member for Windsor-Walkerville (Mr. MacGuigan) wish to make a contribution to the point of order?

Mr. MacGuigan: Yes, Mr. Speaker, I would sustain the hon. member for Kamloops-Cariboo (Mr. Marchand). Obviously, his remarks are necessary in order to consider the balance of power in the Senate. I support the arguments the hon. member has been advancing and feel they are quite in order.

An hon. Member: They are just as relevant as the Senate is.

Mr. Deputy Speaker: Order, please. I would think the hon. member is in order.

Mr. Nielsen: Mr. Speaker—

Mr. Deputy Speaker: Order, please. Would the hon. member for Yukon (Mr. Nielsen) please resume his seat. I think the hon. member is clearly in order. For example, it would be in order for him to move some amendment to the clause under consideration to support the points he is making, and the Chair cannot anticipate that he will not do so. I would ask the hon. member to continue.

Mr. Nielsen: On a point of order, Mr. Speaker. It might have been helpful to the debate and to your decision had you heard me, having heard the hon. member on the other side on this point of order.

Mr. Deputy Speaker: I thought the hon. member had made his point. Indeed, he raised the point of order and then sat down. I recognize the hon. member for Kamloops-Cariboo.

Mr. Marchand (Kamloops-Cariboo): Thank you, Mr. Speaker. I should like now to address a few remarks to the fundamental question of Senate reform. At the outset, I think it is fair to say that many Canadians lack faith in the Senate as an institution. I am certain that many members of the NDP would like to see the Senate abolished. Personally, I have a very high regard for our distinguished senators, but this high regard does not necessarily carry over to the institution itself. I do not favour abolition of the Senate, but I would like to see it reformed and made more functional. The role of the Senate must be made more effective and more in tune with the needs of the democratic process in Canada.

In recent years, the Senate has taken the initiatives toward making its role in parliament more effective. Hon. members in the other place are to be commended for this action. They have undertaken a number of impressive studies into particular areas of policy, and resulting Senate reports have been both highly competent and thorough. A fair amount of legislative action has also resulted. I should like to mention a few examples including Senator Croll's report on poverty in Canada, Senator Lamontagne's report on science policy, and Senator Davey's report on the media in Canada.

In addition, senators have joined with members of parliament on special joint committees to study such questions as divorce reform and the constitution of Canada. It was my privilege to serve on the constitution committee. I look forward to increased initiatives of this kind emanating from the Senate. I feel the Senate must involve itself more and more in detailed investigation of important questions facing the Canadian nation.

My colleague, the hon. member for Louis-Hébert (Mrs. Morin) made a very concise speech calling for reform of the Senate in the recent debate on Bill C-10 which, it it had passed, would have effectively abolished the Senate. I wish to lend my support to the reforms my colleague suggested, and I would also call to the attention of hon. members the recommendations in the final report of the constitution committee in regard to the Senate. I am hopeful that the Senate, with the full and active support of our eminent contingent of senators from British Columbia, will continue its welcome moves toward greater activity and greater reform.

• (1720)

I must reiterate my very strong feelings that none of these reforms can succeed until the Senate is truly representative of the regions of Canada. The constitution committee made a series of recommendations to achieve this most important goal. The committee recommended that the number of Senate seats be increased to 130, 28 more than there are in the present Senate. The committee recommended that central and eastern Canada maintain their representation at the present level, while western representation should be increased to 12 members from each of the four western provinces. The Yukon Territory and Northwest Territories should have two Senate seats each under the plan the committee felt would best correct the inequities of Senate representation. I do not think that an increase in Senate seats of that magnitude is warranted to solve the distribution problem.

During the course of the deliberations of that committee, my colleague, the former member for New Westminster, and I concurred in a proposal for redistribution of the Senate. I would like to put this proposal forward today for the consideration of all hon. members.

The first thing about the current situation in the Senate, which really drove home to us the inequitable distribution of seats today, is the fact that Ontario and Quebec have 24 Senators each, almost half the entire representation in the Senate. In an institution which is supposed to reflect the diversity of our great nation, this seems to be a most peculiar and unwarranted situation in terms of present day conditions.

It has been a major complaint, and in many instances a fully justifiable one, from western Canada that the interests of central Canada are protected over and above those of the rest of Canada. I do not fully subscribe to this view but I do feel that the inequitable distribution of the Senate adds symbolic fire to the flames of what has come to be known as western alienation.

Senate Representation

I propose today that consideration be given to reducing the number of Senators from Ontario and Quebec to 20 from the present 24 as an important first step toward redistribution of the Senate. Then, there is the gross imbalance caused by the over-representation of the Atlantic provinces in the Senate. I have very great reservations about the province of Prince Edward Island having four seats in the Senate when its total population is somewhat similar to my own riding of Kamloops-Cariboo. British Columbia, with a population more than 20 times as great as that of Prince Edward Island, has only two Senators more than the island province. But despite my reservations, I suppose full marks must be given to the Fathers of Confederation from Prince Edward Island for having the wisdom and the foresight to have this entrenched in the British North America Act as part of their conditions for union with Canada in 1873. For obvious reasons, I propose that the present level of representation of Atlantic Canada in the Senate be maintained for each of the four provinces of the region.

I should now like to discuss the crux of the problem of distribution of Senate Representation. In order to redress the inequities of western Senate representation, I suggest that each of the four western provinces have their representation increased to 10 Senators and that, in line with the spirit of Bill C-12, one seat each be provided for the Yukon Territory and the Northwest Territories.

These proposals would bring the total number of Senate seats to 112, 10 more than at present. It would correct the unjust proportion that the current situation perpetuates. And, with a smaller Senate than that recommended by the Constitution Committee, the same purpose is served as that which was sought by the committee in its recommendations to cure the problem of Senate distribution. Western Canada and the north are the keys to the future of this nation. I commend to all hon. members the need to recognize that reality. Let us make the Senate truly representative of the great regions which make up Canada. When we consider the role of the Senate, let us look to the future, not to the failings and inadequacies of the past.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, at this time I should like to make a few comments on the bill introduced by the hon. member for Yukon (Mr. Nielsen). I wish to commend the hon. member for expressing his concern regarding more representation for the north. In particular, I am concerned about more members for the Northwest Territories. In making my point, I wish to refer to some of the difficulties members of the north experience in representing that very large part of Canada. I might mention that it is most important, not only for the north but for all of Canada, that the north have more representation because at this time we have only a partially elected and partially appointed legislature for the Northwest Territories. In its present stage, I consider it to be somewhat like a colonial type of government. Within the next few months and the next few years some very important decisions will be made which will affect the native people of the Northwest Territories.

Decisions regarding natural resources and so on in the north are most important to all of Canada. I think wise decisions can be made only if there is sufficient representation from the Northwest Territories and the Yukon Territory. Some of the problems members from the north face are centred around transportation and communication. It is very difficult for the members from that area to cover that part of the world adequately. For example, a member going from Yellowknife in the Northwest Territories to, say, Frobisher Bay would have to travel about 6,000 miles. This would involve a journey of two days and an expense of $650. The cost of flying in a small aircraft is something in the order of one dollar a mile. Telephone service, where available, is something in the order of one dollar a minute. Therefore, the cost of transportation and communication is very high. The area of the Northwest Territories, which involves 1½ million square miles, makes it very difficult for one person to represent all that part of the world.

The formula of representation by population does not allow sufficient representation for the Northwest Territories. Although there are only approximately 40,000 people in that part of the country, the diversity of the way of life of the several peoples in that part is shown by the fact that the languages spoken are English, French, Louchoux, Dog Rib, Slovey, Chipewyan and in some areas three or four of the major Eskimo dialects. A large proportion of the population is unable to either read or write. This, again adds to the difficulty in respect of representing that area. The idea that perhaps we should have Senators representing the Northwest Territories is an idea I cannot accept, because I do not believe appointed people are representative.

Some hon. Members: Hear, hear!

Mr. Firth: Therefore, I suggest the important thing for the Northwest Territories and the Yukon Territory is more representation in this House and not in the other house. I suggest that the government pay some heed to the idea of having an ombudsman perhaps to represent the Yukon Territory and the Northwest Territories because of the many problems which are faced by the people up there. These people have many problems in respect of forms, the courts and so on. They have a difficult time. As I have said, I suggest the government pay some heed to this suggestion and that the hon. member for Yukon should reconsider his position and perhaps ask for more representation here in this House.

• (1730)

Miss Flora MacDonald (Kingston and The Islands): Mr. Speaker, I am pleased to have the opportunity to support this measure for increased representation in parliament from the Yukon and Northwest Territories. I am sorry that the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Marchand) could not see fit to endorse the bill as it stands as a prerequisite to his efforts toward Senate reform.

Because of the responsibility respecting Indian affairs and northern development which I have been given in caucus, I have been particularly concerned with problems of the north, the pros and cons of rushing resources into development and the way developers and conservationalists are striving to work together in this area rather than as protagonists. They realize that conservation and development must go hand in hand in the north. There are few

places in southern Canada where such an approach has been tried, let alone carried out.

I have met with northern native leaders and believe, as their struggles for equality become more intense, that it is only just that there should be more people in parliament who know their feelings, who represent those huge areas, who are familiar with the problems, who come from that part of Canada which too many people consider to be the periphery and, therefore, too far away to be concerned about.

I have been fortunate enough to have travelled in both the Yukon and Northwest Territories, those remote but very beautiful parts of Canada. It is indeed difficult to appreciate the magnitude of our north. It has always been of interest to me to know that if we were to travel as far south as we can travel north, we would be well into South America. We can appreciate this if we ever have the opportunity to visit Frobisher, Resolute, Cambridge Bay, Inuvik, Yellowknife, Whitehorse or a score of other northern places.

While in the north I felt what most northerners learn to live with, a sense of remoteness and isolation. But for all its remoteness, many of the problems of the north are remarkably similar to those of southern Canada. For too long our northern territories have been considered quaint areas of hinterland into which no one goes because of the cold. It is difficult for those of us who have not spent much time there toappreciate the feelings of long-time northerners, the feelings of the hon. member for Northwest Territories (Mr. Firth) and of the hon. member for Yukon (Mr. Nielsen).

The hon. member for Yukon first introduced this measure in 1959 shortly after he was elected to this House. Three years later, in 1962, the hon. member's bill was debated in this chamber. His reasons for urging greater representation for this area which he delineated 13 years ago stand even more firm today and are more urgent because, surely, all Canadians living above the sixtieth parallel have the right to be heard in both Houses of Parliament. While over the years there have been motions by hon. members advocating reform and even abolition of the other place, there has been little or no action. Northerners, all this while, have not had the same sort of representation as other Canadians.

When Newfoundland entered confederation in 1949, the British North America Act was amended to allow for Senate representation of that province. The Northwest Territories and the Yukon have not been accorded the same consideration. I believe that wider representation in parliament by northerners would help those of us from the south whose knowledge of the north is limited, and in many cases is minimal; it would help us to a greater understanding of this vast, rich area that we are privileged to have as part of Canada.

Late last year an organization called Federation of Natives North of Sixty brought together seven Indian, Métis and Inuit groups of the Yukon and Northwest Territories. They felt they needed a stronger voice, particulary with respect to land claims. Their particular, yet special problems as natives are compounded by living in the north. I think it would be particularly fitting if a representative of the native peoples could sit in the other place for one or both of the territories. I would like to point out that in 1971 the census figures showed that in the Northwest Territories there were 34,800 people, 6,400 Indians, 11,000 Inuit and 17,400 others, and in the Yukon there were 18,400 people, 16 per cent of whom were natives.

Southerners have learned much over the years from hon. members who have represented the Yukon and Northwest Territories in this chamber. I am firmly of the belief that our education can be enlarged and enhanced even further by giving the territories the representation they merit in parliament as a whole.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I believe the hon. member for Yukon (Mr. Nielsen) has done this chamber a service in bringing before it Bill C-12 which would have the effect of instituting Senate representation for the Yukon and Northwest Territories. But I regret that his interest in the debate extended only to his own words; he has not remained to hear other hon. members participate.

The joint parliamentary committee on the constitution dealt fairly extensively with this subject and I would like to draw the attention of the House to its recommendations and reasoning. Recommendation No. 71 in the report of that committee provided that the Yukon and Northwest Territories should each be entitled to representation in the Senate. That had been preceded by recommendation No. 38, dealing with the Senate itself, in which the distribution of seats in the Senate as recommended by the committee was spelled out. The recommendation of the committee was that both the Yukon and the Northwest Territories should have two seats in the Senate. It would not usually be possible for a member on this side of the House to describe the hon. member for Yukon as a piker, but in this case he has not gone so far as the recommendations of the parliamentary committee.

Turning now to the chapter in the report of the committee dealing with the constitution of the territories, I should like to refer to the comparatively brief reasoning given with respect to Senate representation for the territories. The paragraph I shall quote is the last one on page 65 of the report which reads as follows:

> In order to improve communications between Ottawa and the territories at the parliamentary level, we advocate immediate Senate representation for each of the two territories. Under the constitutional rule that a province cannot have fewer members in the Commons than in the Senate, the appointment of two Senators for each territory would lead to an increase in the number of Members of Parliament to two for each.

Perhaps this is the reason the hon. member for Yukon, not wanting company in representing his part of the world, has chosen to stay at the figure of one. Be that as it may, Mr. Speaker, I should now like to turn to the chapter in the report of the constitution committee dealing with the Senate where this matter is more fully canvassed and put into the perspective which the hon. member for Yukon attempted to prevent this House having. I will first read some of the comments of the committee at page 35 of the report as follows:

> Two regions, the Yukon and the Northwest Territories, remain without representation in the Senate. There is precedent for

having senatorial representation for the territories. In 1888 the Northwest Territories were first given two Senators under the authority of a constitutional amendment of 1886. This was increased to four in 1904 prior to the acquisition of provincial status by Saskatchewan and Alberta.

I interject at this point that of course the geographical area of the territories was somewhat different before the creation of the western provinces, so that statement may be somewhat misleading. But so far as the theory is concerned, there is no more reason now why both territories should not have Senate representation than there was in this period earlier in their history. Continuing on the same page of the report of the constitutional committee I read the following statement:

• (1740)

Two of the most obvious deficiencies in the current distribution of seats are: (1) the disparity in representation in geographical and other terms between the western provinces and the other provinces; (2) the fact that the Yukon and the Northwest Territories, being a major part of the Canadian land mass, are not represented at all in the Senate.

As the hon. member for Kamloops-Cariboo (Mr. Marchand) has pointed out to the House, this matter cannot be considered in isolation from other changes which should be made in respect of Senate representation. For instance, I would not allow my preference for two seats for the territories, as opposed to one which the hon. member for Yukon is recommending, to stand in the way of referring this bill to committee, but I think we should recognize that in the public mind, at least in many parts of Canada, there is just as much urgency with respect to increasing representation from the west generally and not just providing representation for the territories. If this matter is to be seriously considered by this parliament and referred to a further stage for discussion and debate, it might be well to include such a provision.

The constitution committee, of which I had the privilege and honour of being joint chairman, conducted hearings across Canada. It found consistently that when people spoke about the Senate they did not want abolition, they wanted reform. They wanted a Senate which would function somewhat differently but, above all, they wanted a Senate which they felt to be more representative of the people of Canada. It seems to me that this fact is also relevant to the consideration which members of this House are giving, not collectively but individually, to the question of redistribution which is presently under the aegis of a commission.

From my discussions with many members it seems they hold the view that this House should not be based entirely on the principle of representation by population but should somehow include regional representation. I would agree with the bare minimum limitation of the "Senate rule" which protects the province of Prince Edward Island. I trust my hon. friend from Kamloops-Cariboo was not serious in suggesting that Prince Edward Island should have fewer than four Senators or four members of this House. There has to be some minimum for this very important part of Canada, the smallest province.

Surely the principle of representation in this House has to be that of representation by population, just as the principle of representation in the Senate surely has to be one of geographic or regional representation. I believe this is the principal reason for having a Senate—not for sober second thought in legislation, although this is one of the advantages. The fact of regional representation is the *raison d'être* for the continuation of the Senate in the Canadian political system.

This is the theme which the constitution committee heard again and again across the country and everywhere in the west. The plea was made that the west had to be more adequately represented in the Senate, that its representation should be doubled or that all provinces should have equal representation in the Senate. The committee very seriously considered this question of equal representation for the provinces—something like ten Senators for each province. I suppose this would be, by way of analogy with the American system, a feasible way of arranging representation in our Houses of Parliament. We decided to stay closer to the present distribution.

As the hon. member for Kamloops-Cariboo indicated, there was some division among members of that committee with respect to the number of seats that should be allocated to the various areas, but I think everyone agreed that the number of seats for the west should be dramatically increased.

Mr. Benjamin: Just the House of Commons.

Mr. MacGuigan: I was speaking of the Senate. If my words were understood to mean the House of Commons, I assure the hon. member for Regina-Lake Centre (Mr. Benjamin) that I did not intend to refer to this House; it is the Senate which should have its membership very greatly increased.

An hon. Member: No.

Mr. MacGuigan: I realize that the hon. member's party is not especially keen to continue the Senate at all. I would point out to them, however, that the role of the Senate relates very much to the debate we are now having in the country and may be having in future in parliament with respect to the principle of representation in this House.

Mr. Speaker, this cry came from all across the country; I do not think it is placing it too high to refer to it as such. In some places in the west it was a cry from the heart, for greater representation in the Senate. I think the answer lies in the report of the constitution committee, which recommended that the western provinces should have a total of 48 seats in the Senate and that in addition there should be two members each from the Yukon and the Northwest Territories. This would increase the total representation in the Senate to 130 members. Some members who are opposed to the Senate believe that this would be too many, but if we are to have an active and functional Senate—which I believe we have—we want one that is more representative, and it seems to me it would function better if we were to have a larger number of active Senators.

Mr. Prud'homme: Ce n'est pas possible, 130.

Mr. MacGuigan: My hon. colleague from Saint-Denis (Mr. Prud'homme), who objects to the number, was a member of the constitution committee. I do not think there was any subject which engrossed the constitution

committee more than these questions concerning the Senate. It was often thought, and reported by the press, that we were deliberating about a great many other subjects, but most of our time was spent discussing the question of the Senate.

Mr. Prud'homme: And self-determination.

Mr. MacGuigan: In time taken, that was a very secondary subject.

Mr. Gilbert: Would the hon. member permit a question?

Mr. MacGuigan: Certainly, Mr. Speaker.

Mr. Gilbert: Could the hon. member tell us whether the main criticism with regard to reform of the Senate was on the basis that it should be an elected rather than an appointed body? Would he agree that it should be elected rather than appointed? Would not the Yukon and the Northwest Territories have better representation if the representatives were elected rather than appointed?

Would the minister also reply to the question raised by the hon. member for Yukon (Mr. Nielsen), that perhaps an ombudsman should represent some of the people in the Yukon because of the size of the territory and the multiplicity of people and their problems?

Mr. MacGuigan: Mr. Speaker, to deal first with the question of an ombudsman, I am generally in favour of the proposal for this and for other areas. However, I would prefer the services which Members of Parliament can render their constituents to be greatly increased by the provision of office space and facilities of that kind. This would enable them to better serve their constituents. While I would be in accord with the suggestion, it is not the only step that I would like to see taken in that direction.

With respect to the mode of selection of members of the Senate, it is true that there were people all across the country who urged us to have an elected Senate, but by and large that was not the view taken by the majority of witnesses who appeared before us, nor would it be my own view. It seems to me that an elected second chamber would rival this chamber and, as a member who prizes the prerogatives of this chamber, as the premier legislative part of our parliament, I would not want to see a second chamber which would in any way infringe upon our prerogatives. I think I would be more inclined to the abolition of the Senate than I would be to an elected second House, if I had to choose between them.

• (1750)

I believe, Mr. Speaker, not so much from the standpoint that the legislation we pass needs sober second thought, though in recent times we have had to admit that some of it can be improved, as from the standpoint of geographical representation that the Senate ought to continue in existence. At the same time, there should be greatly expanded representation from western Canada; and if I may include the great, Northern Territories as part of western Canada, there should be more members in the Senate who speak for and are from that area.

I think the hon. member for Yukon has done us a service by raising this matter once again. This problem will not disappear until the general problem of Senate representation is solved, but it is perhaps more urgent than other problems relating to Senate representation. Although I would prefer to see any terms of reference of a parliamentary committee expanded to include the question of broader representation from the west, I nevertheless think that Bill C-12 which the hon. member for Yukon has proposed is a step in the right direction. One cannot always have a whole loaf; one must be satisfied sometimes with half a loaf. I think this bill is a step in the right direction and will contribute, if adopted, to a more representative Senate in which the people of Canada can have even greater confidence.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I shall speak briefly and deal with one specific aspect of this problem because I think, judging from the comments which have been made, that everyone is favourably disposed to accept the recommendation of the hon. member for Yukon (Mr. Nielsen), the sponsor of the bill, and refer it to the committee.

I want to focus narrowly on the basic issue before the House in Bill C-12. Let us be sure that we take at least one small step in the right direction, one small step in this instance but a giant step for the people of the Northwest Territories and the Yukon. Let us not bring in extraneous matters such as general Senate reform. I say this because only within comparatively recent times has parliament and the government of Canada taken a direct interest in northern affairs. The department was first established in 1952. Actually, we have not gone very far in moving toward greater autonomy and self-government in the north since then.

I had the responsibility as minister of northern affairs and we set as our target 1967, centennial year, when we would take a giant step forward in bringing about a greater degree of autonomy for the northern territories. That target date passed; we had no responsibility at that time. There has been no improvement or change for over a decade. I feel that what the hon. member for Yukon proposes would at least deal with one fundamental inequity, namely, lack of representation in our upper house.

Mr. Benjamin: One need not listen. No one is missing anything.

Mr. Dinsdale: Arguments have been made around the issue. The one fundamental issue at stake is that so long as there is a Senate, so long as there is an upper House as part of the Canadian parliamentary system—and I am sure even members of the NDP would agree—we are being grossly discriminatory and unfair if the people occupying 3½ million square miles of this country are not represented in that chamber. I heartily endorse the recommendation of the hon. member for Yukon and hope that other hon. members of this House will do the same.

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I am rather surprised at the bill proposed by the hon. member for Yukon (Mr. Nielsen) because it has the effect of playing down his own role as an elected Member of Parliament. If there is

any *raison d'être* for the Senate, it has to do, as the hon. member for Windsor-Walkerville (Mr. MacGuigan) pointed out, with regional representation. However, I keep coming back to the basic thought that a body which is not elected and is non-representative is really out of place in 1973.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): You chaps have learned a lot this session.

Mr. Watson: Several countries recently have adopted a unicameral system, preferring to be governed by one house. Sweden, Finland and New Zealand, the last named country having adopted this system somewhat earlier, have moved in this direction. There is perhaps some slight thought in my mind that representation by region might offer a solution for those in favour of keeping the Senate, but if its members are not elected and are not representative I am afraid I will have to remain a member of that group which favours Senate abolition.

Some hon. Members: Hear, hear!

Mr. Watson: I should like to talk at length about the question of better representation in the Northwest Territories and in the Yukon. Let me say this, however. The last two parliaments, by making use of the Standing Committee on Indian Affairs and Northern Development which visited many parts of the north and heard from people throughout the north, allowed those people to be better represented in parliament. I strongly recommend to this House that we continue that practice and perhaps expand it in this parliament, thereby giving the people of the north direct contact with members from other parts of the country. This process, in turn, would lead to members of this House becoming more aware of the serious problems existing in that area and of the huge stakes involved in the questions that will have to be decided, as the hon. member for Northwest Territories (Mr. Firth) pointed out, during the next few years.

Mr. Deputy Speaker: The hour provided for the consideration of private members' business has now expired. Perhaps the House would agree to revert to committee of the whole before I call it six o'clock. Is it agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

SUPPLY

APPROPRIATION ACT NO. 1, 1973

The House resumed consideration in committee of Bill C-141, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973—Mr. MacEachen (for Mr. Drury)—Mr. McCleave in the chair.

On clause 2—*Schedule.*

[Mr. Watson.]

The Chairman: It being six o'clock, I do now leave the chair. The committee will resume at eight o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Assistant Deputy Chairman: When the committee rose at five o'clock p.m. vote 5a relating to the Treasury Board was being considered.

Mr. Drury: Mr. Chairman, on a number of occasions concern has been expressed regarding the deadlines which we are trying to meet in the passage of these supplementary estimates.

Mr. Nielsen: In the past four days.

Mr. Drury: I have been advised that with respect to the Manpower and Immigration programs, allowances to persons on Canada Manpower training courses, LIP grants and further payments in respect of LIP grants under the 1972-73 program and contract payments to companies giving on-the-job training to unemployed workers, all further payments in respect of these programs will have to be suspended commencing February 22. On that date the funds available for these programs will be exhausted. Without further parliamentary authorization it will not be possible to continue to make payments.

Similarly, on the same day, Thursday, with regard to 74,700 recipients of war veterans allowances who are normally paid on the third last banking day of the month, unless approval is received by February 22 for mailing them, they will be delayed by the number of days beyond February 22 that it takes to secure royal assent to this bill. I might add that in addition to the 74,700 recipients of war veterans allowance there will also be similarly affected 3,300 recipients of civilian war allowances.

I appreciate the necessity and desirability of giving adequate consideration to the estimates but we wish, if we possibly can, to meet these deadlines.

Mr. Nielsen: Mr. Chairman, on the point that has been raised by the minister, we have been very keenly aware of the consequences of delaying these estimates. We were aware of this in committee. We sat long hours there, as we have here. We were Thursday, Friday, all day yesterday and today trying to get all the items passed without debate, and all stages of the bill. I want to again put on record that in the debate while we have been in committee of the whole 32 New Democratic Party members and 18 Social Credit members have spoken. With 46-member representation in the House, they have had a total of 69 speakers. When these are added to the Liberal speakers, we have had a total of 85 speakers. We in this party have had 33 speakers.

Some hon. Members: Hear, hear!

Mr. Nielsen: So that there will be no mistake about our intentions of seeing these estimates through, we are pre-

pared here and now to pass the remaining items without debate, and the remaining stages of the bill so it can go to the other place for debate and royal assent.

The Assistant Deputy Chairman: May I inquire whether consideration has been concluded.

Some hon. Members: Agreed.

The Assistant Deputy Chairman: If so, we will now proceed to item 10a, urban affairs.

Mr. Harney: Mr. Chairman, I shall begin by asking the Minister of State for Urban Affairs a couple of relatively simple questions of a non-controversial nature. When I have asked these questions and received the quality of answers that I expect to receive, I should like to make some general remarks about the item in the schedule.

During a question period a few weeks ago I directed a question to the Minister of State for Urban Affairs with regard to tri-level conferences, federal, provincial and municipal. I understand the minister has been encouraging these over the past year, particularly during the past few months, and that there have been conferences between governments. However, there is considerable evidence that there is interest in particular localities to hold tri-level conferences of elected officials. For example, a conference of elected representatives in a community or small town could involve federal members, provincial members, municipal councillors, members of school boards and, possibly, leaders of community associations. It would be an extremely good way of having the elected members from a locality get together to understand the problems of a locality and, better still, to work out a concerted program for themselves, working, as it were, in harness.

• (2010)

I know the minister said several weeks ago that the federal government was more than ready to encourage and assist tri-level conferences. I do not want to distort his answer to the point of saying he would similarly encourage tri-level conferences of the more informal kind I have described, but would the minister not take this possibility under consideration? I repeat that it is an excellent way in which elected representatives can get together to work out problems and also to set projects for themselves.

Mr. Basford: I believe the Chair ruled the other day that the appropriate Standing Order would be applied and that ministers would answer all questions on these items at the end of the comments of hon. members generally on the particular items in the estimates. I am in the hands of the committee. I would be quite happy to answer either now or at the end of the comments, but there was a ruling on this matter the other day.

Mr. Nielsen: Mr. Chairman, I would submit that once an hon. member rises in his place and speaks to an item, whether it be by way of a question or a speech, in committee of the whole he has spoken and Standing Order 58(13), if applied rigidly, would prevent his speaking again. I leave the question with the Chair, but I believe this interpretation to be correct.

The Assistant Deputy Chairman: If I remember correctly—and I have consulted the Clerk—the suggestion was made that the minister would wait until all hon. members had finished before replying.

Mr. Nielsen: That is not my point, Mr. Chairman. The point is that under rule 58(13), which is applicable when the committee is in ways and means as opposed to the rule which applies in committee of the whole generally, once a member rises and speaks he may not participate further in the discussion, whether he makes a speech or merely asks a question. I am not urging this on the Chair but I am leaving the point with Your Honor for consideration.

The Assistant Deputy Chairman: According to the rules, once an hon. member has spoken he may not speak again. But no decision has yet been made. Does the hon. member for Scarborough West wish to continue?

Mr. Harney: Yes, Mr. Chairman. In light of what has been said with regard to procedure, I shall make all my points in one fell swoop, as it were. But they concern very different subjects and I thought they could be dealt with more easily if I kept popping up and down.

I wish to ask another question of the minister. It has to do with a statement he made this morning on the subject of rent freezes in projects directly controlled or managed by CMHC. I am thinking particularly of limited dividend projects. I know of projects in Toronto which use standard forms of lease as the contract between the owner and the tenant. These forms contain a clause which provides, in effect, that the rent agreed to shall remain fixed unless approval of an increase is given by CMHC.

I invite the minister to look into what has happened regarding 230 Oak Street. Tenants of this project signed leases on December 31, only to be advised two days later that their rents would be raised, the owner having received permission to do so from CMHC. In the private business world such a thing would rarely occur. The minister should take into consideration the circumstances in which it is possible to raise rents in these circumstances. He should consider making the rent freeze retroactive at least to the beginning of this year, because a number of rental agreements were signed by tenants around December 31.

The estimate has to do with research in housing and community planning. More money is to be devoted to such research from allocations which apparently have already been agreed in the House. There are one or two areas which ought to be examined very seriously. Everyone who has studied housing is aware that one of the most serious problems facing those who enter the housing market is that of raising money, in some cases, and the high interest charges applied to those who borrow it.

Many of us remember years when an interest rate of 6 per cent was considered high for a prime mortgage. For a number of years now the standard rate has been between 9 and 10 per cent. There is no doubt that such rates, seen in historical perspective, are usurious. Interest rates on domestic mortgages are prohibitive. It is not long ago that the minister, in order to help more people buy houses, raised the limit which could be borrowed from CMHC to $30,000. I wonder how many members have calculated the

amount of interest which has to be paid on such a sum over the life of a mortgage. The total amounts to $42,000. I wonder how many people have calculated the length of time the average man has to work to pay off this $42,000, not counting the principal and leaving aside the down payment.

In Toronto, where I live, the average industrial wage is about $4 an hour. That figure is probably high, but let us take it to be $4 an hour. At $4 an hour a person can expect a gross income of about $8,000 a year. We all know the Canadian Tax Foundation tells us that a person earning $8,000 a year with the usual number of dependants—in this case let us say two—will pay about 37 per cent of his income in taxes of all kinds. If you subtract this 37 per cent in taxes from $8,000 a year, you are left with a net income of $5,100. If you divide the $5,100 into $42,000, you will see the number of years that the average working man has to put in just to pay the interest on the property he has purchased for himself and his family.

• (2020)

People have suggested in the past few months that something must be done to bring down interest rates. Perhaps some suggestions have been a little utopian, but I am sure very few hon. members would agree that an interest rate of, say, 6½ per cent or 7 per cent is utopia. I am sure several members of the House have bought their homes in the past at this rate or at a higher rate. It was not too long ago that many of us considered a rate of 7 per cent to be high. But let us say that by various devices—I hope to suggest one or two in a moment—we could bring down interest rates by 2½ per cent, or in other words reduce them from the 9 to 9½ per cent level they are now to a 6½ to 7 per cent level.

If I may again entertain the committee with a few more calculations, let me suggest that the saving in the interest payments over the life of a mortgage contract brought about by a reduction in the interest rate of 2½ per cent would amount to about $17,000. Again going through a process of rough division, we find out what is the net income of the average wage earner over the course of a year, and we discover that by bringing the interest rate down by 2½ per cent we will save him, in effect, some three years of work in that lousy factory or that boring office, work that is devoted solely to earning money to pay off this 2½ per cent interest. It is not devoted to the other 7 per cent interest, or to the principal he has had to put into the house as a down payment, or to buy food or shoes for his kids, or to put money aside for entertainment or travel; it is devoted solely to paying off that 2½ per cent.

Let us ask ourselves what we are doing with all these grand programs that we use in pretending we are helping the working people of this country, when we cannot come to the stark realization that the better part of a working person's life is devoted to paying off the interest on the mortgage he takes on his house. No one can tell me that a lot of people do not buy houses. I know that a lot of people rent them, but if you rent rather than pay off mortgage interest on your own house you are merely helping to pay off the mortgage on the landlord's house, which is really the same thing.

[Mr. Harney.]

Suggestions have been made with regard to ameliorating this situation. It has been suggested, for example, that people with a certain income should have their mortgage interest subsidized. That is a fairly good suggestion but I think it would be too indirect and would apply to too small a percentage of the population for it to have any real effect. As hon. members know, many other suggestions have been made to reduce the original cost of housing. However, in the past we have had many figures proving that by far the most massive part of the cost of housing is the cost of money and the cost of land.

Some time last year the minister suggested establishing some kind of mortgage clearing house—I forget the exact title—in which the lending and financial institutions of this country would be encouraged to invest more money for lending purposes; I think they were his very words. I have a few suggestions to make in that regard, suggestions that could be forwarded to the research groups that will be doing further research into housing and community planning. Although it does not always appear to us to be the case, there is a fair amount of money in this country available for investment. I am not suggesting that the government has its hands on very much of this money. When one looks at the figures showing the amount the government has available for discretionary investment—that is to say, amounts that it can or cannot, may or may not, place into certain areas—the amount is relatively small when one considers the vast sums that are now under the control of the financial intermediaries of this country. By "financial intermediaries" I mean banks, lending institutions, trust companies, insurance companies, and so on.

I will take just one example from among these financial intermediaries and deal specifically with trustee pension funds. Those of you who have been looking at the figures over the past few years will have noticed that trustee pension funds have grown in size; not alarmingly, but certainly rather strongly, to say the least. In 1960 the total assets of the trustee pension funds amounted to $3.5 billion. In 1970 they had grown to some $11 billion, and of course it goes without saying they have grown since then. That is not hay; that is a lot of money.

What is done with this money? According to a publication by Statistics Canada, this money is spread over various forms of investments such as bonds, government bonds at all levels, municipal bonds, school bonds, and so on. The Minister of Finance is not here, but let me point out to the President of the Treasury Board that the proportion of these funds invested in government bonds has gone down considerably over the past few years. A fair amount of money is invested in stocks, and the proportion of money invested in stocks has gone up rather strikingly over the past ten years.

In other words, trustee pension funds, in carrying out their design to make money, are finding it more lucrative to invest their money in stocks. It is also rather alarming to discover that there has been a very marked increase in the amount of money invested in stocks of non-Canadian companies. I can try to flummox this committee by saying that the increase over the past ten years has been 7½ times, though perhaps that would be a little misleading since I am merely following a trend.

The figure I want to concentrate on in relation to assets of trustee pension funds is the amount devoted to mortgages. We find that in 1960 the proportion that was devoted to mortgages of all kinds—not necessarily residential mortgages or mortgages on family dwellings or single family homes, but mortgages of all kinds—accounted for 8.3 per cent, and this amount has grown enormously over the years and now accounts for some 9.2 per cent of the total of assets invested by trustee pension funds.

What I am getting at is this. If we were to do a little more in this country than simply saying to these companies that they must invest in safe securities, and we said to them that not only must they maintain the security of the original investment placed in their hands in trust but they must also invest a certain proportion of their assets in socially useful projects that would satisfy the real needs of Canadians, then we might find that this would have a significant effect on the interest rates of domestic mortgages in this country and indeed on the whole field of housing.

• (2030)

In other jurisdictions, particularly the one to the south of us, there are financial institutions, savings and loan companies, for example, which are forced by law to invest a certain proportion, be it 30 per cent, 40 per cent or 50 per cent of their total assets in domestic mortgages. That is why in the United States mortgages are more easily available at lower rates than here in Canada.

I would suggest to the Minister of State, through you, Mr. Chairman, that rather than even invite these financial institutions through a form of encouragement to invest in what is, after all, a vital necessity, one of the elements which ought to be produced in quantity by our economy is investment by these people in the area of domestic mortgages. Rather than even encouraging them to invest, they should be told to invest. One does not have to be radical or drastic about it, telling them they have to invest 40 per cent; this could be progressive and conservative—

Some hon. Members: Oh, oh!

Mr. Harney: I suggest that pension funds in trust could be used for investment in domestic mortgages to the extent of some 5 per cent a year for the next four or five years. I will not go into specific calculations because the point is obvious. If this large segment of our economy, financial institutions which do nothing more than hold the savings of the nation in trust for us, was told to put our savings to use in the realm of mortgages, particularly the domestic mortgage market, we would find that in a relatively short time not only would there be more mortgage money available but the cost of that money would go down.

This government in the past has effected a two-price program for various commodities. Why should we not have a two-price program for mortgage money, a certain price for the commercial market and another price for the domestic market, being the average individual who wants little more from us than the possibility of buying a home for his wife and children? I hope to come back to this point on a number of other occasions, perhaps this spring and again next year. What I suggest at this stage is that this is an area in need of considerable attention.

A few weeks ago I asked the Minister of Transport a question regarding the CNR pension fund with particular reference to a horrible example. A number of years ago when I was a boy at school I was a rather clumsy person. One of the seniors said to me, "Don't worry, Harney; no one is totally useless: you can always serve as a horrible example." The CNR pension fund is not totally useless; it serves for us as a horrible example. This pension fund is held in trust for the workers of this country who are, in effect, direct employees of this government. This is a pension fund over which the workers have almost no influence—I will not use the word "control"—yet we find the fund invested in mortgages and other fields. This money is invested in what kinds of mortgage?

Let us consider the Fidinam case. The fund loaned $33 million to this foreign corporation to build another fancy office building in Toronto, and I assure you we did not need another fancy office building there. One thing we need in Toronto, Montreal and other communities in Canada is mortgage money at reasonable interest rates for these workers whose funds are being held in trust. Without going very far, not even to the private lending institutions, we could take some of this money held in trust for the public and parapublic workers of this country and put it to work building houses, rather than fancy office buildings wholly controlled by foreign corporations. Some of these office buildings were built with money raised totally in Canada and, in too many unfortunate cases, from money raised from those employed in our public institutions.

I have another suggestion in respect of a program quite dear to the heart of the previous minister in charge of housing and CMHC. I refer to the special and innovative $200 million program for low-cost housing. There was an interim report which came out in May of 1971. I believe originally $200 million was put into this program, with $100 million added to it. I would very much like to see a full report on that program in order that we may determine how the money was used. There are many questions in many areas of the country that need to be asked about this program, perhaps in no area more particularly than the province of Quebec.

[*Translation*]

If I may, Mr. Chairman, I should like to deal with the $200 million program and ask whether we could perhaps get an extensive report explaining in detail how this money has been invested and how it has profited Canadians.

One need not enquire very long to realize that people, particularly in Quebec, are very dissatisfied with this program.

Many construction projects have proven to be failures. Tenants and landlords are unhappy and dissatisfied with the quality of housing that was built for them. I could give a list of the projets—this would only take a moment—that should be closely inspected to see—

The Assistant Deputy Chairman: Order. I regret to interrupt the hon. member, but his time has expired.

Supply

Mr. Godin: Mr. Chairman, I think I should say a few words about Bill C-141 and mainly about item 10a, which is of particular interest to the Minister of State for Urban Affairs (Mr. Basford). This item appears on page 53 in Supplementary Estimates (A) and reads as follows:

• (2040)

To extend the purposes of Urban Affairs Vote 10, Appropriation Act No. 3, 1972 to reimburse Central Mortgage and Housing Corporation for expenditures incurred during the period January 1, 1973 to March 31, 1973 on housing research and community planning.

Mr. Chairman, clearly, like any responsible corporation, the Central Mortgage and Housing Corporation employs research personnel, people who conduct analyses. In the present case, the analyses are naturally specifically related to residential housing in our country.

In view of complaints reaching us from Ville Bélair, Val Saint-Michel and even Ville Vanier and other locations in my constituency, I am led to wonder, Mr. Chairman, at what level the studies have been conducted, and to what end? Were these studies fruitful? Did they focus on improving the quality of houses or on downgrading it?

Mr. Chairman, I am wondering about those things because, as the previous speaker stated, there has long been discontent in Quebec. I have here an article in the October 27, 1971 issue of *Action Québec*, titled as follows: Owners of Place Pierre-Bertrand are under the impression that they have been had.

Those owners are angry. They all feel they have been cheated on their houses, costing an average of $14,000. The building defects found reveal that residential standards of the building code were absolutely disregarded.

On the occasion of that meeting, the members of that association stated, and I quote:

The federal government is involved in this matter because the Place Pierre-Bertrand project was subsidized by the housing department.

Furthermore, according to the majority of owners present, there may have been collusion between the Central Mortgage and Housing Corporation and the contractor in order to avoid an inquiry, since they say that had there been an inquiry, the houses would never have been accepted.

So, Mr. Chairman, such is the situation for a particular area. I have here another letter from Neufchatel. It is addressed to the Central Mortgage and Housing Corporation, it deals with file No 430-LH-19861 and is signed by Roland Simoneau, Neufchatel. Mr. Simoneau writes:

This is to inform the CMHC about flaws and defects in my house.

Clause 7 of my contract provides that:

The borrower shall, during the period of this loan, keep in good repair the said building with dependencies and make all necessary repairs, and representatives of the lender and the Corporation . . . can inspect it on occasion . . .

So he wonders:

How can I keep in good repair a house I received *in bad condition*?

He goes on:

Is it any wonder that it costs us $300 to heat three walls when the seller told us it would cost $130, which is quite a difference.

[The Assistant Deputy Chairman.]

Moreover, since the inspector from CMHC never came to inspect the house, has he the right to come five years later when the inspection has never been done . . .

You understand that it is impossible to look forward to the future in such a house. The builder does not honour the guarantee he gives us, he probably wants to wait until the five years have passed. How can we fulfil our commitments? We might just as well move into rented housing again; this experience has been enough.

Mr. Chairman, these are the impressions of an owner.

After examining a house in Neufchatel, Mr. Louis Carrier, a Quebec City architect, said this:

This report was prepared following an on site inspection on Wednesday, September 27, 1972—

It is three pages' long. It is the inspection of a small $14,000 house, and I quote further:

(1) FOUNDATION:

The main front foundation wall is inclined outwardly by 1½'' at the top—

(2) FRAMEWORK:

(a) In the basement, the center beam is made of four assembled 2''x8'' beams. In violation of Central Mortgage and Housing Corporation's standards, cuts in the composing parts are located 6'' beyond the bearing center (or the steel column).

Moreover, this beam should rest on a pilar when meeting the anti-fire dividing wall instead of being imbedded in it.

(b) In the basement, a wood column, made of two 2'' x 4'' frames for the girders along the staircase and bearing a goundfloor partition, is truly defective—

(c) The groundfloor floor framework does not meet the standards of the Central Mortgage and Housing Corporation. The 1 5/8'' x 7 1/4'' beams, spaced 16½'' center to center, stand out 12'—2½'' which is inadequate since the C.M.H.C. minimum requirement for this wood (Eastern spruce) holding living quarters is: 2'' x 8'' beams . . . with 16'' spacing center to center—

Because of this inadequacy, the floor sank by at least 1'' at the center of bearings, namely in the middle of the living room, kitchen and bathroom.

This report states further:

(c) cont'd

One also finds by jumping slightly on the floor that a strong vibration is transmitted to the partitions thus unlevelling the pictures hanging on them.

3—INSULATION

(a) The dividing wall, firestop, visible in the roof space, is made of empty concrete blocks 3 inches thick; these do not reach the roof board everywhere and the top part seems badly insulated, which allows cold air to enter and get down to the first floor.

(b) Insulation of outside walls is provided by mineral wool bats 2 inches thick inserted between the studs on which gyproc is nailed directly.

It would have been preferable, for this type of wall, to put on the studs an insulating board ½ inch thick and to put the gyproc on 1'' x 2'' strips placed vertically where the studs are. The consequence of this inadequacy is that, on very cold days, frost will form inside in several places on the gyproc.

4—WAINSCOT AND EXTERIOR FINISHING

(a) The Alcan enamelled aluminum wainscot is not properly installed. Several open joints let in snow and water driven by the wind.

(b) The lower edge of the wainscot is neither protected nor reinforced by weather moulding and it easily loses its shape, besides being dangerous for children playing nearby because these aluminum sheets are very sharp.

(c) On both sides of the main entrance, the plastic joint between the wainscot and the doorframe has been badly made, or rather it does not resist because of the flexibility of the wainscot which is not solidly fixed to the frame.

(d) The drip, made of perforated aluminum is poorly designed for our climate. Snow and rain driven by the wind get into the roof space and damage walls and ceilings.

Mr. Chairman, I know that it is disgusting and boring to hear me read that, but I wish to point out that it is still more boring for those who are compelled to live in those shacks.

Mr. Prud'homme: Did you inspect them yourself?

Mr. Godin: Yes, I went on the premises and with my card of former carpenter, I can speak with full knowledge of the facts. I continue to quote:

3—GYPROC FINISH:

(a) The gyproc on the outer walls is damaged at several places near or on the ceiling by the water or melting snow which filtered through the drip.

Mr. Chairman, I have read only a page and a half and I will spare the House the remainder. Now—

Mr. Prud'homme: Mr. Chairman, could I put a question to the hon. member?

Mr. Godin: Mr. Chairman, as soon as I finish, the hon. member may ask his question.

• (2050)

I was reading a report written by an architect. However, I have statistics in that connection. It happens that this report was prepared by an expert in construction who lives in Orsainville and who is not afraid of signing his name. This man says that the total cost of repairs is about $4,000. An $18,000 house was first occupied about 18 months ago and repairs will cost around $4,000. But what is the use of such a shack, Mr. Chairman? *Action-Québec* published in that connection on January 15, 1973 an article entitled: "Would you like to own such a house? Walls that let the cold in, a bathroon at 55°, ice under the door-mat and warped foundations".

Newsmen went there and found out the following:

Snow in the roof space, ice under the carpet, water seeping through walls, plaster falling to pieces, paint peeling off, inadequate insulation, thermometer reading 55° in the bathroom and 65° in the bedrooms.

These are in substance the grievances of ten home owners of the Neufchatel district in Quebec who no longer want to have anything to do with their house built almost two years ago—

During interviews with three of them last weekend, we were told that some sixty others are equally dissatisfied. They have not yet taken any legal proceedings, but if—

—the contractor—

does not do something soon, it is quite possible that these other dissatisfied owners bring pressure to bear—

It must be mentioned also that other owners in the same situation, about thirty of them, simply decided to leave their home a few months ago.

Further on, we find the following:

However, the three owners whom we contacted ... persist in saying that the contractor has in no way solved their many problems—

—in spite of the letters written to the Central Mortgage and Housing Corporation—

—especially that of insulation. "You know 55° in the bathroom and 65° in the bedrooms, that is not very warm in the winter" stated Mr. Renaud—

one of the owners.

He added: "That is not all, last winter, we found almost a foot of snow in the roof-space and this year there is ice under the mat near the door.

Mr. Chairman, the president of the Association des propriétaires de Place Pierre-Bertrand said: "How come that the governments concerned accept the recurrence of the same problems?"

In fact, the residents of similar projects in Montreal and Châteauguay are faced with identical construction defects. How is it, added the chairman, that once the building completed contractors suddenly disappear pretending they are bankrupt? How is it that sometimes after that they reappear with somewhat changed names and sometimes with the same names?

Mr. Chairman, I know a contractor who changed his name five times in 15 years. As the saying goes: How does that grab you? After 15 years, he is still in business with the Central Mortgage and Housing Corporation.

Some people are led to believe that contractors doing bad work are simply incompetent. I for one, strongly believe the contrary. I am convinced that the contractor who managed to change his name five times in 15 years is an expert. I am also convinced that the contractor who has succeeded in "playing" with the millions of the Central Mortgage and Housing Corporation is highly competent. In fact, those contractors, and there is more than one, are highly competent people.

Even the Central Mortgage and Housing Corporation knows its business; in fact, since last spring we have been asking for an enquiry to be conducted and for someone to inspect these slums. We said that it was cold and there was ice in there. So we requested that Central Mortgage and Housing Corporation officials investigate. They agreed and visited those houses on a day when the temperature was 55 degrees in January. Why did they select this day? This also took experts from the Central Mortgage and Housing Corporation!

I think it abnormal that contractors of this kind are still in business and multiplying their victims, especially under the protection of the Central Mortgage and Housing Corporation.

We have in front of us a statement which, I believe, speaks for itself. We are considering a bill under which we are asked for funds to undertake studies. In my opinion, studies gave us enough answers; we know what we need to make good construction because we built homes well before the Central Mortgage and Housing Corporation, when contractors knew how to build something good. The CMHC has already achieved good results. It continues to prepare and revise projects which are still very good but, unfortunately, it allows too many which are not.

All I ask the hon. minister today, all I want to know is this: what can we expect from the department, what can the people who have been cheated expect and are there still honest individuals in the CMHC who can take their responsibilities?

[*English*]

Mr. Nystrom: Mr. Chairman, I want to ask the Minister of State for Urban Affairs a question which is important to cities the size of Yorkton which I have the honour to represent. It concerns relocation of rail lines in downtown centres. Can he tell the House when we may expect some financial assistance for the relocation of rail lines from the downtown cores of cities of this size, and what will be the amount of such financial assistance? One point I wish to stress is that I would not like to see this assistance go only to the CNR and the CPR. I am concerned that when the program comes into effect too much emphasis will be placed on larger centres such as Montreal, Toronto and Vancouver. Cities the size of Yorkton are very interested in this matter. Perhaps the minister can comment later this evening on this point.

Mr. Gilbert: Mr. Chairman, I want to ask the minister three short questions for which I am sure he will have answers. What steps has he taken to implement the Liberal election promise to build an $80 million waterfront park in the city of Toronto? Either the Secretary of State for External Affairs or the Minister of Energy, Mines and Resources made such a promise just prior to October 30 last, hoping to gain political capital. The good citizens of Toronto realized that this was the aim.

As a supplementary question, Mr. Chairman, I ask what citizen participation will be involved in this park. It will be a big job to co-ordinate the efforts of the federal, provincial and municipal authorities in assembling the land, designing the buildings and carrying through with the program. I hope local citizens will be involved in this work.

My second question is: when will the minister bring forth the CMHC capital budget? Further, does he anticipate including in that budget the programs he has set forth in Bill C-133, the bill he recently introduced? If they are not included in the CMHC budget, how will he fund the rehabilitation program, the NIP program and the other programs mentioned in the bill? I heard the hon. member from Hamilton asking about the NIP program: it is the Neighbourhood Improvement Program.

My third question concerns the guarantees the minister promised with regard to defective materials and workmanship in the construction of homes. The previous speaker for the Creditiste party mentioned some of the disasters that have occurred in building programs. The provisions in the new bill presented by the minister only go to a certain extent and include the completion of work by a builder who becomes bankrupt. Many people have had work done with CMHC and NHA financing which was later found to include defective materials and bad workmanship. Will the minister be introducing separate legislation with respect to building guarantees, or will they only be included as part of the new bill he has introduced?

• (2100)

Mr. Blackburn: I have one or two questions to ask the Minister of State for Urban Affairs on the question of urban renewal, which concerns all municipalities. Two or three weeks ago the minister indicated that there are changing trends in urban renewal. If I remember correctly, he said that we were going to place more money in and

[Mr. Godin.]

greater emphasis on the re-establishment and rejuvenation of already established neighbourhood communities. I commend the minister for this new trend. In other words, we are not going to concentrate so much on the bulldozer, but on rebuilding and rejuvenating existing communities. Going back as far as 1968 and 1969, many municipalities across this country have drawn up position papers and gone to a great deal of expense in order to establish urban renewal in the context in which we interpreted it ten years ago—in other words, the brick and mortar, blast and bulldozer approach—to clear out downtown urban areas and rebuild.

I represent the riding of Brant. At the present time the city of Brantford has budgeted approximately $2.3 million for a downtown urban renewal program which takes in the former market square which was established as a result of the construction of the city hall 112 years ago. Some of the merchants in that area are struggling, and this development would put capital and retail trade in their direction. Brantford city council has budgeted $2.3 million for market square development.

I ask the minister whether funds are available to a municipality for this kind of development under what might be called the new terms of reference of his department with regard to urban renewal. I listened to the minister but, Mr. Chairman, I do not believe that the taxpayers' money should go toward commercial development. I wonder whether there are still funds available for this kind of development, even though eventually this downtown market square development in the city of Brantford will be entirely privately owned and commercially oriented. Could the minister reply to this question as well?

[*Translation*]

Mr. Beaudoin: Mr. Chairman, I am going to be very brief. I only wish to direct a question to the minister responsible for Central Mortgage and Housing Corporation (Mr. Basford).

Could the minister tell whether his department could ensure that CMHC stops lending money to contractors who build bad houses, unhealthy houses, and who come back year after year, under a new name, to build shacks in other towns with the approval of CMHC? I wish the minister could tell us whether his department intends to find mechanisms to control this situation.

At present, the building industry is growing ever faster. A 24′ X 40′ house with a 1140-foot floor area, built of "Gyproc" and heated by a forced-air system, costs about $18,000, whereas last year the same house was selling for $16,100. The individual who buys such a house must meet payments during 39 and often 49 years under the new system; often the house is built to last no more than 10 or 15 or 20 years. What I am about to suggest could protect the money invested by Central Mortgage and Housing Corporation as well as protect the consumer.

We are rather lucky around Sherbrooke. I know of no contractor who builds such shacks but I did visit some in Montreal, for example, where the situation is terrible. Last year, we saw 34 houses that could not be sold by the contractor and yet the inspector from Central Mortgage and Housing had been there and had approved those

houses. The builder could not sell them because you could see right through the walls, Mr. Chairman. It was as gusty inside as outside. I went there in the month of July. This was called the "Nid d'abeilles (Honeycomb)" project or something of the sort. I do not remember exactly but in any case there was a sleek word in the name. The sewage system had not yet been put in and I think that the city around Montreal where those houses were located thought it would be desirable not to instal the system too rapidly because the houses were not selling.

If a man who knows nothing about construction refuses to buy a house which was built by a contractor and checked by two or three inspectors from Central Mortgage and Housing who are supposed to know their business, how is it that those things can go undetected by those who seek to protect the consumer and would like him to be happy in his one-family or multi-unit dwelling.

In view of the high demand for housing again this year, I would ask the minister if it would not be possible to have Central Mortgage and Housing to thoroughly research the matter so as not to let the consumer be fleeced in such an unreasonable way.

[*English*]

Mr. Basford: Mr. Chairman, I have listened with interest to hon. members' questions and comments. Many of the questions can be dealt with at great length and exhaustively when the main estimates are considered in committee. There we can review the issues that have been raised. Others can be dealt with in debate and discussion when Bill C-133 is before the House for second reading and in committee, that is, the amendment to the National Housing Act that I have proposed. Also, Bill C-135, the financial mechanism bill, raises all the issues that the hon. member for Scarborough West brought forward in his speech about the flow of money into the mortgage market. I shall be brief tonight and touch upon just a few of the comments that have been made.

To the hon. member for Scarborough West, I would say that we are meeting with considerable success in major metropolitan areas across the country in organizing tri-level committees involving the federal government, provincial governments and municipalities or the local governments concerned. There are tri-level committees of government to deal with matters involving the various levels of government and are a means for consultation between governments. That is their purpose, unlike the kind of committee that the hon. member for Scarborough West suggested. There is nothing wrong with his suggestion and nothing to prevent it taking place; in fact, I would encourage Members of Parliament to meet with their provincial MLAs and local politicians. I have done this in my own city on occasion, but it is a different kind of concept from the tri-level government committees that I have been discussing and organizing across the country.

With regard to the question of rent increases, I shall of course look at the situation of 230 Oak Street. From the hon. member's comment, I take it that the building is a limited dividend project which means that the mortgage moneys are put up by Central Mortgage and Housing, that under an agreement with the builder and owner there would be rent control on the building for the first 15 years, and that he would receive a limited return on his property during that period. The agreement also provides for the costs of operation to be taken into account. If the owner is able to show real increases in costs, they must be considered and CMHC must allow an adjustment in rents. So we are bound by an agreement in that case. The owner must show an actual increase in costs. However, I will examine the question of that particular building.

• (2110)

When the hon. member spoke about costs I think he indicated that he agrees with the provisions of Bill C-135 which will be before the House and which is designed, in principle, to encourage the flow of mortgage money into the residential mortgage business. He spoke of trustee pension funds. One of the purposes of that bill is to make mortgage investments more liquid and mortgages more attractive to the managers of trustee pension funds. It is my hope that the bill, which will be dealt with in committee more fully, will make trustee pension funds invest in residential mortgages and provide the medium and mechanism for them to do so.

Other amendments to the National Housing Act have been proposed. I agree with the hon. member, about the need to introduce more money into residential mortgages and that that puts a downward pressure on interest rates; there is no question about it. I hope that if he has any influence with the trade union movement he will use it and encourage the members of unions to invest their pension funds in residential mortgages. He should make suggestions along that line.

May I bring an example to the attention of hon. members to illustrate what I mean. A certain company had developed a technique for building houses. It was a very good technique and they came to me for money because they wanted to provide mortgages for the new houses and market them. I said, "You have a huge pension fund; why don't you use it for house mortgages?" They had not even thought of that. They went back and applied their money in that way.

Mr. Gleave: On a point of order, Mr. Chairman, would the minister elaborate on those remarks? I think there are some restrictions on union pension funds in relation to where they may be invested. Did the minister check into this particular pension fund and find out if the people concerned were entitled to invest in mortgages?

Mr. Basford: In that particular case it had never occurred to the company or union that although they were in the homebuilding business they could use this money for putting mortgages on homes. That is why we must keep talking as the hon. member for Scarborough West talked.

A number of comments were made about the quality of housing. This is in connection with the $200 million innovating program. The hon. member for Scarborough West, the hon. member for Portneuf and, I believe, the hon. member for Richmond mentioned this problem. I will examine *Hansard* and see that the particular developments those hon. members mentioned are looked at. I think they have all been looked at already because the same names keep cropping up. There are examples of

badly built housing. I can only say that in cases where remedies are available, CMHC is implementing them. In many cases we have hired engineers and consultants to advise us and the owners on what can be done. If possible, we have taken action against the builders, and in order to make sure that our inspection procedure is adequate and that those examples do not occur again we have reorganized substantially procedures within the province of Quebec.

Also, in Bill C-133 we have proposed a system of warranties for purchasers of new homes. This is very much needed in this country in order to avoid bad housing construction and the kinds of incidents that were mentioned in the committee this evening. I assure the hon. member for Broadview that Bill C-133, which will be dealt with in committee, is designed to cover the mortgage insurance fund and it will cover the completion of construction of a home in the event that the builder goes bankrupt during the course of construction. It will cover, as well, the matter of CMHC mortgages. In certain instances an NHA mortgage will not be granted or insured unless certain warranties are provided. Both amendments are provided for in the legislation. We will deal with them in committee.

The hon. member for Yorkton-Melville asked about policy on railroad relocation which, as was announced by my colleague, the former minister of transport, involves amendments to the railway and grade-crossing legislation. That legislation is being drafted. I hope it can be introduced in the house within six weeks and dealt with. All the matters raised by the hon. member will, of course, be dealt with then. We did, in replying to a specific question, say in our policy statement—and this ought to be enacted in the legislation—that the railroads should not be allowed to profit from the imposition of the provisions of the act; that was basic to our policy.

In conclusion, Mr. Chairman, I refer to the question of the Toronto urban park raised by the hon. member for Broadview. The purchase and acquisition of the property in question is proceeding. All the areas available through voluntary purchase have been acquired by the Department of Public Works which is handling the land assembly for the Toronto waterfront park. There are currently under way negotiations with the Toronto harbour commissioners for the acquisition of land that was mentioned in the statement; the harbour commissioners will yield the land for this park. With respect to the third lot of properties which could not be acquired by purchase or by agreement with the harbour commissioners, notices of expropriation have been published in the Canada Gazette. So we are attempting to carry out the commitment of the government to acquire the property for the Toronto urban park.

With regard to the question of whether citizens will participate in the planning, may I say very firmly that we are committed to consultation with the government of Ontario and with municipalities surrounding the area of the waterfront park, as well as with the public, on the development of the site and how it should be planned and used. I have indicated this federal commitment to His Worship Mayor Crombie of Toronto, to Mr. Dennis Barker of the Toronto planning board and to Mr. S.B. Dewan of the Toronto Citizens for a Better Waterfront Association. As I say, we are committed to the development of this waterfront park through a tri-level process involving the federal government, Ontario and metro Toronto. I met with the former minister, Hon. Charles MacNaughton, in an attempt to set up the committee. There has been some delay in establishing the committee owing to changes in the responsibilities of ministers at Queen's Park. I certainly hope that the committee will be set up as quickly as possible so that through it we can begin planning the waterfront park for which we are in the process of acquiring property.

I have made my points rather quickly and briefly and hope hon. members will understand why I have done so. I hope these issues can be discussed in more detail when the estimates are—

Mr. Blackburn: On a point of order, Mr. Chairman, I asked the minister a question and it appeared to me he had finished his answer without dealing with my question.

Mr. Paproski: He was being evasive.

Mr. Blackburn: May I ask if he will answer my question.

Mr. Basford: Mr. Chairman, yes, I will. I thank the hon. member for bringing my attention back to his question. As I say, all these questions can be dealt with in greater detail when the estimates are considered in committee and when the two pieces of legislation I mentioned are before the House and the appropriate committee.

The hon. member for Brant spoke about urban renewal. He correctly stated the proposition that the old urban renewal program was frozen. We have made it clear that no further money will be forthcoming. My predecessor announced this, and that is the policy of the government. The view at that time, and this continues to be our view, is that in many cases urban renewal was being used, not to provide housing but to underwrite and finance commercial redevelopment of downtown areas. There are many places where commercial redevelopment is necessary, needed and would be useful within a city or municipality, but we are operating a housing policy and urban renewal was aimed at a housing policy. This is the reason it was cancelled. It has been replaced by the proposals I made for a Neighbourhood Improvement Program.

• (2120)

I am not familiar with the matter raised by the hon. member for Brant. If he wishes to make representations to me, I invite him to do so. But within the framework of the policy I have just announced I do not see how there can be money made available for the commercial redevelopment of the market square area.

Mr. Gilbert: Mr. Chairman, I rise on a point of order. The minister forgot to answer my question with regard to when the CMHC capital budget will be made, and just what financing will take place with regard to the programs in Bill C-133 if they cannot be included in the CMHC capital budget.

Mr. Basford: Mr. Chairman, I will deal with that matter fully when the bill is before us, because we will want to

examine how the programs are to be financed. The capital budget of CMHC has been approved by the three ministers who are to approve it, the President of the Treasury Board, the Minister of Finance and myself. It has to be approved by cabinet and will be discussed in committee on the main estimates. It covers the capital budget for the calendar year 1973. Under the rules that apply, it deals with existing law.

We cannot put into a capital budget moneys to be spent under proposed legislation which is not yet passed. When the legislation is before the House I will deal with the question of how we are to finance the various programs which are proposed in Bill C-133. However, much of the money is contained within the capital budget. For example, there is the program of support of non-profit associations. There is a very large commitment of funds for that in the existing budget, under the existing law. If the amendments are carried, we can use that money more effectively than we do under NHA.

[*Translation*]

Mr. Godin: Mr. Chairman, I want to ask a simple question.

I would like first of all thank the hon. minister for the information he provided us with. However, he said that bill C-135 includes guarantee measures in the case of a buyer who would have taken possession of badly built house. Could the hon. minister tell us if that policy will be retroactive in its effects?

[*English*]

Mr. Basford: Mr. Chairman, we can examine that question in committee when the bill is before us. However, it would seem virtually impossible to make it retroactive.

Mrs. MacInnis: Mr. Chairman, can the minister enlighten us a little on what plans he has in mind for low-rent public housing?

Mr. Basford: Mr. Chairman, they are outlined in Bill C-133. I can deal with those plans when the bill is before the House and in committee.

The Chairman: Does this complete consideration of the item under urban affairs?

Some hon. Members: Agreed.

The Chairman: We now turn to the items under veterans affairs, votes 10a and 35a. Are these items agreed to?

Some hon. Members: Agreed.

Schedule agreed to.

Clauses 2 to 5 inclusive agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Mr. Peters: Mr. Speaker, if you give the bill to the hon. member for Yukon (Mr. Nielsen), he will take it over to the Senate for us.

Capital Punishment

CRIMINAL CODE

REINSTATEMENT OF LAW RELATING TO CAPITAL PUNISHMENT THAT EXISTED PRIOR TO DECEMBER 30, 1972

The House resumed, from Wednesday, January 31, 1973, consideration of the motion of Mr. Allmand that Bill C-2, to amend the Criminal Code, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, it may seem anti-climactic to shift in midstream from the important matter of money consideration to the more mundane matter of human lives. Your Honour will recall that at the close of the debate on capital punishment on January 31, I was cut off, with good cause, in mid-sentence at the very peak of oratorical excellence. As I recall, I had sympathized with the protagonists of capital punishment who because of their emotional bondage to the topic felt bound to call for the blood of all those convicted of homicide, but I had rejected emotion as suitable grounds for a decision.

I have since noted that most of the speakers who rose in self-righteous indignation to demand the blood of convicted killers have at the same time demanded with equal vigour an end to the slaughter of innocent civilians in Viet Nam, both North and South. I had rejected the arguments based on statistics as well on the grounds that in effect liars figure and figures lie. I sometimes think that if all statisticians were laid end to end, it would be a good thing.

Some hon. Members: Hear, hear!

Mr. Nelson: There is no proof that capital punishment is a deterrent to capital crimes, as other speakers have pointed out. I will not dwell on that aspect of the topic. Revenge, too, it seems to me is too base a motive for settling such an important issue and can be dismissed out of hand.

• (2130)

My suggestion was that any favour in which retention was being held was possibly due more to the frustration of society with seeming permissiveness—a section of the public is ready to lash out at all those who violate the laws directed against homicide, despite the futility of capital punishment as a deterrent, despite the ambivalence of arguments based on religion and despite exhaustive studies by qualified authorities.

I had reached the point, then, of examining the question from a philosophic point of view. What is it, I asked, that separates man from the rest of the animals? Not reason, because some animals have shown the ability to reason in various degrees. The one thing we can do that animals cannot do is to store experience. While the animal, generation after generation, teaches its young in the same way, through example and experience, mankind is able to store his experience through history books, literature, artifacts, monuments and the like. Despite this superiority, however, I pointed out that there still lurks the beast just below the sophisticated veneer of modern man. The reason I gave for this was the relatively short period of time during which man has been on this planet, taking into account the tremendous span of life forms. Man has

been on earth a relatively short time in comparison with the entire scale of life—the continuum of life in all its forms on this earth.

At the close of the session I was about to paraphrase an example used by a Dr. Müller. I ask you to imagine a rope stretching from Toronto and ending at the Speaker's chair in the House of Commons. This rope will represent the entire scale of life from the very beginning of life forms to this date in 1973. Now, scientists have estimated that life forms have existed on the earth for something like a thousand million years. On a rough scale, therefore, we might say that one yard of this imaginary rope represents 10,000 years. One human generation would be represented by less than one-eighth of an inch. On that scale of life we would find the dinosaurs making their first appearances at the entrance to the Commons chamber.

Some hon. Members: They are still here.

Mr. Gilbert: Still with us.

An hon. Member: Mostly from the Prairies.

Mr. Nelson: The first rude forbears of mankind would not appear until well past the position of the mace, and perhaps even past the position of the Clerk before the Speaker's chair. About half an inch from the end of the rope we would come to the beginning of the industrial revolution.

I draw this rough comparison to indicate what a relative newcomer mankind is to the earth which he dominates. It seems evident that the rapid advances in technology in the past few decades have by far outpaced the growth in man's social awareness and social consciousness; we can fly to the moon but we cannot deal with our social misfits. It is for this reason that we are still able to employ, despite the sophistication of our technology and the growth of our experience, such bestial methods in the wars, terrorist activities and homicidal acts which take place every day all over the world.

Mr. Speaker, we are not beasts, but men and women. We are not savages, but civilized human beings. What we need is not a revival of the old ways of killing people, or discovery of new ways of killing people; what we need is an end to killing.

Some hon. Members: Hear, hear!

Mr. Nelson: What we need is the vision to look into the future for a method of separating those members of society who are not capable of functioning within our society, without succumbing to the forces of anger and animality that lie so near the surface of our civilized veneer.

Mr. Speaker, I ask that this House get out of the business of killing and into the business of co-operating to find workable alternatives to protect our society. I do not have the answer, but I believe there is an answer to our dilemma. As a grade 7 student in Vancouver put it with instinctive wisdom:

> It's a tough decision to make because you are not dealing with potatoes or carrots, you are dealing with a man's life. You are dealing with a person's life, and that is why it is a hard decision.

It may take time, but meanwhile we can find comfort and solace in the belief that we will, with a deep conviction in the worth of man, raise him yet another step on the evolutionary ladder to the heights at which he can say with conviction: It is wrong to use society's laws as a licence to kill.

[*Translation*]

Mr. Raynald Guay (Parliamentary Secretary to the Minister of Justice): Today we are talking about abolishing or retaining capital punishment but I must say that I would have liked it better if we had started with a debate on the causes of crime before discussing its punishment.

A lenghty debate on the means to bring about a genuine reform to the whole society, to its judiciary system, its penitentiary system, its rehabilitation system for those on the fringe of society, would have been still more meaningful than the one we are having today.

If genuine and efficient means of rehabilitation and, most of all, crime prevention could be guaranteed and provided to the society, it would mean that we would have to establish throughout the country adequate rehabilitation programs because I would agree with the hon. Cyrille Vaillancourt who said that there is no use in trying to rehabilitate those on the fringe of society if, at the same time, they are taught to do wrong.

We are now worried about the life of the murderer, but not about the causes which led him to commit a crime.

When criminals are jailed, are studies made of their life and their past to find out about the reasons why they got there?

Since there is little certainty that abolishing the death penalty would be beneficial to our society, which is responsible for the protection of the community, and in view of the fact that most citizens of my constituency are in favour of the death penalty, I cannot vote in favour of the bill now under study.

Abolitionists say that there is some danger of condemning innocent people. If it can be proven that judicial errors were committed in the past, it is not the penalty that should be changed, but the judicial proceedings on evidence and doubt.

Even though governments throughout the world seem to be moving towards abolition of the death penalty, they do not do so with the support of the majority of the people. The most recent Gallup poll in Canada, published in February, 1972, showed that almost two thirds of Canadians want the death penalty to be reinstated, after the five-year trial period, in the case of murder.

If it is true that we represent our electors in the House, I think that it is logical to vote on this bill, in accordance with the wishes of most of them. Some members regularly speak in favour of retaining the death penalty and at the same time, some citizens would like other crimes such as kidnapping, rape and drug traffic be also liable to death penalty. Public opinion remains inexorably in favour thereof; most people, especially police officers and prison guards, feel it is effective; therefore, that view deserves to be upheld. It would almost be impossible to find another punishment to be substituted for the death penalty; even long-term imprisonment is not sufficient and the custom of an early parole makes it less effective.

On the other hand, life imprisonment which, in my opinion, is more cruel than death, leaves no hope to the criminal and does not lead him to repent as does the prospect of an immediate death penalty.

And if one does not think sufficient the reason that public opinion in Canada is definitely in favour of capital punishment and that it should not be abolished against the will of the majority of Canadians, let us consider that the law enforcement authorities are of the opinion that death penalty is an effective deterrent against murder, particularly since it deters professional criminals from procuring weapons and committing acts of violence.

In a country such as Canada, which is young and in full development, where the people are a mixture of several nationalities, there is a greater need for a deterrent such as capital punishment than in some other countries, in Western Europe, for instance, which have been constituted over a longer period of time and in a much more homogenous way in terms of race, language, religion and mentality. The incidence of murder and the proportion of premeditated homicides are higher in the United States and Canada than in western Europe. The abolishment of capital punishment would therefore involve a greater risk in the United States and in Canada than in Western Europe; it would result in a recurrence or an increase of crimes of violence. Furthermore, those who resort to violence are predominantly professional criminals for whom capital punishment is a more effective deterrent than mere detention, to which they are already accustomed and which they tend to consider as a professional hazard.

The Royal Commission of Inquiry stresses the fact that any world history teaches us that the threat of imminent death is the most effective deterrent there is. Death is death and there is no better description of the terror it inspires. When capital punishment really exists, would-be killers has little or no conception of his changes of not ending his life by the executioner's hand. Capital punishment therefore retains its deterrent effect. When homicide is committed, it is evident that the deterrent effect of capital punishment failed, but that does not mean it did not prevent many others from committing a homicide. When a murder is premeditated, it is not logical to suppose that its author would ordinarily have thought of the danger of getting caught and its consequences.

Most statistics that do not usually show up the death penalty as a deterrent are gathered by abolitionists. In other words, their figures are not compiled with a view to drawing a conclusion; they are gathered instead to confirm a conclusion already arrived at through moral, philosophical or even intuitive reasoning. Statistics lend themselves to various interpretations: they are doubtful and misleading. It is next to impossible to make useful comparisons between countries, because of the differences in legal definitions of crimes, government department and court customs, political, economic and social conditions.

That is why, instead of suggesting the abolition of the death penalty for the next five years, I would suggest on the contrary that the House agree to vote its reinstatement for the next five years.

That way, we would be in a position to get the comparative statistics we need to discuss coherently either a permanent abolition or permanent reinstatement of the death penalty.

We would then have available the data required to compare the last five years to the forthcoming five, and such a comparison would indicate clearly whether or not capital punishment has a deterrent effect on criminals.

Of course, I would suggest that alternative only if the House were unwilling to vote in favour of permanent reinstatement of the death penalty.

• (2140)

[*English*]

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in view of the debate that has preceded me on the subject of capital punishment, I find it difficult to advance any arguments which have not been previously articulated. Thus portions of my address may sound repetitious and familiar. None the less, as the elected representative for Winnipeg South Centre I feel it is my responsibility to express the feelings of my constituents on this very important matter.

Like all other hon. members, I have received great quantities of mail with regard to the issue of capital punishment. While letters have been written espousing the abolitionist position, the great majority of my correspondence, 80 per cent in fact, has come from those within my riding who advocate the retention of the death penalty for murder in Canada. I believe their biases are similar to those held by the majority of Canadians. As such, the death penalty for murder should be reinstated. Personally, I favour the retention of capital punishment. However, I would prefer to see some flexibility incorporated in any amendments to the Criminal Code.

The arguments offered by my constituents for retention of capital punishment are similar to those put forth by most Canadians. People make reference to the Bible, to statistics and to the deterrent effect of a death penalty. Even though the Bible is contradictory on the subject and says "thou shalt not kill," many quote what they see as a biblical axiom, an "eye for an eye". The Bible says that society has the right to put a murderer to death. Numerous people in my riding believe that the current government, which is society in this case, is fulfilling neither its moral obligation to its people nor its Christian obligation to God.

The crime rate is rising in Canada, and while statistics prove little or nothing most people believe that abolition of capital punishment would, among other things, only aid and abet organized crime in its current expansion into Canada. People are afraid. They are afraid of being mugged, robbed and beaten. We as politicians have all witnessed this fear. During an election people are afraid to open their doors to us and our fellow campaigners. They peek out from behind closed doors, bolted with chains.

Mr. Peters: Only when Conservatives call. It does not happen with the NDP.

Mr. McKenzie: They would not even open the door then. Policemen are afraid. So are prison guards. What protection do they have, or have they had during the past five

years when the government has granted clemency in every capital case? The hired syndicate gangsters and others who commit premeditated murders have had little to fear since 1967 and would be even less afraid with abolition. The death penalty prevents a criminal from repeating his offence. Hanging may not deter murderers, but it sure gets rid of them.

Several years ago in Winnipeg a man named Westgate murdered a young secretary in a local hotel. Sentenced to life imprisonment at the Stony Mountain penitentiary, Westgate was a model prisoner. He earned a free pass or leave to go to Winnipeg, whereupon he proceeded to murder another girl in the same hotel. He repeated his offence. I could cite numerous other instances where murderers have repeated their crime, but this is unnecessary. The point is clear. Most people believe that it is time the government gave some thought to the innocent victims and their families.

Abolitionists point to studies showing that a halt in executions leads to no increase in capital crimes, that the death penalty has not been proven to have a deterrent effect. Such studies include all murders, a great percentage of which result from disputes between persons who know each other, and this percentage probably cannot be deterred by penalties of any kind. However, a great many people are sure that hold-up murders and similar crimes can be reduced in number by the fear of death, particularly if that death is imposed quickly rather than after years of legal delays. To determine whether a murder was premeditated or impulsive is impossible. That is why people believe there must be a uniform penalty applicable to all murderers.

While I am in favour of the capital penalty, I disapprove of the rigid inflexibility of a uniform penalty for all murderers. Every person is different. So is every murder. This is to be considered in any future legislation. There must be clearly defined maximum and minimum penalties for murder, dependent upon the nature of the crime. Obviously, a premeditated murder by a hired killer deserves more severe punishment than the impulsive murder committed by a drunk in a fit of wild anger. Judges must be empowered to levy sentences which fit the particular crime. It is only through legislation incorporating such flexibility that any law on capital punishment can be said to be just.

• (2150)

In conclusion, my constituents definitely favour capital punishment for murder. I feel likewise, but would like to see a greater degree of pliancy injected into any legislation. It is not capital punishment that is barbaric, but murder. Capital punishment seeks retribution, and not vengeance as some have implied. This retribution is what my constituents demand. I feel that their desire is characteristic of the majority of Canadians. Because of this fact I think it is necessary for parliament to retain the death penalty for murder in Canada.

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, I do not intend to speak either in favour of the death penalty or for abolition. I am, however, hoping that this bill passes second reading so that in committee it can be amended as necessary and the majority result returned to this House for final decision. My own opinion is best expressed by an extract from an editorial in the *News and Chronical* which reads as follows:

Is it Ottawa's . . . duty to see that we do what is right, or at least what they think is right, whether we want to or not . . . or is it their responsibility as our elected representatives to ensure that the decisions and wants of the majority are respected?

While the abolitionists . . . may argue over the morality or even the effectiveness of the death penalty, neither side seems to have questioned the validity of a number of polls that have been conducted and show quite clearly that the majority of Canadians are in favour of capital punishment.

—majority of Canadians are convinced that dangling a man from the end of a short rope is a deterrent to crime or justice well-served or an effective protection for society—

. . . it is the responsibility of those who are opposed to capital punishment to persuade and convince enough other Canadians to their way of thinking to form a majority.

But is it the right of our members of parliament to enforce what is now a minority opinion down the majority's collective necks?

—when the vote comes in Ottawa let it reflect the will of the majority of Canadians.

That poses the question: what is the will of the majority? Like other members of this House, I have received a large number of letters expressing all points of view and I wonder whether the several hundred letters I have received are really representative of the majority opinion of my constituents. Some of the opinions expressed are as follows:

We are shocked at the increase in crime and feel that the authorities must help the police, who badly need the death penalty restored.

Another opinion is:

I wish to urge you to vote in favour of the bill being presented to the House on capital punishment. This legislation was a positive step forward in our system of justice—a step toward civilization. Please do not let us slip back to legal murder.

Another opinion is:

We seem to be in times that steadily are becoming more lawless and therefore further relaxation of penalties would not be advisable.

This is another opinion:

Why should we not punish criminals with a Canadian "Siberia" in the north, building settlements, railways, airports, pipelines?

[*Translation*]

Those who favour capital punishment do not do so for the fun of it, or for the sake of justice; they all believe that the government is much too soft and indifferent towards law-abiding citizens.

A lawyer who is a friend of mine had this to say to me:

Among the criteria for sentencing, the example factor should be considered—if punishment is not severe enough, there is the risk of a relapse.

It is difficult to determine which punishment would be best suited in each individual case.

In our permissive society, however, this penalty seems the most adequate punishment.

It would be advisable to suggest to the capital punishment abolitionists that they should oppose wars.

Surely the murderer does not share the opinion of those who want the death penalty to be maintained.

We often hear: it is better to let a criminal go free than to hang an innocent.

However, before a convicted person is condemned, there are four stages to go through before the final decision is made.

1) Trial before jury: 12 citizen jurors.

2) Trial before the Court of Queen's Bench: 5 judges.

3) Trial before the Supreme Court: 9 judges.

4) Mercy request to Cabinet: 30 ministers.

It should therefore be realized that 56 persons have to have their say before the accused is condemned to death.

Perhaps sentences could be commuted if we knew for sure that the convicts would not be paroled too soon.

I think that the Parole Board legislation is adequate but they are not properly enforced. Paroled convicts are not properly supervised by our probation officers.

It has never been, and it will never be proven that a criminal was deterred from committing murder by the death penalty.

This was a lawyer's opinion.

[*English*]

On a number of occasions during this debate hon. members have quoted from the Bible. Let me refer to another opinion as follows:

When Noah stepped out of the ark God changed some of the rules of society. First he added animal meat to man's permissible diet but forbad the eating of blood. Then he instituted capital punishment:

"And surely your blood of your lives will I require; at the hand of every beast will I require it, and at the hand of man; at the hand of every man's brother will I require the life of man. Who so sheddeth man's blood, by man shall his blood be shed: for in the image of God made He man. Genesis 9:5-6.

Thus the institution of capital punishment was based on the doctrine of creation. And the sanctity of human life was to be protected by making murder a capital offence.

Later we find this statement:

Capital punishment is a command, not an option. Gentile governments have the responsibility to maintain the sanctity of human life. God's command for doing this is: "At the hand of every man's brother will I require the life of man."

Then we find this statement:

Mercy is often in order. But to terminate the use of capital punishment, and to remove it from the law books of the land, whether by courts or by cabinet . . . or by parliament, is national disobedience to the word of God. And the nation, like the individual, shall reap what it sows.

Mr. Speaker: Order, please. I regret to interrupt the hon. member, but it is ten o'clock.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

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

FINANCE—MEETING OF FEDERAL AND PROVINCIAL FINANCE MINISTERS—DISCUSSION OF MEANS TO RELIEVE TAX BURDEN ON RURAL RESIDENTS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, on January 15, as recorded at page 269 of *Hansard*, I asked the Minister of Finance (Mr. Turner) the following question:

Will the minister be seeking jointly with the provincial ministers of finance means of relieving the tax burden on rural people? I ask this in light of the fact that the number of people employed in agriculture dropped by 31,000 in the recent 12-month period.

It was reasonable for me not to expect a definitive reply on the subject matter of the discussions which I hope the Minister of Finance held with his provincial counterparts until the budget was brought down. Now that the budget has been brought down, I expect I will be told that the problem is solved and I have nothing to be concerned about. Undoubtedly I shall be told this, for two reasons. It will be said that the problem is looked after, first because the government has seen fit to remove, under certain stringent conditions, the capital gains tax on a family farm when a farmer dies and the farm is passed on to a member of his own family. In that connection, I feel the imposition of this tax in the first place was an unwise move. I think its partial removal does not go far enough. I believe a capital gains tax should not apply to a farm when passed from father to son during the life of the father. I do not think a farmer should have to die in order to obtain the benefit from this supposed tax relief.

Second, no doubt I shall be told that the inclusion of municipal taxes imposed for local school purposes in the equalization system will have some resulting benefit to the poorer provinces. This is true, and I welcome this item in the budget. However, I am not satisfied that these two measures alone meet the problem on which I based my question. The second budget proposal I mentioned does not give any relative benefit to a rural or urban area. In his budget speech, the minister spoke of the hard pressed property owners. Perhaps this is the case. Because farmers in the business of agriculture must own a great deal of real estate and, due to the trend over recent decades of larger and larger farms being encouraged under the farm credit system in which all levels of government have indulged in recent years, where large loans have become popular and more liable to be approved than modest loans for modest operations, the trend has been that farms have been getting bigger and bigger. However, it does not follow that their earning capacity has been increasing in proportion to their size.

The farmer finds that his capital investment in land is being taxed more heavily by municipal school boards which base their tax on real estate values chiefly for educational purposes. These taxes must be paid whether or not the farmer is making a profit, and the rate of taxation often bears no relationship to the potential productivity of the land in question from an agricultural point of view.

I recognize this as primarily a provincial responsibility, but there is an urgent need for improvement of the assessment methods used in assessing real estate for tax purposes. Many cases can be cited where farmlands are assessed, and therefore taxed, on values which bear little resemblance to their potential productive possibilities or to their profitability as farms. They are valued because of their potential as land for a subdivision, or in my province quite often because they contain a waterfront with a beach, or something of that sort. This creates a situation where the farmer who has waterfront property is forced to pay a higher rate of tax than one who does not.

I think my time has expired, Mr. Speaker.

[*Translation*]

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, replying to the question of the hon. member for Malpeque (Mr. MacLean), I would like to remind him that the budget which the hon. Minister of Finance (Mr. Turner) introduced in this House last night includes many provisions that will help alleviate substantially the tax burden of people in rural areas. Some of these provisions are extended to all Canadians, including those in rural areas, whereas others are intended specifically for rural people.

Among the former is the increase in the basic exemption from $1,500 to $1,600 for single persons and from $2,850 to $3,000 for married couples. I should also mention the reduction of 5 per cent in the basic federal income tax and the provision for a minimum reduction of $100. This provision is particularly important in that it will allow for reductions in federal income tax of up to 100 per cent in the case of low income people. It is estimated that these measures will take 750,000 people off federal income tax lists and I think it is reasonable to assume that a great number of them will precisely be people from rural areas.

Among the measures dealing specifically with people in rural areas one has to mention that which provides that from now on family farms, upon decease of the owner, will be transferred from one generation to the other without being subject to capital gains tax.

Mr. Speaker, when referring to the tax burden of people in rural areas, mention is often made of the heavy land taxes that these people have to support; obviously, this is not a federal responsibility—and I think the hon. member for Malpeque will agree—but one must point out the broadening of the equalization formula proposed in the budget which will ensure that local school taxes on properties are included in the equalization formula.

Since those equalization payments will represent roughly $190 million during the next fiscal year, this means that about 28 per cent of local school taxes levied in certain provinces will be compensated by that amount. I hope substantial benefits will accrue to taxpayers.

In conclusion, Mr. Speaker, I should like to mention that other steps to alleviate the tax burden of people living in rural areas have been proposed; for example, the federal sales tax exemption granted on equipment and machinery purchases for farm production purposes.

In brief, Mr. Speaker, this shows that the federal government looked very seriously into the problem raised by my hon. colleague from Malpeque and proposed measures which will contribute to reduce substantially all those problems.

• (2210)

[*English*]

GRAIN—REPORTED ADVICE BY MINISTER OF AGRICULTURE TO FARMERS ON AMOUNT OF WHEAT THAT SHOULD BE PLANTED

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, on January 22 I asked the Minister of Agriculture (Mr. Whelan) to clarify a statement which appeared in the press where he was reported to have advised the farmers of western Canada to plant some 30 million acres of wheat. He subsequently said, and I of course accept his correction, that he was misquoted. At this point, however, I would suggest that the government, in the person of the Minister of Agriculture or the minister in charge of the Wheat Board, should clarify its position in regard to the market outlook and the plantings they are recommending to the grain producers in western Canada.

In a press release dated February 19, the minister in charge of the Wheat Board said that as of March 1 some clear direction in terms of initial prices and recommendations in regard to plantings would be forthcoming. In discussing this matter in the House I said that it would be useful to have these recommendations before the Standing Committee on Agriculture so that they could be properly examined and farmers would know the objectives and be able to study them.

We find now that the United States government has said it is going to bring some 15 million acres into production that would otherwise have been withheld as a stated policy of that government. We know that policies regarding production can change in other countries, which will effect Canadian farmers substantially. It is in these circumstances that I ask the Minister of Agriculture to clarify his position and that of his colleague and to tell us what their aims are.

The minister in charge of the Wheat Board is currently sending out a questionnaire of sorts to farmers in western Canada asking them what type of acreage payments they want, whether they want them to apply to grain, or how they want them to apply and what their intentions are with regard to planting. I do not know whether this questionnaire will clarify or confuse the situation. In a press release of February 17, the minister said that permit holders must weigh heavily the responsibility of possibly causing an overproduction of wheat by deciding upon distribution on a per bushel basis. On one hand he is worrying about an overproduction of wheat, and on the other hand we have had statements indicating that we should be going all out in grain production.

I think farmers might do well to take the advice of Mr. E. K. Turner, president of the Saskatchewan wheat pool, who is reported in the *Globe and Mail* of January 31 to have said that farmers in western Canada should sow 22 million to 24 million acres of wheat this year in order to meet market commitments, and that about 14 million acres of barley would be needed. Mr. Turner told a pool meeting in Saskatoon that we would probably need that much barley and about 3½ million acres of rapeseed.

If these two ministers would hold a meeting with some of the farm leaders in western Canada, I think they might receive very good advice. In turn, the farmers would be given better direction than is the case now. I therefore ask the Minister of Agriculture if he will clarify the position of the government so that the farmers may know clearly its assessment of the present market potential and what assistance they can expect in terms of initial prices and guarantees of delivery for grain production in the coming year.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, in replying to the hon. member's question may I repeat, as I said originally, that at no time did I say there

should be produced 30 million acres of wheat. I think the hon. member accepted what I said. I say that to clarify the situation. The mention of 30 million acres arose from the newspaper man quoting a member of the Saskatchewan wheat pool who expressed the fear that farmers in western Canada might produce 30 million acres of wheat.

When the newsman spoke to me he said that farm leaders in western Canada had intimated that they would produce 30 million acres of wheat this year. I said at that time that I had never suggested this. I had suggested that farmers should produce all kinds of grain; I included farmers producing grains in all parts of Canada, not just those of the west. A tremendous amount of grain is produced in western Canada. We know that it is possible to increase the production of grain with present cultivated acreage. By using weed control and fertilizers we can increase production by at least 25 per cent in one year. I might inform the hon. member that I met with fertilizer suppliers from across Canada, particularly western Canada, earlier this year and they told me that farmers are buying fertilizer and storing it and preparing for exactly what the hon. member suggested.

May I refer to one or two other matters. We talk about the United States government taking acreage out of land banks and putting it into production this year. According to my information, that government is asking farmers not to produce that much more wheat; they want to increase the production of protein in that country. They want greater soybean production and are trying to encourage farmers to produce additional millions of acres of soybean. We know what has happened to Canada because of lack of proteins for animal feeds. These feeds are very expensive. As well, in western Canada we are still asking farmers to stay in livestock production and even to increase it. We are continuing our grassland incentive program, hoping that farmers will participate in it because we know how important it is.

May I inform the hon. member, if he is not aware of this, that I met practically every farm leader in western Canada before the end of December and asked them the very questions that the hon. member is now suggesting I should ask. At that time the farm leaders made suggestions, although not as many as were made after the erroneous report about 30 million acres was circulated. After that we heard many more expressions of opinion. Perhaps that erroneous report was not so bad in its effect because we found out what people were thinking. To conclude, I have a lot of confidence in the farmers of Canada. They know what they want to do. They are not indentured to anybody, and they know as much as anybody about what can be done. They are the producers of these products.

CANADIAN BROADCASTING CORPORATION—OPPOSITION OF CANADIAN TEACHERS FEDERATION TO TRANSFER OF RIGHTS TO FILM VIDEOTAPE TO PRIVATE COMPANY

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, to give some background to the question I wish to discuss tonight, may I refer briefly to an extract of a brief presented by the Canadian Teachers Federation to the Prime Minister (Mr. Trudeau), dated January 5, 1973. Part of the brief reads:

> (iii) That adequate arrangements be made for the full and free use in Canadian schools, for educational purposes, of programs developed with support from public funds under federal control.

The brief continues:

> In connection with point (iii) we note with deep dismay that the exclusive rights to post-broadcast distribution of CBC materials are in private hands. In effect, the availability of such materials to Canadian schools is subject to the profit interests of a subsidiary of an American company which is itself a major producer of scholastic materials—

• (2220)

Departing from the text, the subsidiary is Visual Education Centre Limited of Toronto which is thought to be a subsidiary of Encyclopedia Britannica, an American company. The brief continues:

> —and which is in competition with the CBC and other producers for sales in a limited market.

That is the Canadian market.

> We do not believe that it is proper that the program materials produced by CBC, by a considerable expenditure of public moneys, should be placed in the hands of a commercial rival for post-broadcast distribution on a private profit basis.

It makes the distinction between that which has been produced by public funds and the material used over CBC obtained on contract, through agreement with private film makers or imported from abroad. It is not concerned with that particular material.

> We recognize that problems of copyright arise in relation to the post-broadcast use of radio and television materials, and we shall address appropriate requests to the Minister of Consumer and Corporate Affairs.

That paragraph is not exactly central to the point I wish to discuss this evening. It is a copyright matter, but it is also part of the problem. This action of the CBC has caused some concern among teachers and school districts. I believe the contracts have run for about two years. I wish to quote briefly from a letter addressed to the hon. member for Comox-Alberni (Mr. Barnett). It is from the Campbell River school district in his constituency. The co-ordinator of instructional resources makes the following points:

> (1) We object to the fact that CBC produces programs with our tax dollar, then sells these programs to a private company who resells them to us.
>
> (2) We object to the fact that even those CBC programs not purchased by Visual Education Centre Ltd. are being restricted by this same company.
>
> (3) We object to the fact that televised information from our leaders, in all aspects of Canadian life, as being restricted in its use for our students.

What they are saying involves a bit of the copyright question because for educational purposes it is sometimes necessary to delay broadcasts for rebroadcast at a more convenient time. This is a copyright matter. I repeat that I am not dealing with this at the moment; nevertheless a definite problem exists there.

In the couple of minutes remaining I wish to give a bit of information about this particular arrangement with the CBC and Visual Education Centre. It expires in 1974. What does the contract do? It authorizes Visual Education

Centre to distribute educational films. This company makes prints and sells them. By its contract it is also given the right to exploit, sell, market or peddle authorized CBC films. In return, the CBC receives a percentage of the gross sales. It may be that the CBC feels schools are concerned about the fact they cannot videotape copies of CBC educational material. That requires action under the Copyright Act. Nevertheless, there is a very limited market here for Canadian production and the schools of our country, supported as they are by public funds in the same way as the CBC, should have the first crack at access to this material without having to make the payment prescribed by the contract which the CBC has concluded with Visual Education Centre.

I have, I believe, less than a minute left and in this time I wish to make certain recommendations. Though the cabinet may not meet, as requested, with the Canadian Teachers Federation to discuss this question, the minister should certainly do so and use his good offices to discourage the CBC from continuing this private distribution contract for the reasons I have mentioned, and for others which will be adduced by the CTF. Second, the CBC material should be distributed through provincial audio-visual services. Such services exist in every province. Thus, it could be carried out simply. Alternatively, we should set up a Crown distributing system. I believe the former secretary of state at one time suggested such a thing. I am anxious, now, to hear what the parliamentary secretary has to read to me from his prepared statement.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): Mr. Speaker, the laws or rules allow the hon. member asking a question to have seven minutes but leave only three minutes to answer, so I cannot give a complete answer concerning the point made by my hon. friend.

But if I refer to *Hansard* I see that my hon. friend for Fraser Valley West (Mr. Rose) asked the minister whether he intended to meet the representatives of the Canadian Teachers Federation.

In this connection, I would like to point out that this association submitted a brief to the Prime Minister (Mr. Trudeau) on January 12. Through its president, the federation asked for a meeting with officials of all departments mentioned in its brief, namely External Affairs, Secretary of State, Communications, Consumer and Corporate Affairs, Manpower and Immigration, National Health and Welfare, Finance and National Revenue.

It was then understood that the Secretary of State (Mr. Faulkner) would get in touch with Mr. Sparkes, the president of the federation, in order to set a meeting for the discussion of the brief. That meeting is scheduled for the beginning of next month; March 12 has been suggested but it has not been confirmed yet.

As for the brief, I would like to refer my hon. friend to a part of the introduction of the brief where it is mentioned expressly that the federation recognizes that the provincial governments have the authority to legislate on education. This being said, my hon. friend is well aware of the provincial jurisdiction in that area and he will understand that before making statements, the submission made by the federation, which will get special attention, will have to be examined in detail.

I also refer my hon. friend to the brief where it is said that teachers associations must try to maintain a constant dialogue with their government so that they agree, in view of the anticipated social changes. This is an excellent statement, the contents of which we support and my hon. friend and other hon. members may be assured that the members of the federation and its officials will be welcomed in a very friendly way. With them and with my hon. friend's co-operation, we shall try to examine the various proposals and to find a solution in keeping with the circumstances.

Motion agreed to and the House adjourned at 10.31 p.m.

HOUSE OF COMMONS

Wednesday, February 21, 1973

The House met at 2 p.m.

PRIVILEGE

MR. BEATTIE (HAMILTON MOUNTAIN)—INVESTITURE OF CERTAIN MEMBERS OF ARMED FORCES IN ORDER OF MILITARY MERIT

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I rise on a question of privilege. I ask the indulgence of the House to salute the 92 members of our armed forces to be honoured by the Governor General at Rideau Hall tonight. There they will participate in the investiture of the Order of Military Merit, a distinguished award for meritorious military service.

I understand that a number of the recipients are in the gallery today, and since only two of the 92 are of the fairer sex I am sure hon. members will not object to my naming Captain Edna Stokes, from the beautiful riding of Hamilton Mountain, for singular attention.

ROUTINE PROCEEDINGS

BUSINESS OF THE HOUSE

LENGTH OF SPEECHES IN BUDGET DEBATE

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I thought it might be best to raise the point I am about to raise on motions. It has to do with certain discussions that have taken place about the length of speeches in the budget debate. I believe the whips have discussed a possible time limitation for each category of participants as follows. Party leaders would be limited to 40 minutes each and official spokesmen for parties and ministers would be limited to 30 minutes, but in either of these categories the time could be extended with the consent of the House. All other members would be limited to 15 minutes, without any opportunity to ask the House for additional time. The purpose really is to provide for the greatest possible participation in the debate. I thought I might make known to the House the purport of the discussions so that the proposal might be put in the form of a House order later if it is found to be agreeable.

Mr. Baldwin: Mr. Speaker, we would like to take this proposal under advisement for today, in any event. We might be able to get in touch with the government House leader later today for further discussion of the matter.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if the hon. member for Peace River can see his way clear later today to agree to the proposal, may I indicate in advance that we will be happy to agree to it being made a House order.

[*Translation*]

Mr. Fortin: Mr. Speaker, I have already indicated that our party agrees with this arrangement.

[*English*]

INTRODUCTION OF REFERENCE TO COMMITTEE ON PROCEDURE AND ORGANIZATION

Mr. David MacDonald (Egmont): Mr. Speaker, I rise on a point of order which is also related to House business. In view of the two or three discussions we have had during the past week or two and the commitment by the President of the Privy Council with respect to the immediate establishment of the Standing Committee on Procedure and Organization so that it can deal with the many questions that have concerned members on both sides of the House, particularly with respect to the operation of the question period and other related matters, can the government House leader indicate if we can expect the terms of reference to establish this committee to appear on the order paper within the next day or so?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I have the terms of reference prepared and am hoping to have them examined at a meeting of House leaders which I hope will take place later today or early tomorrow morning.

* * *

CITIZENSHIP

EXTENSION TO ALL PERSONS WHO SERVED IN ARMED FORCES IN WORLD WARS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, under the provisions of Standing Order 43 I ask the unanimous consent of the House to move a motion of urgent and pressing necessity. At the present time there are many long-time residents of Canada who valiantly served this country, some through two world wars, in the Canadian Armed Forces and who will soon lose their right to vote if they do not apply for Canadian citizenship. I would move, seconded by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds):

That anyone who has served with the Canadian Armed Forces and is the recipient of an honourable discharge be granted immediate Canadian citizenship.

• (1410)

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Hamilton Mountain. Under the terms of Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

FINANCE

ABOLITION OF SALES TAX ON BUILDING MATERIALS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, under the provisions of Standing Order 43, I should like to move a motion bringing to the attention of the House a matter of pressing—

[*English*]

Some hon. Members: Oh, oh!

Mr. Hees: Did you slip on a banana, Joe?

Some hon. Members: Explain.

Mr. Speaker: Is the hon. member for Cape Breton-East Richmond rising on a question of privilege?

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, because of the appearance of the hon. member for St. Boniface (Mr. Guay), I want to assure all members of the House that I had nothing to do with it.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Tétrault: Mr. Speaker, under the terms of Standing Order 43, I should like to move a motion to bring to the attention of the House a matter of pressing necessity, the importance of which the government seems to have overlooked when it brought down the budget.

I am thinking of the 11 per cent sales tax on building materials which prevents Canadians from owning their own homes. I move, therefore, seconded by the hon. member for Lotbinière (Mr. Fortin):

That this House study as soon as possible the possibility and urgency of repealing the 11 per cent sales tax on building materials to enable all Canadians who so desire to build single-unit dwellings at a decent price taking into account their limited family income.

Mr. Speaker: Hon. members have heard the motion of the hon. member. Under Standing Order 43, this motion requires the unanimous consent. Is the House unanimous?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Beattie (Hamilton Mountain).]

Mr. Speaker: As the House is not unanimous, the motion may not be put.

* * *

INFORMATION

AGREEMENT SIGNED BY BROADCASTERS AND SECURITY SERVICES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, pursuant to Standing Order 43, I ask for unanimous consent of the House to present a motion on a matter of urgent and pressing necessity.

In view of citizens' entitlement to objective information in order to safeguard their freedom, in view also of the importance of the media in our daily life and following the recent agreement between Canadian broadcasters and security services in Canada, I move, seconded by the hon. member for Portneuf (Mr. Godin):

That this House instruct the Committee on Broadcasting, Films and Assistance to the Arts to examine all causes of the agreement entered into by broadcasters and security services of Canada, particularly in case of a national emergency, as well as all potential effects on the level of freedom of Canadians and on their right to objective information, and to report to the House within the shortest possible delay.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimity and therefore the motion cannot be put.

* * *

SOCIAL SECURITY

LOWERING OF AGE OF ELIGIBILITY FOR OLD AGE PENSION TO 60—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Roland Godin (Portneuf): Mr. Speaker, I rise under Standing Order 43 to request the unanimous consent of the House to propose a motion on an issue of national urgency.

As automation plays a leading part in our economy, as an increasing number of Canadian citizens find themselves jobless without any possibility of finding work and without financial resources as soon as they reach the critical age of 55, and as this problem is getting more serious every day and no permanent solution seems to be applied at this time, I propose, seconded by the hon. member for Abitibi (Mr. Laprise):

That this House instruct the Committee on Health, Welfare and Social Affairs to make a thorough examination of the situation existing in the case of this group of people aged 55 and over, to analyse the possibilities of lowering old age security pensionable age to 60 and to report to this House.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: As there is not unanimity, the motion cannot be put.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

TOBACCO INDUSTRY

Question No. 4—**Mr. Mather:**

1. What was the federal revenue from taxes on cigarette tobacco in 1971?

2. What was the federal expenditure in 1971 on non-smoking projects?

3. What was the federal expenditure in the past two years in aid to improve Canadian tobacco crops?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Revenue, National Health and Welfare and Agriculture as follows: 1.

1. Cigars

Fiscal Year	Excise Tax	Excise Duty	Total
1970–71	$ 5,026,412.49	$ 1,248,346.20	$ 6,274,758.69
1971–72	4,951,044.69	1,199,133.00	6,150,177.69

Cigarettes

Fiscal Year	Excise Tax	Excise Duty	Total
1970–71	$295,976,146.78	$204,167,554.10	$500,143,700.88
1971–72	306,231,040.69	213,173,852.10	519,404,892.79

All Manufactured Tobacco

Fiscal Year	Excise Tax	Excise Duty	Total
1970–71	$18,411,045.09	$ 6,710,140.38	$25,121,185.47
1971–72	18,938,651.83	6,970,524.75	25,909,176.58

All manufactured tobacco includes such products as cigarette tobacco, pipe tobacco, snuff, chewing tobacco.

No record is maintained of the sales tax levied on cigarette tobacco.

2. The total expenditure in 1971 on non-smoking projects was $381,271.

3. Fiscal Year	Expenditure
1970–71	$ 799,800
1971–72	$ 965,800

STUDY OF EMERGENCY PROCEDURES BY LIEUTENANT-GENERAL DARE

Question No. 20—**Mr. Rowland:**

1. Has the study of emergency procedures conducted by Lieutenant-General Dare been completed and submitted for consideration?

2. What are the terms of reference for the study?

3. Is it the intention to continue the employment of the former Vice-Chief of the Defence Staff as (a) a public servant, on contract (b) an Order in Council appointment to the staff of the Privy Council or Prime Minister's Office?

4. What will be the status of the conclusions of the Dare Study in relation to the Report by the Standing Committee on External Affairs and National Defence, as tabled on June 29, 1972?

5. Will the Standing Committee be given the opportunity of reviewing and commenting on General Dare's recommendations?

6. Will General Dare's report be made public?

7. Will portions of the report or summary of its findings be made public and, if so, which ones?

Right Hon. P. E. Trudeau (Prime Minister): 1. General Dare has submitted a summary of his major findings and conclusions and is now in the process of completing his report.

2. On May 1, 1972, General Dare was given the following terms of reference:

> In general to carry out the Cabinet decision of July 22, 1971, that "a study be initiated into the subject of crisis-handling methods and structures within the federal government with a view to determining the means whereby better control and co-ordination among departments and agencies in the handling of natural and man-made disasters can be effected."
>
> To study and report on the problems of recognizing and defining "crisis-indicators" and of criteria which must be applied for any event and/or a trend to require crisis management action.
>
> To study and report on crisis-sensing techniques and methods and techniques of crisis decision-making.
>
> To study and report on the current state of crisis-management preparedness including such problems as control, co-ordination, communications, facilities and ministerial responsibilities and authorities.

To study and report on the criteria which must apply in any crisis situation before the Prime Minister and the Cabinet would be required to exercise and perform emergency powers.

To study and report on such physical, organizational and procedural preparations as may be required to enable the Prime Minister and the Cabinet to exercise and perform emergency powers when a natural or man-made crisis occurs.

That for the purpose of this study LGEN Dare will be seconded to the Privy Council Office effective May 1, 1972, with necessary office space and equipment to be provided by the Privy Council Office and with a combination of loaned and seconded staff, providing that in the case of seconded staff the approval of the Director of Administration, PCO, will be required.

3. Lieutenant-General Dare was seconded to the Privy Council Office from the Department of National Defence for the purpose indicated above. It is not intended to continue his employment there or in the Prime Minister's Office.

4. In view of the terms of reference described above, it is expected that the conclusions of the Dare report will deal peripherally with some of the matters embodied in the Report of the Standing Committee on External Affairs and National Defence. By virtue of the terms of reference, the Dare study will have examined a much broader area. Until such time as the report has been studied it is not possible to say what the status of its conclusions will be in relation to the Standing Committee's report of June 29, 1972.

5. This is a matter that will be considered after the government has had an opportunity to consider the report itself.

6. It is the intention of the government to make the report public in due course. It is possible that some parts of it could raise security considerations which would have to be examined, but it seems likely that virtually all of the report can be released. Until such time as the report has been considered by the government, public disclosure will not be made.

7. Yes. A full summary of findings will be made public in due course.

EXPORT OF WHEAT UNDER AGREEMENTS WITH MAINLAND CHINA AND THE U.S.S.R.

Question No. 51—**Mr. Diefenbaker:**

As of (a) July 31, 1972 (b) December 31, 1972, what were the estimates by the Wheat Board of the number of bushels of wheat of grades available for export under the several agreements with Mainland China and the U.S.S.R. in storage (i) on farms (ii) in elevators of all kinds?

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

	Millions of Bushels			
Grade	a(i)	a(ii)	b(i)	b(ii)
1 CWRS	203	151	242	153
2 CWRS	59	56	82	48
3 CWRS	17	20	63	37
ARW	2	1	2	2
1 and 2 Durum	10	20	14	12
3 Durum	11	5	24	9
Ex 4 Durum	5	9	10	5
4 Durum	2	3	12	4

[Mr. Trudeau.]

The foregoing quantities are estimates based on figures published by Statistics Canada and the Canadian Grain Commission, pro-rated as to grade in conformity with Wheat Board estimates by grade resulting from data provided to the Board by elevator managers. They represent the estimated total available stocks in all positions out of which the necessary quantities are being drawn to fill existing contracts with the People's Republic of China and the U.S.S.R. as well as all commitments to other purchasers.

WHEAT SHIPMENTS—DEMURRAGE CHARGES

Question No. 55—**Mr. Diefenbaker:**

1. What was the total amount paid for demurrage by the Wheat Board in 1972 for ships which were held up in Vancouver Harbour awaiting wheat cargoes?

2. Is the Wheat Board to receive payment of said amount from the Government of Canada or, if not, is it to be considered as a marketing expense which will come out of the farmer producers?

Hon. Otto E. Lang (Minister of Justice): 1. $2,326,469.25.

2. Where demurrage is incurred for the account of the Canadian Wheat Board, it is considered to be a marketing expense payable out of the Canadian Wheat Board pool accounts. Whether this amount comes out of sales proceeds or from the government of Canada depends on whether a particular account is in deficit or surplus.

CANADIAN AGRICULTURAL SALES AND PROMOTION ABROAD

Question No. 58—**Mr. Wise:**

1. What government agencies are presently used in the promotion of agricultural export sales and in what countries are they now active?

2. What percentage of Canadian agricultural production is now being sold in the export market?

Hon. Alastair Gillespie (Minister or Industry, Trade and Commerce): 1. Government departments and agencies currently used in the promotion of agricultural sales abroad are the Department of Industry, Trade and Commerce and the Canadian Wheat Board. Promotions are pursued in all potential markets, particularly in those countries where Canada has Canadian Government Trade Commissioner Offices.

2. Preliminary estimates place the farm value of Canadian primary agricultural production in calendar year 1971 at $4.53 billion. The value of export sales of agricultural and food products during the same period reached a record of $1.98 billion. Export sales which include processed products as well as farm products account for 44 per cent of the farm value of agricultural production.

WHEAT SHIPMENTS—DEMURRAGE CHARGES

Question No. 60—**Mr. Gleave:**

What is the total amount in demurrage charges that have been paid by the Canadian Wheat Board at the Port of Vancouver in the crop year (a) 1969-1970 (b) 1970-71 (c) 1971-72?

Hon. Otto E. Lang (Minister of Justice): (a) 1969-70, $543,-178; (b) 1970-71, $150,161; (c) 1971-72, $1,805,034.19.

TARIFF BOARD—RESEARCH EXPENDITURES

Question No. 112—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Tariff Board on contracts to outside persons and organizations for research, development and other consulting services?

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

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

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Hon. John N. Turner (Minister of Finance): 1. 1968-69, $9,179.30; 1969-70, $9,207.36; 1970-71, $13,384.15; 1971-72, $11,142.30.

2. Nethercut & Young Limited, Reporting Service, 48 York Street, Toronto, Ontario, $8,456.30; Graham Mail Delivery Service, 51 Fentiman Ave., Ottawa, Ontario, $723; 1968-69 Total: $9,179.30; Nethercut & Company Limited, 48 York Street, Toronto, Ontario, $8,470.96; Graham Mail Delivery Service, 51 Fentiman Ave., Ottawa, Ontario, $736.40; 1969-70 Total: $9,207.36; Nethercut & Company Limited, 48 York Street, Toronto, Ontario, $4,139.40; B. Prouse Reporting Service, 36 Orchard View Boulevard, Toronto, Ontario, $8,140; Sound Enterprises, 283½ Bank Street, Ottawa, Ontario, $360; Graham Mail Delivery Services, 51 Fentiman Avenue, Ottawa, Ontario, $744.75; 1970-71 Total: $13,384.15; B. Prouse Reporting Service, 33 Castle Knock Road, Toronto, Ontario, $10,156.20; Sound Enterprises, 283½ Bank Street, Ottawa, Ontario, $264; Graham Mail Delivery Service, 51 Fentiman Ave., Ottawa, Ontario, $722.10; 1971-72 Total: $11,142.30.

3. Reporting Services to provide the Department with Transcripts from the Court Hearings of the Tariff Board and Mail delivery Service.

4. To January 31, 1973: B. Prouse Reporting Services, 33 Castle Knock Road, Toronto, Ontario, Transcripts of Court Hearings, $3,781.85; Graham Mail Delivery Service, 51 Fentiman Ave., Ottawa, Ontario, $542.30; Total: $4,324.15.

*POST OFFICE—DISAPPEARANCE OF POSTAL BAGS FROM AIR CANADA FLIGHT 556

Question No. 189—**Mr. Laprise:**

1. What was the date of Air Canada Flight 556 between Rouyn and Montreal where the disappearance of postal bags was discovered?

2. Was an investigation carried out and, if so, how long did it last?

[*Translation*]

Hon. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in answer to question No. 189, Air Canada has not discovered any disappearance or loss of postal bags from Flight 556 between Rouyn and Montreal. Provided with more details, Air Canada might make a more detailed investigation.

[*English*]

FEDERAL ASSISTANCE TO STARCH PLANTS AND POTATO INDUSTRY IN MARITIME PROVINCES

Question No. 261—**Mr. Macquarrie:**

1. Has the government received any requests for assistance towards the construction of starch plants in New Brunswick and Prince Edward Island and, if so, from whom?

2. What has been the response to such requests?

3. What have been the measures of assistance rendered to the potato industry by the government in these provinces?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Regional Economic Expansion and Industry, Trade and Commerce as follows: 1. No.

2. Not applicable.

3. The Department of Industry, Trade and Commerce provides assistance to Canadian industry and trade through a number of industrial and trade development programs. Extensive use of these programs and trade services has been made by the potato industry in New Brunswick and Prince Edward Island. The assistance has included export market surveys and studies, incoming and outgoing trade missions, trade fairs abroad, promotional brochures, seed potato trials abroad, industrial research and technology and the continuing trade services of the Department in Canada and trade commissioner offices abroad. The following development incentives under the Regional Development Incentives Act have been accepted for potato processing facilities:

Name	Amount	Location
McCain Foods Ltd.	$6,128,612	Florenceville, N.B.
McCain Foods Ltd.	443,900	Florenceville, N.B.
F. J. Shea & Son Ltd.	40,250	St. Louis, P.E.I.
Seabrooks Foods Inc.	827,000	New Annan, P.E.I.
Eric Robinson Inc.	81,544	Albany, P.E.I.
Langley Fruit Packers	22,060	Montague, P.E.I.

In Prince Edward Island, assistance has been provided to the industry in the areas of production extension and research, farm capital expansion and marketing. Studies are still being carried out with respect to New Brunswick.

PRIME MINISTER'S OFFICE—REGIONAL DESKS

Question No. 273—**Mr. Cossitt:**

What are the number of Regional Desks in the Prime Minister's Office and (a) by what names are these designated (b) what was their total cost from the date of their creation in each case to January 11, 1973?

Order Paper Questions

Right Hon. P. E. Trudeau (Prime Minister): Four. (a) and (b) Western Canada, $142,652; Quebec, $111,864; Ontario, $66,556; Atlantic Provinces, $84,118.

INFORMATION FILES ON MEMBERS OF PARLIAMENT

Question No. 274—**Mr. Cossitt:**

Have any persons employed by, attached to, or on loan to the Prime Minister's Office compiled information files of any kind on any persons serving as Members of Parliament since April 20, 1968 and, if so (a) what are the names of such Members of Parliament (b) for what reason were the files compiled?

Right Hon. P. E. Trudeau (Prime Minister): Apart from maintaining files of current biographical material on Members of the Liberal Caucus, the Prime Minister's Office does not compile information files on individual Members of Parliament, nor does it authorize persons employed by it, attached to or on loan to it, to do so.

POSSIBILITY OF LOANS TO PROVINCES BEARING ADMINISTRATIVE INTEREST

Question No. 488—**Mr. Beaudoin:**

Is the government considering the possibility of loans to the provinces bearing an administrative interest?

[*Translation*]

Hon. John N. Turner (Minister of Finance): No.

[*English*]

POSSIBILITY OF LOANS TO MUNICIPALITIES BEARING AN ADMINISTRATIVE INTEREST

Question No. 489—**Mr. Beaudoin:**

Is the government considering the possibility of interest free loans or loans bearing an administrative interest to Canadian municipalities?

[*Translation*]

Hon. John N. Turner (Minister of Finance): No.

[*English*]

TOTAL DEBT OWED TO CANADA BY FOREIGN GOVERNMENTS, APRIL 30, 1970

Question No. 492—**Mr. Beaudoin:**

On April 30, 1970, what was the total amount owed to the government by foreign governments?

[*Translation*]

Hon. John N. Turner (Minister of Finance): On March 31, 1970 (end of fiscal year) foreign governments owed to Canada $1,661,721,359.

[*English*]

TREMBLAY ET LOCKEN INC., LA TUQUE

Question No. 504—**Mr. Matte:**

Is there a federally incorporated company by the name of Tremblay et Locken Inc., at 687 Castelneau St., in La Tuque and, if so (a) when was it incorporated (b) who are its shareholders (c) what is its equity capital (d) has the company regularly produced its income tax return and, if not, in what year did it not do so (e) were there any transfers of shares and, if so, on what date and in whose favour?

[Mr. Cossitt.]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Consumer and Corporate Affairs and National Revenue as follows: (a) Tremblay et Locken Inc. is not a federally incorporated company; it was incorporated provincially under the Quebec Companies Act in September, 1961 under the name Dowally Construction Company Ltd. The actual name was granted on August 27, 1962. (b), (c) and (d) Not applicable. (e) Because of the secrecy provisions contained in the Income Tax Act, the Department of National Revenue (Taxation) cannot provide an answer to this question.

*WETASKIWIN, ALBERTA—RELOCATION OF TRACKS

Question No. 508—**Mr. Schellenberger:**

Has the City of Wetaskiwin, Alberta, requested to have railway tracks running through the centre of the City relocated for safety, traffic and aesthetic reasons and, if so, will the government give favourable consideration to assisting the City and the CPR in proceeding upon an immediate relocation of the tracks?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Canadian Transport Commission advises as follows. The city of Wetaskiwin, Alberta, has advised the Canadian Transport Commission of its intention to apply for relocation outside of the city limits of the Canadian Pacific Edmonton/Calgary main line. Under existing legislation there is no provision by which the Canadian Transport Commission can provide financial assistance for the relocation of railway trackage unless the proposed relocation involves the elimination of a crossing at grade, which is eligible for a grant under the Railway Grade Crossing Fund. On October 10, 1972, the Minister of Transport and the Minister of State for Urban Affairs announced that parliament will be asked to approve legislation that would permit the Canadian Transport Commission to make grants for the relocation of railway lines outside of urban areas. In the event that such legislation is approved by parliament, an application by the city of Wetaskiwin for relocation of the CP main line would be considered in accordance with whatever criteria may be established under such legislation.

INSTITUTE FOR RESEARCH ON PUBLIC POLICY

Question No. 530—**Mr. McKenzie:**

1. Has the government extended any further money to the Institute for Research on Public Policy, apart from the initial $950,000 grant?

2. To what extent have private contributions to the Institute matched any government grants?

3. (a) What are the names and salaries of each individual on the Institute's Board of Directors (b) what criteria were used by the government in selection of the directors?

4. Is it the intention of the government to table a progress report on the Institute during the current session of Parliament?

Right Hon. P. E. Trudeau (Prime Minister): 1. Apart from the initial start up grant of $950,000 the government has made payments of $300,000 to the Institute's endowment fund to match private contributions in accordance with its commitments.

2. The government is committed to match dollar for dollar contributions received by the Institute for its endowment fund from other sources up to a total of $10 million over a period of seven years from its incorporation.

3. (a) The members of the Board of Directors, including the Chairman, do not receive any salary or remuneration for their services other than reimbursement for actual expenses incurred in discharging the business of the Institute. The names of the Directors are: Mrs. Doris Anderson, Mr. David Black, Hon. J. V. Clyne, Mr. Paul Desmarais, Mr. Louis Desrochers, Dr. John Deutsch, Mr. G. H. D. Hobbs, Miss Madeleine Joubert, Mr. Louis Lorrain, Dr. John F. McCreary, The Most Rev. J. N. MacNeil, Mr. Allan O'Brien, Mrs. Marilyn Pilkington, Miss Kathleen Richardson, Mr. Ronald S. Ritchie, Hon. John P. Robarts, Mr. Eldon Thompson, Mr. Marc-Adélard Tremblay, Mr. Norman Ward. (b) None of the Directors has been appointed by the government since the institute is established as a private corporation under Part II of the Canada Companies Act.

4. As the Institute is a private corporation the government is not in a position to make a progress report on it. It is understood that the Institute will report to its members annually as required by the Canada Companies Act and that these reports will be made public.

STUDY OF ECOLOGICAL AND SOCIOLOGICAL EFFECTS OF JAMES BAY PROJECT

Question No. 531—**Mr. Godin:**

Has the government made a grant to Indians and Eskimos of the Province of Quebec for the study of the ecological and sociological effects of the James Bay Project and, if so (a) in what amounts (b) were such amounts adequate?

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): (a) The government has agreed to make an accountable contribution to the Indians of Quebec Association in an amount not to exceed $250,000 to enable that Association to undertake research on aspects of the potential and natural effect of the James Bay project on the native people of the project area and related matters. (b) It is too early to assess if assistance given under agreement is adequate; study is still being carried out.

*AUDITOR GENERALS' BUDGET AND STAFF LEVELS

Question No. 542—**Mr. Reynolds:**

Has the President of the Treasury Board considered the possible exemption of the Auditor General from Treasury Board authority in the matter of budget and staff levels as stated in news release dated December 5, 1972 and, if so (a) what is the present status of the matter (b) on what date will an announcement be made?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The answer is yes, Mr. Speaker. (a) The final paragraph of the press release of December 5, 1972 repeated the recommendation of the Standing Committee on Public Accounts in its first report to the House of March 22, 1972, that the House give further reference to the committee to draft recommendations for an Auditor General's Act. An order of reference for this purpose was made March 27, 1972 and the public accounts committee set up a committee of lawyers representing the Senate, the House of Commons and the Department of Justice; together with a lawyer from the private sector representing the Auditor General, to hear submissions from interested parties and to recommend the draft for a bill. This committee is still active but is not required to issue any reports in advance of its recommendations to the public accounts committee. The President of the Treasury Board has met with this committee and now awaits the recommendations for the draft bill to be reported on by the public accounts committee. (b) Following the presentation to the House by the public accounts committee of its report on the recommendations for the draft bill.

QUEBEC—FEDERAL ASSISTANCE FOR PROMOTION OF SHEEP BREEDING

Question No. 546—**Mr. Latulippe:**

Since January 1, 1970, what was the total amount of grants to farmers for the promotion of sheep breeding in the Province of Quebec and what was the average amount granted per farmer?

Hon. E. F. Whelan (Minister of Agriculture): Quebec sheep producers received grants totalling $222,377 in the form of transportation assistance for breeding stock, lamb carcass premiums and deficiency payments, representing an average of $107.95 per farmer raising sheep in 1971.

MILITARY BASE, CHILLIWACK, B.C.

Question No. 551—**Mr. Latulippe:**

1. How many years has the military base of Chilliwack in British Columbia, been in operation?

2. How many officer cadets attended courses and how many were commissioned?

3. What is the weekly salary of an officer cadet?

4. How many personnel are employed there full time?

[*Translation*]

Hon. James Richardson (Minister of National Defence): 1. The military base of Chilliwack was established as a Military Engineering Training Centre in April 1942. In 1969, the Canadian Forces Officer Candidate School (CFOCS) was located at CFB Chilliwack.

2. From May 1969 to December 1972 the total intake at the Canadian Forces Officer Candidate School was 2,574. Of this number 2,035 officer cadets graduated and 557 of the graduates were commissioned at Chilliwack. Of the 1,478 who proceeded to classification training, it is estimated that about 578 have now been commissioned, with the remaining 900 at various stages of academic and classification training. The Canadian Forces School of Military Engineering provides training in field and construction engineering and graduates approximately 850 military officers and men annually.

3. Salary varies depending upon the scheme under which the Officer Cadet is serving; however, a cadet in the Regular Officer Training Plan (ROTP) receives $240-275 per month. 4. There are a number of units administered by CFB Chilliwack, some co-located at the base and others located away from the base. Breakdown of the

personnel strenghts of the units located at Chilliwack are as follows:

Unit	Military Strength	Civilian Strength
Canadian Forces Base Chilliwack	417	536
Canadian Forces School of Military Engineering Chilliwack	124	10
3 FD Sqn Chilliwack (a Mobile Command Combat Unit)	244	—
11 Dent Unit Det Vedder Crossing	9	—
Regional Medical Equipment Depot Chilliwack	8	—
740 Comm Sqn Det Chilliwack	6	—
Training Command Management Study Unit Det Chilliwack	2	—
Canadian Forces Officer Cadet School School Chilliwack	87	4
TOTAL	897	555

[*English*]

DREE—GRANTS TO COMMODORE MOBIL HOMES, ST. JEAN, QUEBEC

Question No. 560—**Mr. Wagner:**

1. Has the Department of Regional Economic Expansion made a grant to Commodore Mobil Homes of St. Jean, Quebec and, if so, in what amount?

2. How many jobs were created?

3. What were the names of the directors and shareholders of Commodore Mobil Homes?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes. A development incentives grant of approximately $162,202, based on a rate of 10 per cent of the approved capital costs, estimated at $672,025, plus $500 for each job to be created, was accepted by the company on June 5, 1972.

2. Estimated number of jobs to be created: 190

3. Commodore Mobile Homes Ltd. is a wholly owned subsidiary of The Commodore Corporation. Commodore Mobile Homes Ltd. (Alberta) is the Canadian operating subsidiary of Rocket Trailers Ltd. (Ontario) which is a Canadian holding company of The Commodore Corporation (executive and operating offices, Omaha, Nebraska). The parent company is a public owned company with shares traded on the American Stock Exchange symbol CCT. The majority shareholders of the parent company are Meyer Katzman, Daniel Katsman, Morley Zipursky and James C. Foreman. The Directors of Rocket Trailers Ltd. are: Daniel Katzman, Morley Zipursky, Sylvia Jess. The Directors of Commodore Mobile Homes Ltd. are: Daniel Katzman, Morley Zipursky, J. C. Foreman.

[Mr. Richardson.]

DREE—GRANTS TO LENNOX PAPER LIMITED

Question No. 566—**Mr. McKenzie:**

1. Is it the intention of the Department of Regional Economic Expansion to proceed with incentive grants to Lennox Paper Limited?

2. Has the Department of Regional Economic Expansion any intention of meeting with representatives from Canada's paper industry to discuss any misgivings concerning development incentive grants to Lennox Paper Limited?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. A development incentives grant of approximately $870,000, calculated on the basis of 16 per cent of the approved capital costs plus $3,000 for each of the estimated 53 jobs to be created, was accepted by Lennox Paper Limited. This offer is subject to conditions specified under the provisions of the Regional Development Incentives Act. If all the provisions of the legislation are met, the authorization of payment will be processed in the usual manner.

2. As a matter of policy, the Department does not discuss the details of individual cases as this would be a breach of commercial confidentiality. However, a fair amount of correspondence has passed between representatives of the paper industry and the Department. The views of the industry are therefore known to the Department and have been taken into account.

PURCHASING POWER OF 1972 DOLLAR

Question No. 590—**Mr. Mather:**

With 1949 dollars as a basis, what was the purchasing power of the 1972 dollar?

Hon. John N. Turner (Minister of Finance): The Consumer Price Index measures the percentage change through time in the cost of purchasing a constant quantity and combination of goods and services. Starting with 1961, the index is based on 1957 family expenditure patterns while for the years 1949 to 1960 the index is based on 1947-48 expenditure patterns. The differing weight base periods are arithmetically linked to the time base 1961=100. In 1949, the Consumer Price Index averaged 77.4 and in 1972 it averaged 139.8. Bearing in mind the different expenditure patterns for the index in 1949 and 1972, the purchasing power of the 1972 dollar, in terms of the 1949 dollar, would then be 55 cents.

SMALL FARM DEVELOPMENT PROGRAM

Question No. 604—**Mr. Howie:**

1. Is it the intention of the government to establish the National Small Farm Development Advisory Committee?

2. By province, what is the total number of those who have received payments and the amount received by each under the Small Farm Development Program?

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

2. The Farm Credit Corporation advises as follows: 1. Yes.

2.

	Grants to Vendors			
	Disbursements		Approvals	
	Number	Amount	Number	Amount
Alberta	21	$60,120	88	$271,515
Ontario	6	$15,950	20	$ 56,350

The difference between disbursements and approvals is the number in a pending category awaiting confirmation of the completion of the sale of the land.

	Special Credit to Purchasers	
	Number	Amount
Alberta	33	$537,300
Ontario	2	$ 32,600

MARITIME COMMAND—FUEL SHORTAGE

Question No. 605—**Mr. Schellenberger:**

1. Is there a fuel shortage for helicopters which is hindering operations of HS 50 at CFB Shearwater?

2. How many of the "37" type helicopters are fully serviceable for the 60 pilots of HS 50 to fly?

3. Are pilots allocated sufficient fuel to fly an average of 10 hours of practice monthly, and do they consider 20 hours monthly a minimum safety factor in order to be able to carry out missions and search and rescue operations?

4. Was there a near disaster during a recent mission flown by members of HS 50 and, if so (a) what were the circumstances (b) was a full report ordered (c) did insufficient flying time contribute to such an incident?

5. Is the government planning to allocate more fuel, and thus make more provision for flying time to the pilots of HS 50?

6. Are any steps being taken to provide more fully serviceable helicopters to HS 50?

7. Is there a severe morale problem in HS 50 and, if so, what steps are being taken to correct it?

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

2. There are 36 Sea King Helicopters available at CFB Shearwater for flying operations. Sea King Helicopters are cared for under a flexible maintenance system which makes it possible to adjust maintenance activity to best cater for variations in operational requirements. Therefore, day to day serviceability figures are subject to wide variations and do not provide a meaningful gauge of aircraft availability. The serviceability of Sea King Helicopters has been such that HS 50 consistently meets its commitments for operational crews and aircraft. At the present time, however, with the exception of 2 modified aircraft embarked with the Standing Naval Force Atlantic, the Sea Kings are temporarily restricted from operating from HMC Ships pending the completion of an engineering analysis of the undercarriage area; this engineering study was undertaken following the collapse of a stub wing of a Sea King aboard HMCS *Fraser* in November 1972.

3. HS 50 is allotted sufficient resources to permit each pilot to obtain an average of 25 hours flying per month. However, even more important than the number of hours flown each month is the completion of mandatory training exercises and a regular proficiency checking program, both of which are in effect at HS 50.

4. (a) There have been two Sea King Helicopter accidents during the past three months, one caused by the collapse of a sponson on a Helicopter aboard HMCS *Fraser*, and the other which appears to have been caused by the failure of a tail rotor in flight. There were no fatalities in either accident. (b) Yes. (c) No.

5. No.

6. See (2) above. A contract has been arranged to modify and strengthen the stub wings on all Canadian Armed Forces Sea King Helicopters.

7. Morale is the product of many factors and it is the assessment of the responsible military authorities that the morale of personnel at HS 50 is good.

PROSECUTION OF IRVING NEWSPAPER INTEREST

Question No. 609—**Mr. Howie:**

What are the total accounts paid and time charged in respect to the prosecution of the Irving newspaper interest under the Combines Investigation Act?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Fees (Legal and Consultant), $56,727.50; Time charged: 108¼ days, 1,128.2 hours. Disbursements (Legal and Consultant), $19,947.98. (Includes $1,834.35 air fare and expenses of certain witnesses). Does not include time or expenses of Officers of the Director of Investigation and Research or departmental Legal Branch.

CANADIAN DAIRY COMMISSION PERSONNEL

Question No. 616—**Mr. McKenzie:**

1. How many women hold executive or professional employment with CDC?

2. (a) What percentage of those categories are women (b) what percentage of all CDC employees are women?

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): 1. Nil.

2. (a) Not applicable; (b) 62 per cent.

PRIME MINISTER'S OFFICE—MAILING EXPENSES

Question No. 618—**Mr. McKenzie:**

How much money was spent by the Prime Minister's Office for mailing in each month of 1972?

Right Hon. P. E. Trudeau (Prime Minister): Prior to April 1, 1972 funds for general postage were included in estimates as a non-budgeting item. Since April 1, 1972 all mail has been metered on a machine installed for PMO/PCO. It is not possible to establish expenditure for PMO only. Recorded expenditures for 1972 are as follows: April, $1,476.80; May, $1,817.28; June, $1,556.69; July, $968.75; August, $1,021.33; September, $1,150.78; October, $1,658.49; November, $1,153.23; December, $1,053.68.

DREE—GRANTS TO PRETTY-POLLY, MONT-JOLI, QUEBEC

Question No. 631—**Mr. Allard:**

1. Has the Department of Regional Economic Expansion made any grants to Pretty-Polly, of Mont-Joli, Quebec, to create jobs?

2. Is there an agreement between the Industrial Development Agency and Pretty-Polly?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. The compa-

ny accepted a combination of development incentives in the amount of $608,000 authorized under the provisions of the Regional Development Incentives Act.

2. The company has an agreement with General Trust of Canada acting as Trustee on behalf of the Quebec Industrial Development Corporation.

CROP LOSSES—LOTBINIÈRE CONSTITUENCY

Question No. 635—**Mr. Fortin:**

How many requests for compensation did the Department of Agriculture receive from the constituency of Lotbinière in respect of designated regions following crop damage due to last year's rainfall.

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): As of January 12, 1973, 343.

DREE—GRANTS TO INDUSTRIES IN LOTBINIÈRE CONSTITUENCY

Question No. 636—**Mr. Fortin:**

In the past two years, how many industries in the constituency of Lotbinière received grants following the creation of the Department of Regional Economic Expansion (a) how many grants per municipality (b) how much did each receive?

[*Translation*]

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): From January 1, 1971 to December 31, 1972, 25 industries have accepted offers of development incentives authorized under the provisions of the Regional Development Incentives Act in the constituency of Lotbinière, Quebec.

(a) Name	(b) Incentive
Arthabaska	
Imprimerie d'Arthabaska	$ 22,500
Warwick	
Warwick Ladders Inc.	29,970
Roland Boulanger & Cie Ltée	55,550
Princeville	
Duval & Raymond Inc.	30,000
Sani-Chutes Lego Ltée	115,670
Prince-Caravane Inc.	109,400
Victoriaville	
Royal Chesterfield (1966) Inc.	17,565
H. P. Cyrenne Ltée	19,400
Placements des Bois-Francs Inc.	6,300
Polyclar Inc.	20,601
Menuiserie Rive-Sud Inc.	42,600
J. M. Caya Ltée	15,300
Industech Inc.	30,000
Ventilateur Victoria Ltée	48,600
Daveluyville	
National Underlay (1972) Inc.	53,520
Tricot P. G. Ltée	149,800
Robert Lapierre Ltée	55,850
Entreprises A. R. M. Ltée	37,550
Ste-Croix	
Fonderie Ste-Croix Ltée	234,400
Val Alain	
P. Bolduc & Fils Inc.	35,000
Laurier Station	
Meubles Laurier Ltée	36,000
A. P. Furniture Industries Inc.	42,000
Ste-Eulalie	
Yelles & Frères Enrg.	5,244
St-Samuel	
J. A. Poulin	14,580
Confection Idéale Ltée	7,030
Ste-Marie	
Vachon Inc.	160,407

[*English*]

AMENDMENTS TO SMALL BUSINESSES LOANS ACT

Question No. 647—**Mr. Cossitt:**

Is it the intention of the government to amend the Small Businesses Loans Act to permit (a) loans to small businesses in excess of the present $25,000 maximum and, if so, on what date can an announcement be expected (b) applications from small businesses with an estimated annual gross revenue in excess of $500,000 during the year in which an application is made and, if so, on what date can an announcement be expected?

Hon. John N. Turner (Minister of Finance): The program of loans under the Small Businesses Loans Act is currently under review to determine what changes to it would be desirable. The maximum loan limits and the criteria for eligibility are among those factors which are being carefully examined. Changes in the program that the government decides to recommend will be submitted to Parliament for consideration when the review is completed.

DREE—DIONNE MOTOR SALES LTD., NEW BRUNSWICK

Question No. 660—**Mr. Coates:**

1. Was Dionne Motor Sales Limited, or Maurice Dionne, eligible for a DREE grant, or loan, or both, in the renovation of a property occupied by that firm in Plaster Rock, New Brunswick?

2. If such a grant, or loan, or both, were awarded, what was the amount, and on what basis was a determination made for the assistance provided?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. The operation of an automobile dealership is not an eligible facility for a development incentive or a loan guarantee, under the provisions of the Regional Development Incentives Act.

2. N/A.

MARITIME SURVEY PROGRAM

Question No. 666—**Mr. Munro (Esquimalt-Saanich):**

1. Is the government planning to continue the maritime survey program of our three coasts as well as the Great Lakes?

2. What are the names and registry of the vessels now engaged in the maritime survey program?

3. What are the names and registry of the vessels likely to be engaged in the maritime survey program over the next five years?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): 1. Yes; in addition, projects are planned for various water areas in the Arctic Archipelago, the Great Lakes, the larger inland lakes and major waterways used by commercial and recreational traffic.

2. Vessels owned and chartered by the Marine Sciences Directorate are used to support various studies and frequently are engaged in more than one type of activity simultaneously.

Name of Vessel	Port of Registry	Based At
CSS *Baffin*	Ottawa	Dartmouth, N.S.
CSS *Hudson*	Ottawa	Dartmouth, N.S.
CSS *Dawson*	Ottawa	Dartmouth, N.S.
CSS *Maxwell*	Ottawa	Dartmouth, N.S.
CSS *Advent*	Ottawa	Burlington, Ont.
CSS *Limnos*	Ottawa	Burlington, Ont.
CSS *Wm. J. Stewart*	Ottawa	Victoria, B.C.
CSS *Parizeau*	Ottawa	Victoria, B.C.
CSS *Richardson*	Ottawa	Victoria, B.C.
CSS *Vector*	Ottawa	Victoria, B.C.
CSL *Revisor*	Victoria	Victoria, B.C.
CSL *Vedette*	Burlington	Burlington, Ont.
CSL *LeMoyne*	Burlington	Burlington, Ont.
CSL *Verity*	Burlington	Burlington, Ont.
CSL *Surge*	Burlington	Burlington, Ont.
CSL *Swift*	Burlington	Burlington, Ont.
CSL *Tudik*	Dartmouth	Dartmouth, N.S.

Vessels now under charter:

Name of Vessel	Port of Registry	Based At
M/V *Martin Karlsen*		Canadian Registry
M/V *Lac Erie*		Canadian Registry
Radium Express		Canadian Registry

3. The specific vessels which will be chartered over the next five years are not known at this time. The vessels selected will depend on which suitable vessels are available when requirements surface, the results of tender evaluations with particular emphasis on suitability and cost, area of operation and other factors. However, only Canadian registered vessels are chartered for support of these programs. It should be further noted that MOT vessels are sometimes used to support Marine Sciences Directorate programs when arrangements can be made that are suitable to both Departments.

OCEANOGRAPHIC VESSEL, "WILLIAM J. STEWART"

Question No. 667—**Mr. Munro (Esquimalt-Saanich):**

1. What plans does the government have, over the next five to 10 years, for the oceanographic vessel *William J. Stewart*?

2. If the government is planning to replace the *William J. Stewart*, what alternate plan does it have to provide the services the vessel now supplies?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): 1. It is intended to retain the oceanographic vessel, *William J. Stewart* in commission for the next five years.

2. Consideration is now being given to the form of replacement for this vessel. Details have not yet been finalized, however it is currently planned that the design phase for the replacement of this vessel will take place during the 1973/74 fiscal year, and when all considerations have been fully weighed, the final form that the replacement will take will be established.

AVIATION SECURITY PROGRAM

Question No. 669—**Mr. Munro (Esquimalt-Saanich):**

What measures are being taken by the government to forestall attempts to highjack aircraft within Canada?

Hon. Jean Marchand (Minister of Transport): A detailed response to this question cannot be given without jeopardizing the effectiveness of the aviation security program. The Ministry is working very closely with the aviation industry and all those agencies concerned with air safety. Procedures and techniques being utilized range from fencing and metal detecting devices to personal searches of passengers and baggage.

CANADIAN MERCHANT MARINE

Question No. 688—**Mr. Mather:**

Is consideration being given to the establishment of a Canadian Merchant Marine?

Hon. Jean Marchand (Minister of Transport): A Canadian Merchant Marine presently exists, with the main component being the substantial fleet of specialized bulk carriers engaged in the coasting trade and the Canada-U.S.A. international trades. The question of altering the policy of the federal government to induce more participation by Canadian-flag ships in ocean-going operations is under almost constant appraisal, but there are no plans to create a fleet of such ships at this time.

DEFENCE—MOTOR VEHICLES, BORDEN AND PETAWAWA

Question No. 689—**Mr. Cossitt:**

How many jeeps owned by the government were located at, or attached to (a) CFB Camp Borden (b) CFB Petawawa, at the end of fiscal years 1971, 1972 and at January 25, 1973?

Hon. James Richardson (Minister of National Defence): Approximately 25,000 motor vehicles of all types are operated by the Department. Distribution records are maintained on computer files which are updated every two weeks, and it is therefore exceedingly difficult to determine numbers assigned to any one unit "in arrears" without a manual review of unit records. Neither the personnel nor the funds are available to carry out such a search. As of January 25, 1973 there were (a) 119 jeeps at CFB Borden; and (b) 202 at CFB Petawawa.

Order Paper Questions

FRASER RIVER HARBOUR COMMISSION

Question No. 696—**Mr. Reynolds:**

Has the Fraser River Harbour Commission published a detailed financial statement in the last two years and, if not, on what date will a detailed financial statement for the last two years be made available?

Hon. Jean Marchand (Minister of Transport): The Fraser River Harbour Commission publishes detailed financial statements annually which can be obtained direct from the Harbour Commission's office in New Westminster, B.C.

ALL-WEATHER HIGHWAY—MACKENZIE VALLEY

Question No. 718—**Miss MacDonald (Kingston and The Islands):**

1. With reference to the cost estimate made by the Prime Minister on April 28, 1972, about the all-weather highway along the Mackenzie Valley (a) what is the estimated total cost of this highway (b) how much of this total has been spent so far (c) how many new miles of road were built for this amount (d) what is the proposed and actual cost per mile to build this highway (e) what is the projected cost for road maintenance during and after construction (f) how many new jobs has this project created to date, and how long did they last (g) how many total new jobs will be created, and for how long (h) when construction is completed, how many persons will be employed along the highway (i) how many of the current new jobs are filled by native people and what is the breakdown of various job classifications?

2. Is work presently suspended and, if so, who is paying the labourers who are kept on?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. (a) The current estimated total cost of the Highway (Fort Simpson to Inuvik) is $130 million. (b) Approximately $9 million to year end. (c) There are no miles of Highway fully completed. The present status of construction is: Section A (Fort Simpson to Camsell Bend) and Section E (Inuvik to Arctic Red River) are under construction now. Section B (Mile 346-550) and Section C (Mile 550-725) are undergoing pre-engineering and design. Section D (Mile 725-891) is undergoing limited pre-engineering activity at this time. Design will begin in the Fall of 1973. (d) The estimated cost per mile of construction is as little as $60,000 or as much as $200,000—depending on conditions. (e) During construction, maintenance costs form part of the construction costs. After construction is completed, maintenance costs are estimated at approximately $3,000 per mile. (f) Since the beginning of the project 284 new jobs have been created. Because of the nature of the work involved we cannot say how long each job has lasted. There are at present 180 jobs on the project. (g) The schedule of construction is not yet firm. See answer to part (f). (h) Approximately 150 to 200 persons. (i) 108 of the 180 current new jobs are filled by native people. The breakdown is: heavy equipment operators, mechanics, draughtsmen, labourers, attendants, chainmen, kitchen helpers, duty drivers, storemen, clerks, cooks, instrument technicians, resident engineers, construction engineers, maintenance personnel.

2. No.

[Mr. Richardson.]

SEARCH AND RESCUE—AIRCRAFT BASED AT TRENTON

Question No. 719—**Mr. Lawrence:**

What was the normal complement of aircraft based at Trenton, Ontario during the summer period of 1972 for search and rescue purposes and what was the aircraft (a) type (b) size (c) number of engines (d) range and payload capacity?

Hon. James Richardson (Minister of National Defence): Two (a) CC138 Twin Otter aircraft with (b) a wing span of 65 feet and an overall length of 51 feet 9 inches; (c) two PT6A-27 engines; (d) 900 miles, 5000 pounds. Search and Rescue is the primary role of these two aircraft, but they are supplemented, when necessary, by a wide variety of military aircraft from the Regular and Reserve Forces, e.g., Hercules aircraft, Voyageur Helicopters, as well as by civil pilots and public-spirited citizens who act as observers.

CANADIAN WHEAT BOARD

Question No. 720—**Mr. Matte:**

1. Are Western wheat producers bound to inform the Canadian Wheat Board of the quantities of grain used for personal consumption?

2. Are such quantities deducted from their sale quotas?

[*Translation*]

Hon. Otto E. Lang (Minister of Justice): 1. No.

2. No.

[*English*]

DEFENCE—SUMMER RESERVE TRAINING

Question No. 730—**Mr. Marshall:**

1. Under the summer reserve training program what is the allocation by province of male and female student vacancies?

2. Is it the intention of the government to restrict applicants to those living only in localities where armouries are located as was the practice last year?

Hon. James Richardson (Minister of National Defence): 1. There is no distinctipn made between male and female applicants. Vacancies are filled on a "first come" basis by students referred to the local Reserve unit by the Department of Manpower. All applicants must meet the basic enrolment standards for the reserves. The allocation by region is: Pacific (British Columbia), 750; Prairie (Alberta, Saskatchewan, Manitoba and Northwestern Ontario), 1,200; Central (Ontario less Northwestern Ontario), 2,025; Eastern (Quebec), 2,250; Atlantic (New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland), 1,275. This regional allocation has been determined by the estimated levels of regional student unemployment and the ability of the Reserves to conduct this training.

2. The training offered is of practical necessity limited to localities which have active Reserve units and suitable accommodation in which to conduct the training. There is no restriction on the domicile of any applicant other than that for most of the training period of eight weeks he is expected to provide his own accommodation and food. If rations and quarters were made available (and this is impractical in most localities) the overhead costs would be such as to substantially reduce the numbers who could be enrolled within funds available.

DEFENCE—SUMMER RESERVE TRAINING

Question No. 731—**Mr. Marshall:**

1. Under the summer cadet program what is the total number of cadets who will avail themselves of this program besides the announced additional 4,000?

2. What is the allocation by province of the vacancies?

Hon. James Richardson (Minister of National Defence): 1 and 2. Under the summer cadet training program there are vacancies for 20,003 allocated as follows: Newfoundland, 1,313; Nova Scotia 1,270; Prince Edward Island, 120; New Brunswick, 967; Quebec, 5,633; Ontario, 5,345; Manitoba, 1,030; Saskatchewan, 1,002; Alberta, 1,517; British Columbia, 1,566; Territories, 240.

COASTAL TRADING REGULATIONS

Question No. 741—**Mr. Forrestall:**

Is it the intention of the government to institute or extend coastal trading regulations, similar to the Jones Act in the United States, to include the east and west coasts of Canada and, if so, will they be extended to include all the Arctic sector and Arctic Islands?

Hon. Jean Marchand (Minister of Transport): The government is presently considering a new policy for the Canadian coasting trade largely on the basis of the Darling Report. This Report recommended reserving all coasting trade activities in Canada to Canadian-flag vessels and extending the laws to the Arctic waters and Continental Shelf of Canada. It was, however, the recommendation of Mr. Darling that where no Canadian vessel was available or adequate to fulfil the requirements of the trade permits would be granted to foreign vessels following payment of duties on the basis of the value of the ship and its period of activity in the coasting trade. The Jones Act in the United States does not allow foreign vessels to engage in the coasting trade. Perhaps it might be noted that the United States has virtually no coasting activity.

MAN AND RESOURCES PROGRAM—YUKON AND NORTHWEST TERRITORIES

Question No. 756—**Mr. Nielsen:**

1. What is the total cost to date to the government for the provision of professional services for implementation of the "Man and Resources Program" in the Yukon and Northwest Territories?

2. What person, firm or corporation performed the services and of what did such services consist?

3. Were public tenders called for such services and, if not, for what reason?

4. Will any further costs be incurred by the government in connection with this program and, if so, what costs for what services?

5. Were any of the elected representatives of the Councils of either the Yukon or the Northwest Territories involved in the planning of the program or in the activities leading to the publication of any report?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. $30,000.

2. Gemini North provided professional services to implement the "Man and Resources" program in the North by designing the format, by providing an opportunity for public participation to identify and describe local resource use problems, issues and conflicts, by compiling a list of potential delegates for the Montebello Workshop, and by preparing brief notes for the use of the eight delegates selected to attend the Workshop from the Yukon and the Northwest Territories.

3. No. The work was specialized, the lead time was extremely short and consequently only two firms were contacted about the undertaking. One firm was unable to take on the work and, therefore, Gemini North was selected because the firm is resident in the North, possesses particular expertise in the field, and was scheduled to visit several communities during the summer in connection with another project.

4. Yes. The program for 1973 has not been fully developed yet but it is expected that approximately $30,000 will be spent in support of individuals, groups, organizations, associations, etc., wishing to address themselves to one of the 12 resource issues and requiring funds for travel, research, etc.

5. There were no elected representatives of either Territorial government involved in the planning of the program but some Council members did take part in activities at the local citizen participation level.

VANCOUVER WEATHER OFFICE

Question No. 764—**Mr. Reynolds:**

1. Will the Vancouver weather office be moved to a new environment on the North Shore of Vancouver?

2. Have the employees of the present weather station been advised that they will be or could be moved and, if so, on what date?

3. What percentage of employees live in Richmond and Delta and, if it is over 50 per cent, does the Minister consider such a move feasible?

4. Has the government any plans to compensate employees who must move to be within a reasonable travel distance to work?

5. Is there any scientific reason for this move?

6. Were other locations looked into besides the North Shore?

7. Was any consideration given to remodelling the present office?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): 1. Yes; except for the Aviation Weather Briefing Office which will remain at the airport.

2. Yes; on January 26, 1973.

3. Forty-five per cent.

4. No.

5. Yes; co-location of the Atmospheric Environment Service with the Environmental Protection Service will facilitate the execution of programs.

6. Yes; False Creek, Steveston and UBC Endowment Lands.

7. No; the office space will be required by the Ministry of Transport.

Order Paper Questions

COMPENSATION FOR CROP LOSSES

Question No. 776—**Mr. Lambert (Bellechasse):**

1. What criteria were used to determine the regions where farmers would benefit from a $400 compensation for crop losses in 1972?

2. What were the names of the persons or agencies who were responsible for outlining the areas?

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): 1. Regions designated in Ontario and Quebec were those where 1972 crops were 60 per cent or less of normal due to adverse weather.

2. The areas were outlined jointly by the agricultural representatives and agronomes of the provinces of Ontario and Quebec, respectively, and officials of Agriculture Canada.

SPECIAL LOAN PROGRAM FOR VARIOUS CATEGORIES OF INVESTMENT PROJECTS

Question No. 781—**Mr. Lambert (Bellechasse):**

1. As a result of the joint statement of the Minister of Finance and the Minister of Manpower and Immigration on December 6, 1972, concerning a special loan program offered to the provinces and municipalities for various categories of investment projects (a) to date, how many provinces took advantage of the policy (b) which ones?

2. (a) How many Quebec municipalities made applications to date, under the program (b) how many millions did the government invest to date in this program?

[*Translation*]

Hon. John N. Turner (Minister of Finance): 1. (a) and (b) All provinces have indicated their general agreement with the program and, to date, exchanges of official Letters of Agreement have been completed with six provinces. These are Newfoundland, New Brunswick, Nova Scotia, Prince Edward Island, Quebec and British Columbia. Replies from other provinces are expected any day.

2. (a) and (b) Municipalities apply through the provincial government and, so far, no applications have been submitted by the Government of Quebec on behalf of its municipalities.

[*English*]

CANADIAN TROOPS IN VIET NAM

Question No. 792—**Mr. Lambert (Bellechasse):**

1. Is the sending of Canadian troops to Viet Nam entirely paid by Canada?

2. What are the estimated expenditures for this purpose?

[*Translation*]

Hon. James Richardson (Minister of National Defence): 1. No, see statement made by the Parliamentary Secretary to the Minister of National Defence at page 761 of Hansard dated 29 January, 1973 in regard to Article 14 of the governing protocol ratified in Paris 27 January, 1973.

2. The International Commission has not yet submitted its budget for approval. Accordingly, the contribution by Canada as a member of the Commission for Supervision is not known at this time. Based on the agreed participation by Canada for the initial 60 day period, a rough estimate of the related military costs to be incurred for those 60 days would be in the neighbourhood of $500,000, exclusive of normal pay and benefits. The direct recoverable portion of these costs cannot be fully assessed yet.

[*English*]

FEDERAL-PROVINCIAL SHARED-COST PROGRAM

Question No. 795—**Mr. Orlikow:**

1. What provinces have "opted out" of federal-provincial shared-cost program since April, 1967?

2. What were the names of the programs?

3. What tax points were given, if any, in lieu of participation?

4. What were the principles and the mathematical formula used in arriving at the tax points, and were these principles the same in each case for each province?

Hon. John N. Turner (Minister of Finance): 1. None.

2. Not applicable.

3. Not applicable.

4. Not applicable.

GULF SHORE HIGHWAY, P.E.I. NATIONAL PARK

Question No. 796—**Mr. Macquarrie:**

1. On what date was construction commenced for the Gulf Shore Highway in the Prince Edward Island National Park?

2. What was the total cost?

3. Has it been definitely decided not to construct a highway bridge across Rustico Bay and, if so, for what reasons was the decision reached?

4. What is the total length of the detour around Rustico Bay from one portion of the Gulf Shore Highway to the other?

5. Has the Province of Prince Edward Island requested assistance in constructing highways for this detour of the same quality and specifications as those prevailing in the Gulf Shore Highway and, if so (a) on what date (b) what was the response of the government?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. See answer to Question 2,156 tabled in the House of Commons on December 22, 1971.

2. See answer to Question 2,156 tabled in the House of Commons on December 22, 1971.

3. The Department has definitely decided not to construct a bridge across Rustico Bay. See answer to Question 2,156 tabled in the House of Commons on December 22, 1971.

4. The detour around Rustico Bay is in fact a provincial highway network connecting to the Gulf Shore Road at North Rustico (via route 6) and Brackley Beach (via route 15). The total distance is 10.5 miles.

5. No.

QUEBEC—EXPENSES INCURRED FROM USE OF ARMED FORCES IN OCTOBER, 1970

Question No. 803—**Mr. Lambert (Bellechasse):**

1. Did the government bill the Quebec Government for expenses incurred from the use of the Armed Forces in October 1970 and, if so, what was the amount claimed?

2. What was the amount paid to date by the Quebec Government?

[*Translation*]

Hon. James Richardson (Minister of National Defence): 1 and 2. No, see House of Commons Debates dated 9 September, 1971, page 7659.

[*English*]

*ESCALATION OF RETIRED BANK EMPLOYEES' PENSIONS

Question No. 811—**Mr. Knowles (Winnipeg North Centre):**

Has the Minister of Finance discussed with the chartered banks the need for the pensions paid to their retired employees to be escalated annually by an amount at least equal to the rise in the cost of living and, if so (a) what has been the response (b) which of the chartered banks have indicated to the Minister of Finance their readiness to adopt such a program?

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the answer is as follows. It is believed that, while their pension plans do not contain escalation provisions tied to changes in the cost of living index, the banks have for some time been making special payments each year to employees who have been retired for a number of years or to their survivors.

TERMS OF $13 MILLION LOAN TO TANZANIA

Question No. 825—**Mr. Gauthier (Roberval):**

Will the Secretary of State advise what the terms were of the $13 million loan granted to Tanzania for the construction of a new hydro electric plant (a) for what term was the loan extended (b) at what rate of interest?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The terms and conditions of the loan to Tanzania include the following: (a) repayment over 50 years with a grace period covering the first ten years; (b) zero percent interest.

*CONSTITUENCY OF BEAUCE—LIP PROJECTS

Question No. 840—**Mr. Laprise:**

As of January 31, 1973 (a) how many LIP projects were received by the Department of Manpower and Immigration for the constituency of Abitibi (b) what was the total amount involved (c) how many projects were approved (d) what was the amount involved?

[*Translation*]

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the answer is as follows: (a) Applications received as at January 31, 1973: 110; (b) $4,133,847; (c) Approved Projects as at January 31, 1973: 17; (d) $544,071.

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

GRANTS UNDER DEFENCE INDUSTRIAL RESEARCH PROGRAM

Question No. 165—**Mr. Broadbent:**

1. What were the names of the corporations which received cash grants under the Defence Industrial Research Program (DIR), in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date, and, in each case, what were the amounts of money committed and paid?

2. What are the objectives of the program?

3. Has the department conducted any evaluative study of the program and, if so, what was the debate of the latest report?

Return tabled.

DEPARTMENT OF SUPPLY AND SERVICES—CIVILIAN AND DEFENCE CONTRACTS

Question No. 187—**Mr. Grier:**

What was the total value of civilian and defence contracts awarded by the Department of Supply and Services for goods and services in each of the fiscal years 1969-70, 1970-71, 1971-72 and 1972-73, to date, to the following corporations: Atlantic Sugar Refineries; Abitibi Paper Co. Ltd., Alcan Aluminum Ltd.; Algoma Steel Corporation Ltd.; Bethlehem Copper Co. Ltd.; BP Oil and Gas Ltd.; Bell Canada; Canadian Pacific Railway Co.; Canadian Ingersoll-Rand Co. Ltd.; Consolidated Bathurst Ltd.; Canadian Johns-Manville Co.; Chemcell Ltd.; Chrysler Corp.; Canadian International Paper; Canadian Javelin; Canada Packers Ltd.; Dominion Foundries and Steel; DuPont of Canada Ltd.; Domtar Ltd.; Eddy Match Co. Ltd.; Eddy Paper Co. Ltd.; Ford Motor Co.; Foster Advertising; General Motors Corp.; Gordon Hill Advertising; Hudsons' Bay Co.; Husky Oil Ltd.; Imperial Oil Ltd.; IBM Canada Ltd.; International Nickel Co. (Canada) Ltd.; Kates, Peat, Marwick Co.; McFarland Construction; Micro-Max Products Ltd.; McCain Foods Ltd.; MacMillan Bloedel Ltd.; Massey-Ferguson Ltd.; McLaren Advertising; National Sea Products Ltd.; Peat, Marwick, Mitchell Co.; Procter and Gamble Co. of Canada Ltd.; Petrofina Canada Ltd.; Steel Co. of Canada Ltd.; Shell Canada Ltd.; Simpson's Ltd.; Sperry Rand Canada Ltd.; Swift Canada Co. Ltd.; Texaco Co. Ltd.; Union Carbide of Canada Ltd.; Westinghouse Canada Ltd.; Canadian Admiral Corp.; Imperial Furniture Manufacturing Co. Ltd.; Pacific Petroleum Ltd.; Standard Aero Engine Ltd.; Canadian Motorola Electronics Co.; John Deere Ltd.; Dyer & Miller Bros. Ltd.; Honeywell Ltd.; International Harvester Co. of Canada Ltd.; Minnesota Mining & Manufacturing of Canada Ltd.; Molson Industries Ltd.; Xerox of Canada Ltd.; Aircraft Appliances & Equipment Ltd.; Computing Devices of Canada; General Foods Ltd.; North American Rockwell of Canada Ltd.; Sparton of Canada Ltd.; Bristol Aerospace Ltd., Dominion Road Machinery Co. Ltd.; International Harvester Co. of Canada Ltd.; Orenda Ltd.; Litton System (Canada) Ltd.; Uniroyal Ltd.; Acme Seeley Ltd.; American Motors (Canada) Ltd.; Burrowes Manufacturing Ltd.; Canadian General Electric Co. Ltd.; Gulf Oil Canada Ltd.; Hewlett-Packard (Canada) Ltd.; Kodak Canada Ltd.; RCA Ltd.; Rolland Paper Co. Ltd.; Spartan Aero Ltd.; Sunar Industries Ltd.; Acres Consulting Services Ltd.; Boeing of Canada Ltd.; Canadair Ltd.; Canadian Industries Ltd.; Canadian Marconi Co.; DeHavilland Aircraft of Canada Ltd.; Digital Equipment of Canada Ltd.; Dominion Textile Ltd.; Irving Oil Co. Ltd.; United Aircraft; Microsystems International Ltd.; Northern Electric Ltd.?

Return tabled.

PROSPECTORS ASSISTANCE PROGRAM

Question No. 203—**Mr. Firth:**

1. What were the names of recipients benefitting from the Prospectors Assistance Program (PAP), in each fiscal year 1968-69 to 1972-73 to date, and what were the amounts of money involved in each case?

2. What are the objectives of the above program?

3. Has the department conducted any evaluative study of the Program and, if so, what was the date of the lastest report?

Return tabled.

• (1420)

Mr. Speaker: Shall the remaining questions stand?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I do not discount the answer given to my starred question No. 811 by the parliamentary secretary, but I understood that the Minister of Finance had an answer to give. I wonder whether he has anything to supplement what was said earlier by the parliamentary secretary?

Mr. Turner (Ottawa-Carleton): I never disagree with a member of the family, Mr. Speaker.

MOTIONS FOR PAPERS

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions for the production of papers Nos. 81 and 132 are acceptable to the government.

Mr. Speaker: Is it the pleasure of the House that notices of motions Nos. 81 and 132 be deemed to have been adopted?

Some hon. Members: Agreed.

IMPACT OF PROPOSED MACKENZIE VALLEY PIPELINE ON NORTHERN ECOLOGY

Motion No. 81—**Mr. Harding:**

That an Order of the House do issue for a copy of all reports prepared within or for the federal government concerning the impact of the proposed Mackenzie Valley pipeline on northern ecology.

Motion agreed to.

ARDA STUDY OF SUGAR BEET GROWING IN ONTARIO AND QUEBEC

Motion No. 132—**Mr. Danforth:**

That an Order of the House do issue for a copy of the ARDA study of sugar beet growing in Ontario and Quebec by R. Steven Rodd, submitted in 1967, under federal project No. 15036.

Motion agreed to.

Mr. Reid: Mr. Speaker, notices of motions for the production of papers Nos. 40 and 129 are acceptable to the government subject to the usual reservations concerning confidential documents.

Mr. Speaker: Subject to the reservations expressed by the parliamentary secretary, is it the pleasure of the House that motions Nos. 40 and 129 be deemed to have been adopted?

Some hon. Members: Agreed.

POTENTIAL DEVELOPMENT OF FISH PROCESSING PLANT ALONG NORTHERN COAST OF BRITISH COLUMBIA

Motion No. 40—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams, memoranda, studies, reports and other documents exchanged between any agency, branch or department of the government and any other agency, branch or department of the government since January 1, 1969 relating to the potential development of a fish processing plant along the northern coast of British Columbia involving the Pacific North Coast Native Co-operative.

Motion agreed to.

INFORMATION REFERRED TO IN 1971-72 ANNUAL REPORT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Motion No. 129—**Mr. Harding:**

That an Order of the House do issue for all material and information supplied by the pipeline industry and associated trade unions as referred to at page 61 of the 1971-1972 Annual Report of the Department of Indian Affairs and Northern Development.

Motion agreed to.

Mr. Reid: Mr. Speaker, notices of motions for the production of papers Nos. 39 and 75 are acceptable to the government subject to the usual reservations concerning confidential documents and the authorization of the government authorities concerned.

Mr. Speaker: Subject to the reservations and conditions expressed by the parliamentary secretary, is it the pleasure of the House that these motions be deemed to have been adopted?

Some hon. Members: Agreed.

POTENTIAL DEVELOPMENT OF FISH PROCESSING PLANT, BRITISH COLUMBIA

Motion No. 39—**Mr. Howard:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence, telegrams or other documents exchanged between the government or any agency, branch or department thereof and the Government of the province of British Columbia since January 1, 1969 relating to the potential development of a fish processing plant along the northern coast of British Columbia involving the Pacific North Coast Native Co-operative.

Motion agreed to.

POSSIBLE RELOCATION OF TRACK SITUATED WITHIN MUNICIPALITIES IN ALBERTA

Motion No. 75—**Mr. Schellenberger:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, letters, telegrams or other documents between the government and the government of Alberta regarding possible relocation of track situated within municipalities within the province.

Motion agreed to.

Mr. Reid: Mr. Speaker, would you be so kind as to call notices of motions Nos. 42, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 76, 78, 79 and 120?

CORRESPONDENCE RELATING TO 1976 OLYMPICS

Motion No. 42—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, telegrams, memoranda, and other documents among the Mayor of Montreal, the Premier of Quebec, and the government of Canada involved in the 1976 Olympics proposed for the city of Montreal.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr.Speaker, notice of motion for the production of papers No. 42 is acceptable to the government subject to the usual reservations concerning confidential documents. It is my wish to table these documents forthwith. In addition to the correspondence requested in the motion I am also tabling a "Finacial Analysis—1976

Olympics Games—Montreal", prepared by the Treasury Board Secretariat and the Bureau of Management Consultants, which is germane to the correspondence and will no doubt be useful at this time.

Motion agreed to.

REPORT OF MR. JUSTICE TRITSCHLER ON CONSTRUCTION OF GREAT SLAVE LAKE RAILWAY

Motion No. 47—**Mr. Benjamin:**

That an Order of the House do issue for a copy of the report of Mr. Justice Tritschler on the enquiry into the construction of the Great Slave Lake Railway.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Standing Committee on Transport and Communications, sitting at Ottawa, Thursday, December 11, 1969, was pleased to recommend that the Minister of Transport establish a one-man inquiry to consider the merits of the claim submitted by the Great Slave Railway contractors, that the person nominated to conduct the inquiry be acceptable to both contractors and Canadian National Railways, and should report to the minister in confidence so as not to—

Some hon. Members: Order.

Mr. Speaker: Order, please. I think it is a well known practice that parliamentary secretaries or ministers replying to notices of motions for the production of papers should indicate whether it is proposed to table the documents without a lengthy explanation. It was the practice for many years that no explanation at all was allowed, but by consent of members over the years it was agreed that perhaps it made more sense if a one-line explanation was made to indicate why the motion was being refused. But certainly there is no provision in these circumstances for parliamentary secretaries or members replying on behalf of ministers to make a lengthy statement. I think the hon. member's statement is irregular.

Mr. Guay (St. Boniface): Thank you, Mr. Speaker. I will try to be brief, but it is very important that it be—

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): Mr. Speaker, it is important that—

Mr. Speaker: Order, Please. Would the hon. member resume his seat. It should be brought to the attention of parliamentary secretaries that there are enough people working on behalf of the government and parliamentary secretaries that they should not propose for reading to the House statements of the kind the parliamentary secretary is trying to impart to us at this time.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): Mr. Speaker, the government is refusing, if that is the case.

Mr. Benjamin: On a point of order. Mr. Speaker, since the judge appointed was not acceptable to both sides, and since there is no further point in the documents being confidential, I would move that the question be put.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO MACMILLAN BLOEDEL LIMITED, NANAIMO, B.C.

Motion No. 48—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and MacMillan Bloedel Limited, Port Alberni, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the information received by the government in this case is regarded as confidential and the government, therefore, refuses the motion on that ground.

Mr. Howard: Mr. Speaker, is this motion No. 48?

Mr. Speaker: Yes, 48.

Mr. Howard: The Fisheries Act was amended some four or five years ago and this is just a lot of nonsense that we are hearing now.

Mr. Speaker: Order, please. The remarks from the Chair applying to parliamentary secretaries also apply to the hon. member for Skeena and other hon. members. I have to ask members whether they wish to have the question put or the motion transferred for debate.

Some hon. Members: Question.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

• (1430)

Mr. Reid: Mr. Speaker, on a point of order, perhaps I might be able to expedite proceedings in respect of motions Nos. 49 to 73 inclusive in the name of the hon. member for Skeena. The reason that the government is rejecting these motions is the same as that given for motion No. 48. Perhaps Your Honour might wish to deal with these in a group.

Mr. Howard: Mr. Speaker, if I may rise on the point of order I point out that the parliamentary secretary is accurate in his statement that each one of these motions asks for the same information in respect of different companies in the pulp and paper industry in British Columbia which have been exempted by the government from the pulp and paper mill effluent regulations.

Mr. Speaker: Order, please. I think the hon. member would agree that we might save time if we could accept the request of the government with regard to motions 49 to 73 standing in the name of the hon. member for Skeena. The request of the government, I gather, is that they be transferred for debate.

Mr. Howard: Mr. Speaker, on a point of order, may I say that this is not an acceptable course of action to me. Acceptance of the proposal of the government that these motions be transferred for debate will mean that any opportunity to get at the truth will be effectively denied because the government will just sweep these motions under the rug.

Mr. Speaker: Order, please. If it is the wish of the House we will call each motion.

APPLICATION OF EFFLUENT REGULATIONS TO MACMILLAN BLOEDEL LIMITED, NANAIMO, B.C.

Motion No. 49—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and MacMillan Bloedel Limited, Nanaimo, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Mr. Reid: Transfer for debate.

Mr. Speaker: Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO NORTHWOOD PULP LIMITED

Motion No. 50—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Northwood Pulp Limited, Prince George, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Mr. Reid: Transfer for debate.

Mr. Speaker: Transferred for debate.

Mr. Howard: Mr. Speaker, it is ridiculous for Your Honour to have to go through these motions one by one. I had hoped we would get some sensible response from the government and that at least one of the motions might be acceptable, but it appears that the government wants to deny this information to the general public.

Mr. Speaker: Notices of motions for the production of papers Nos. 49 to 73 inclusive are transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO PRINCE GEORGE PULP AND PAPER LIMITED

Motion No. 51—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Prince George Pulp and Paper Limited, P.O. Box 6000, Prince George, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

[Mr. Speaker.]

APPLICATION OF EFFLUENT REGULATIONS TO RAYONIER CANADA LIMITED, WOODFIBRE, B.C.

Motion No. 52—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Rayonier Canada Limited, Woodfibre, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO RAYONIER CANADA LIMITED, PORT ALICE, B.C.

Motion No. 53—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Rayonier Canada Limited, Port Alice, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO SCOTT PAPER LIMITED

Motion No. 54—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Scott Paper Limited, P.O. Box 760, New Westminster, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO TAHSIS COMPANY LIMITED

Motion No. 55—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Tahsis Company Limited, Gold River, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO WEYERHAEUSER CANADA LTD.

Motion No. 56—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Weyerhaeuser Canada Ltd., P.O. Box 800, Kamloops, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO CARIBOO PULP AND PAPER COMPANY

Motion No. 57—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Cariboo Pulp and Paper Company, Quesnel, British Columbia (Start-up: end of 1972), since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO BRITISH COLUMBIA FOREST PRODUCTS LTD., MACKENZIE, B.C.

Motion No. 58—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and British Columbia Forest Products Ltd., Mackenzie, British Columbia (under construction), since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO BELKIN PAPERBOARD LIMITED

Motion No. 59—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Belkin Paperboard Limited, Burnaby, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the abovementioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO BRITISH COLUMBIA FOREST PRODUCTS LIMITED, CROFTON, B.C.

Motion No. 60—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and British Columbia Forest Products Limited, Crofton, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO CANADIAN FOREST PRODUCTS LIMITED, NEW WESTMINSTER, B.C.

Motion No. 61—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Canadian Forest Products Limited, New Westminster, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO CANADIAN FOREST PRODUCTS LIMITED, PORT MELLON, B.C.

Motion No. 62—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Canadian Forest Products Limited, Port Mellon, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the abovementioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO COLUMBIA CELLULOSE COMPANY LIMITED, CASTLEGAR, B.C.

Motion No. 63—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Columbia Cellulose Company, Limited, P.O. Box 1000, Castlegar, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the abovementioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO COLUMBIA CELLULOSE COMPANY LIMITED, PRINCE RUPERT, B.C.

Motion No. 64—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Columbia Cellulose Company, Limited, Prince Rupert, British Columbia (kraft), since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the abovementioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO COLUMBIA CELLULOSE COMPANY, LIMITED, PRINCE RUPERT, B.C.

Motion No. 65—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Columbia Cellulose Company, Limited, Prince Rupert, British Columbia (sulphite), since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the abovementioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO CRESTBROOK FOREST INDUSTRIES LTD., SKOOKUMCHUCK, B.C.

Motion No. 66—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Crestbrook Forest Industries Ltd., Skookumchuck,

British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO CROWN ZELLERBACH CANADA LIMITED, CAMPBELL RIVER, B.C.

Motion No. 67—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Crown Zellerbach Canada Limited, Campbell River, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO CROWN ZELLERBACH CANADA LIMITED, OCEAN FALLS, B.C.

Motion No. 68—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Crown Zellerbach Canada Limited, Ocean Falls, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO EUROCAN PULP AND PAPER CO. LTD.

Motion No. 69—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Eurocan Pulp and Paper Co. Ltd., Kitimat, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO FINLAY FOREST INDUSTRIES LTD.

Motion No. 70—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Finlay Forest Industries Ltd., Mackenzie, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO INTERCONTINENTAL PULP COMPANY, LTD.

Motion No. 71—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and Intercontinental Pulp Company Ltd., P.O. Box 600, Prince George, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO MACMILLAN BLOEDEL LTD., ANNACIS ISLAND, B.C

Motion No. 72—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and MacMillan Bloedel Limited, 1010 Derwent Wau, Annacis Island, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

APPLICATION OF EFFLUENT REGULATIONS TO MACMILLAN BLOEDEL LIMITED, POWELL RIVER, B.C.

Motion No. 73—**Mr. Howard:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of the Environment or any agency or branch thereof and MacMillan Bloedel Limited, Powell River, British Columbia, since January 1, 1972, relating to the pulp and paper mill effluent regulations and the application thereof to the above-mentioned company.

Transferred for debate.

GUARANTEED LOAN BY DREE TO COMMONWEALTH HOLIDAY INNS LTD., LONDON, ONTARIO

Motion No. 76—**Mr. Latulippe:**

That an Order of the House do issue for a copy of the agreement and of all documents concerning the offer of a guaranteed loan from the Department of Regional Economic Expansion to Commonwealth Holiday Inns Ltd., of London, Ontario, for the construction of a hotel in Winnipeg, Manitoba.

[*Translation*]

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the information concerning the acceptation of a loan guarantee by this firm is of a public nature. However, all specific documents exchanged between the department and the corporation concerning its application must be considered as being of a business and confidential nature. I would therefore ask the hon. member to withdraw his motion.

Mr. Henry Latulippe (Compton): Mr. Speaker, I would like this question to be transferred for debate at a later date.

Mr. Speaker: Transferred for debate.

[*English*]

GUARANTEED LOAN BY DREE TO PARC SAMUEL HOLLAND HOTEL, QUEBEC

Motion No. 78—**Mr. Lambert (Bellechasse):**

That an Order of the House do issue for copies of the signed agreement and all other documents relating to the offer of a

guaranteed loan made by the Department of Regional Economic Expansion to the Parc Samuel Holland Hotel of Quebec.

[*Translation*]

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the information concerning the acceptance of a loan guarantee by this corporation is of a public nature. However, all specific documents exchanged between the department and the corporation regarding its application must be considered as being of a business and confidential nature. I would therefore ask the hon. member to withdraw his motion.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like this question to be transferred for debate at a later date.

Mr. Speaker: Transferred for debate.

[*English*]

CORRESPONDENCE RELATING TO GRANT BY DREE TO "LE SOLEIL"

Motion No. 79—**Mr. Lambert (Bellechasse):**

That an Order of the House do issue for copies of the contract and all documents relating to a grant by the Department of Regional Economic Expansion to the newspaper *Le Soleil* of Quebec.

[*Translation*]

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I am sorry I have to say it again, but I was just saying that information concerning the acceptance of a grant by this company is a matter of public knowledge. I hope it will be understood that all specific documents exchanged between the department and the corporation concerning its application must be considered as being of a business and confidential nature. I am sorry to have to repeat it, but I would again ask the hon. member to withdraw his motion.

Mr. André Fortin (Lotbinière): Everything which is of public interest should be known to the public, Mr. Speaker. Therefore I ask that the motion be transferred for debate at a later date.

Mr. Speaker: Transferred for debate.

[*English*]

CORRESPONDENCE RELATING TO 1976 OLYMPIAD

Motion No. 120—**Mr. Rose:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence between municipal authorities in Montreal and the government in relation to the 1976 Olympiad.

Mr. Reid: Mr. Speaker, the documents I tabled earlier in response to notice of motion No. 42 are exactly the same as would be tabled in response to notice of motion No. 120 in the name of the hon. member for Fraser Valley West. If the hon. member will withdraw his motion I am prepared to send him a copy of this return at once.

Mr. Rose: Agreed.

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

ORAL QUESTION PERIOD

FINANCE

THE BUDGET—ALLEGED REDUCTION OF GOAL FOR CREATION OF JOBS FROM THAT IN 1972 BUDGET—NATURE OF FORECAST DEFICIT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. I should like to ask him whether he has any explanation of why this year in his budget presented last Monday night he reduced his goal for the creation of jobs to 300,000 new jobs from the 330,000 jobs he said his budget of May 8 last would be created?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I would like to check the exact phraseology in the budget of May 8, but the target I gave the House on the number of new jobs for the calendar year 1973 will be a realistic figure, I expect.

Mr. Stanfield: Mr. Speaker, I should like to ask the minister whether henceforth when he gives the House figures he will tell us whether or not they are to be taken as being realistic?

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I should like to ask the minister a supplementary question. Has he any explanation, in view of the existing level of unemployment, of why the budget he presented on Monday night last is less expansionary than the budget of May 8, 1972, particularly when one considers that nearly $900 million of the expenditures included in the budget on Monday night relates to money actually expended in connection with the unemployment insurance fund in the current year and has nothing to do with next year?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman is confusing the accounting figures with the cash requirements, and he is doing that deliberately, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): I say to him that the deficit is measured in terms of the total of budgetary and non-budgetary items, which is set at $2 billion, the same stimulus as provided in the May 8 budget, which we believe to be the right stimulus in view of the fact we are higher up the scale of growth in the economy.

Mr. Stanfield: In view of the fact that nearly $900 million of these cash requirements relates to money expended in the current year rather than the money to be expended next year, I should like to ask the minister whether he will deny that on a national accounts basis the deficit he proposed for the coming fiscal year is substan-

tially less than the deficit on a national accounts basis that he proposed in the budget of May 8? Can he deny that?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the proper figure to look at is the total cash requirements of the government and the pressure put on the financial markets, and that figure remains at $2 billion. The hon. gentleman referred to the unemployment insurance fund. He knows that in the year in which the moneys are advanced they are a non-budgetary item and are picked up in the following year as a budgetary expense, so the preamble to the first part of his earlier question is illusory.

Mr. Speaker: Order, please. I would hope we would not become involved in a full-fledged budget debate during the question period in view of the fact that this is precisely what we will be dealing with later this afternoon. The hon. member for Don Valley has a supplementary.

[*Later:*]

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I rise on a question of privilege relating to the selective memory of the Leader of the Opposition. He quoted my budget speech as saying that I predicted an increase of 330,000 jobs. That is not what I said. I said:

> We are expecting a large increase in employment and all signs to date this year give credence to this anticipation. In March this year there were 330,000 more Canadians working than one year ago.

I was comparing March 1972 figures with March 1971 figures. The hon. member has used these figures completely out of context.

Mr. Stanfield: Mr. Speaker, I rise on a question of privilege. The minister made the following statement outside the House very emphatically:

> I was quite specific in the House of Commons tonight by saying that our total employment increase would exceed the 330,000 new jobs we provided for Canadians last year.

Some hon. Members: Hear, hear!

Mr. Hees: Let us have a selective apology.

Mr. Crouse: Your selective memory is failing you, John.

• (1440)

DEFICIT FORECAST IN BUDGET—AMOUNT OF PURCHASING POWER TO BE PUT INTO ECONOMY

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance and it is for clarification. Can he say, so that the House will not misunderstand him, whether it is absolutely true that in the calculation of the $2 billion deficit to which the minister refered in his budget it is the understanding, in the making of these calculations and in estimating the amount of employment that will be created, that there will be that amount of purchasing power put into the economy this year?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the answer to that question is—and I will try to be absolutely true—

Mr. Stanfield: That will be very difficult.

[Mr. Stanfield.]

Mr. Turner (Ottawa-Carleton): —that the excess of expenditures over revenues will require a cash injection of $2 billion.

Mr. Gillies: Am I to understand then that the minister's position is that the transfer to the employment insurance fund has no bearing on the amount of purchasing power that will be generated this year?

Mr. Speaker: Order please. The Chair will allow the minister to reply, but I am sure hon. members will agree that this is obviously debate.

Mr. Turner (Ottawa-Carleton): That is not what I said.

* * *

GRAIN

ACTION TO AVOID POSSIBLE LAKEHEAD GRAIN HANDLERS STRIKE AND DISRUPTION OF SHIPMENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Minister of Labour. In view of the fact that negotiations for a new contract between the grain handlers and the elevator companies at the Lakehead have broken down, thus creating the possibility of a strike this spring which would disrupt the shipment of grain for which large sales have been made, has he or his department studied the situation to see what they can do to resolve the impasse?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. Our department has been watching this situation and has been ready to offer mediation services. We are prepared to continue to offer these services in an endeavour to resolve this dispute.

Mr. Orlikow: May I ask the minister whether the department has in fact moved to call the parties together to meet with officials of the department or the minister with a view to studying the difficulties that still exist between the two parties?

Mr. Munro (Hamilton East): Certainly we are prepared to consider that, Mr. Speaker.

POSSIBLE LAKEHEAD GRAIN HANDLERS STRIKE—CONTINGENCY PLANS FOR MOVEMENT

Mr. Bill Knight (Assiniboia): Mr. Speaker, my supplementary question is for the minister in charge of the Wheat Board. Can he inform the House whether, in view of the potential difficulties in moving western grain through the Lakehead, he has any contingency plans in terms of the movement of grain through other ports?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the Lakehead is of such major importance in the movement of grain during the shipping season that no alternatives to the proper functioning of that port itself would be adequate.

[*Later:*]

Mr. Knight: Mr. Speaker, returning to the all-important question to western producers, I should like to put a

further supplementary question to the Minister of Transport. In view of the fact there could be difficulties at the Lakehead in terms of grain movement, can the minister inform us now if there has been any move on the part of his department or other related departments to improve and to bring into condition the port of Churchill and other such ports of importance as Prince Rupert?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have already answered on the situation at the port of Churchill. We are still studying the potential of that port, and as soon as we are ready to make a report I will make it in the House.

* * *

LABOUR RELATIONS

ACTION TO ACHIEVE RESUMPTION OF CONTRACT NEGOTIATIONS BETWEEN RAILWAYS AND NON-OPERATING EMPLOYEES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Labour. Has he succeeded in getting the unions representing 90,000 railway employees and the railways back together for conciliation talks following the breakdown of negotiations last Friday?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would advise the hon. member that I sent a telegram to all the parties concerned asking them to come together in another effort to resolve this dispute. I indicated that the assistant deputy minister of my department would be available along with other officials to assist in mediation if they would come together. I have had replies now from both the CNR and CPR that they are agreeable to reconvening in this endeavour and I am awaiting a reply from the union concerned representing the employees.

While I am on my feet, I wonder if I might clarify an answer—

Mr. Speaker: Order, please. If the minister wishes to refer to the question that is now before the House, he can of course give additional information but, as I have suggested before to ministers and to hon. members asking questions, it is a little difficult from the standpoint of orderliness to jump from one question to another. Perhaps I might recognize the minister in a moment when we have finished this subject.

Mr. McGrath: May I ask the Minister of Labour if, in order to avert a nationwide strike, he is prepared to intervene personally as Minister of Labour to get the two parties back together for conciliation talks?

Mr. Munro (Hamilton East): That is always a possibility to ensure that this kind of dispute is resolved. We are hopeful it can be resolved at the bargaining table now without the necessity of going through all the conciliation procedures and boards that have not been too productive in the past. That is still our hope. I think that by making available to all parties concerned some of the most experienced mediators at the federal level, that will be the end result.

Mr. Speaker: Before pursuing this question, the Chair will recognize the hon. member for Compton.

* * *

[*Translation*]

FINANCE

ABOLITION OF SALES TAX ON BUILDING MATERIALS

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a question for the hon. Minister of Finance.

In his budget speech, the minister stated that 300,000 new jobs will be created in Canada. Now, with a view to encouraging the creation of jobs, as an incentive in the field of housing construction and, at the same time, as a contribution to lowering the cost of living, could the hon. minister tell the House why removing the 11 per cent sales tax on building materials was not considered in the last budget?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I considered this possibility but since I had only a few options, I could not accept the hon. member's suggestion.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a supplementary for the Minister of Finance.

In connection with the 300,000 jobs mentioned in his budget speech, is he in a position to forecast whether Quebec will have by 1974 the 100,000 jobs promised by premier Bourassa in 1970?

* * *

• (1450)

[*English*]

HOUSING

MEASURES TO REDUCE COST OF HOUSES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask a question of the Minister of Finance. In view of the fact he did nothing about repealing or changing the 11 per cent sales tax on building materials and in view of the fact the price of houses in places like Toronto and Vancouver is out of reach of all but about 4 per cent of the people, can the minister inform the House what other policies he or the government have to put houses back in a price range where the average man and woman can afford them?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I would think that when the House has a chance to deal with the amendments to the National Housing Act introduced by my colleague, the Minister of State for Urban Affairs, that question will be satisfactorily answered.

Mr. Woolliams: Mr. Speaker, in view of the answer given by the Minister of Finance, would he read those amendments to see what nonsense he is now peddling in the House?

Mr. Speaker: Order, please. If the hon. member for Regina-Lake Centre has a supplementary to a previous question we will now return to him.

Oral Questions

GRAIN

EXPEDITING OF MOVEMENT TO LAKEHEAD TO FILL ALLEGED AVAILABLE ELEVATOR SPACE

Mr. Les Benjamin (Regina-Lake Centre): Thank you, Mr. Speaker. I wish to return to the question put to the minister in charge of the Wheat Board. As a precaution in case negotiations with the grain handlers or the railway employees do not succeed, can the minister tell the House if he is now taking or will immediately take action to increase grain movement to the Lakehead substantially in view of the fact that as of last week there was space there for some 60 million bushels?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the hon. member has referred before to the question of space at the Lakehead or stocks there. His information is quite definitely in error. Total stocks at the Lakehead as of February 7 were 64 million bushels of grain, which means that there is only 24 million bushels of space available. From the point of view of seasonal working capacity the movement of grain to the Lakehead is going along at a very rapid rate in the ordinary way of seeing that the right volume and right kinds of grain are there by the time navigation opens. There is an adequate number of cars under load to the Lakehead at this time, a much larger number than in the last several years.

Mr. Benjamin: Mr. Speaker, would the minister be good enough to tell the House what happened to the other 40 million bushels of space that I am sure is still there?

Mr. Lang: Mr. Speaker, the total licensed capacity at the Lakehead is 104 million bushels; the total seasonal working capacity is rated at 88 million bushels. The hon. member will appreciate that if the full licence capacity is occupied it is difficult to move grain through the facility at the most rapid rate. We are now setting records and we need to have these plants operating efficiently.

REQUEST BY HANDLING COMPANIES FOR REVIEW OF CHARGES

Mr. Gordon Ritchie (Dauphin): I have a supplementary question for the minister in charge of the Wheat Board. In view of the negotiations now going on at the Lakehead, has the minister had any request to review grain handling charges from the grain handling companies and, if so, what has been his reply?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have had discussions on this subject. The question of rates, however, is in the hands, first of all, of the Canada Grains Commission and, second, is a matter of negotiation with the Canadian Wheat Board. I have referred the handling companies to these two bodies.

[Mr. Speaker.]

REGIONAL ECONOMIC EXPANSION

IMPORTANCE ACCORDED SUBJECT BY GOVERNMENT IN LIGHT OF BUDGET REFERENCE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is directed to the right hon. Prime Minister and concerns a matter that was raised earlier today. In view of the fact that about half of the 1968 budget referred to the problem of regional development and the budget read by his colleague on Monday evening contained only half a dozen lines on that subject, can the Prime Minister indicate whether he has dropped this as one of the major policy aims of his government or whether he is satisfied that the problem has been eliminated?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member refers to the Speech from the Throne he will see that this is still one of the major aims of the government, and if he refers to the blue book which was tabled yesterday he will see from the estimates that expenditure in that area is going up considerably.

* * *

FINANCE

IMPACT OF BUDGET ON AREAS OF HIGH UNEMPLOYMENT

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I then put a question to the Minister of Finance. Has the government made any estimate of what impact his budget will have on areas of high unemployment such as British Columbia, Quebec, New Brunswick, Newfoundland and other provinces? Will he be prepared, when he takes part in further debate and is answering questions, to give an indication to the House and the country of the goals of the government in high unemployment provinces, and can he also tell the House how many jobs will be created in those provinces?

An hon. Member: Answer yes or no!

Hon. John N. Turner (Minister of Finance): I will take that into consideration, Mr. Speaker.

Mr. Speaker: Order, please. I suggest to hon. members that we should try to go to another question. If the hon. member has a supplementary I will recognize him and the hon. member for Oshawa-Whitby on a supplementary, I believe, on the same subject, and then I will go to the hon. member for Trinity.

Mr. Lundrigan: Mr. Speaker, may I ask quite specifically if the government has made any estimate of how many jobs will be created in these very high unemployment areas? Has it or has it not?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, it is difficult to be precise in that sense. However, the stimulus of the budget by way of equalization payments in the amount of $200 million to the less-favoured provinces and the tax reductions concentrated in the lower income groups will obviously be of particular benefit and give extra stimulus to the economy. The revenues derived by

these provinces from provincial sales tax and other commodity taxes will undoubtedly have an impact on less-favoured areas, particularly the Atlantic provinces.

Mr. Lundrigan: Does that mean yes or no?

* * *

TRADE

RELATIONSHIP OF BUDGET TARIFF REDUCTIONS TO NEGOTIATIONS WITH UNITED STATES

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Following the assurance of the Minister of Finance yesterday that there were no discussions with United States officials prior to the unilateral reduction of tariffs on Monday night, is the minister now in a position to advise the House of any *quid pro quo* which would justify this unilateral treatment in favour of the United States?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, yesterday the Minister of Finance covered that point. This is a temporary move; he emphasized that it would last for a year only. It does not in any way affect our negotiating position as we enter GATT.

Mr. Hellyer: In view of the fact that the only public reaction in the United States so far is a treasury department announcement that it intends to press an antidumping case against aluminium ingots, can the minister advise the House whether we can expect any further unilateral action on the American side and whether there is any deal, implicit or explicit, of which the Canadian budget proposals form a part?

Mr. Gillespie: Mr. Speaker, there is no deal. The active imagination of the hon. member is misplaced in this case. As regards the question of antidumping duties on aluminium, I believe the appraisement has been withheld, so we will have to wait several months to find out whether injury is found in the case of the aluminium industry or not.

Mr. Hellyer: Mr. Speaker, it is not an active imagination on my part. Is the minister aware that a Toronto columnist has today accused the government of conspiracy with the United States in order to postpone reopening of trade negotiations until later this year after the next federal election?

Some hon. Members: Oh, oh!

* * *

HOUSING

ACTION TO PREVENT RENT INCREASES FOLLOWING INCREASE IN OLD AGE PENSIONS AND TAX REDUCTIONS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of State for Urban Affairs and relates to a question asked yesterday by the hon. member for York South. In view of the promised increase for pensioners and the tax reductions for low income people outlined in the budget on Monday night, would the minister assure the House that he will get in direct contact with his counterparts at the provincial level and urge them to take steps to ensure that these benefits are not eaten away by rent increases on the residences of pensioners and low income people?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I do not think this problem is really with government run housing authorities. I think the hon. member can rely upon provincial housing agencies to take into account my remarks of yesterday and his remarks. Where there is a problem, I think it would be with those rental accommodations owned by the private sector. Whether provinces wish to impose rent control is really a matter for them to decide. The hon. member may wish to speak to three premiers with whom he is perhaps in closer touch than I.

Mr. Broadbent: While not sharing at all the assumption of the minister that there is no need to be concerned about publicly owned housing, I should like to ask him what concrete steps he is taking in terms of making sure in the private sector that the improvements that are promised to the low income people and pensioners in particular are not eaten up by rent increases in the private sector? What does he intend to do about that?

Mr. Basford: Mr. Speaker, rents in privately owned buildings are governed by the owners, and any control of those rents is a matter of whether or not there will be rent controls, which some provinces have already implemented.

* * *

• (1500)

CANADA PENSION PLAN

INQUIRY AS TO LEGISLATION TO EXCLUDE OLD ORDER MENNONITES FROM COMPULSORY PAYMENTS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Minister of National Revenue. Two and a half weeks ago I asked the minister whether the government had made a decision to exempt members of the Old Order Mennonites from compulsory participation in the Canada Pension Plan. At that time the minister indicated he would talk to his colleague, the Minister of National Health and Welfare. Has the minister consulted with his colleague and can he indicate to the House at this time whether the government will live up to that commitment?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, perhaps that question should have been directed to me. I had better take it as notice.

Oral Questions

INCOME TAX

SUGGESTED ALLOWANCE AS DEDUCTION OF FEES PAID CONSULTANTS BY INDIVIDUAL TAXPAYERS

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, may I direct a supplementary question to the Minister of National Revenue. On February 8 the Minister of Finance replied, after being asked whether he was prepared to permit individual Canadian taxpayers preparing their forms to deduct reasonable fees paid to tax consultants, that this would probably be dealt with in the budget. May I ask the Minister of National Revenue whether this was overlooked in the budget and whether individuals will now be permitted to make deductions for fees paid for advice on filling out tax forms?

Mr. Speaker: Order, please. Obviously, to my way of thinking, that question is not supplementary to the previous question. However, as the question has been asked the minister can reply briefly, and I will then recognize the hon. member for Richmond immediately afterwards.

Mr. Stanfield: Mr. Speaker, there is no answer.

* * *

[*Translation*]

HOUSING

1976 OLYMPIC GAMES, MONTREAL—PARTICIPATION OF CENTRAL MORTGAGE AND HOUSING CORPORATION—ALLOTMENT OF FUNDS FOR PROJECTS IN QUEBEC

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to ask a question of the hon. Minister of State for Urban Affairs.

Since the right hon. Prime Minister has recently declared to the House that with the help of the province of Quebec, the city of Montreal had only to use the services of the Central Mortgage and Housing Corporation to finance the facilities for the Olympic Games, can the minister tell the House if a special budget has been or will be provided by the Central Mortgage and Housing Corporation in connection with this new investment?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): No, Mr. Speaker. The Prime Minister made it clear that assistance would be provided through the regular budget of Central Mortgage and Housing Corporation.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I wish to ask a supplementary question.

Can the hon. minister assure this House that Quebec housing projects will not be deprived of funds, in view of the new investment made by the Central Mortgage and Housing Corporation for the Montreal Olympic Games?

[*English*]

Mr. Basford: Mr. Speaker, the purport of the Prime Minister's remarks was that housing for the Olympics, if applied for, would be handled through the normal budget of Central Mortgage and Housing and we would want to make sure that it is housing which is suitable for long term use.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I want to ask another supplementary question.

Mr. Speaker: I will first recognize the hon. member for Richmond and then the hon. member for Saint-Hyacinthe.

Mr. Beaudoin: Mr. Speaker, can the minister tell us if the department has already received letters asking precisely that the Central Mortgage and Housing Corporation provide this new investment for the Olympic Games in Montreal?

[*English*]

Mr. Basford: Mr. Speaker, we have not had a formal application for housing.

Mr. Baldwin: How about an informal one?

* * *

[*Translation*]

EXTERNAL AFFAIRS

VIET NAM—DIFFICULTIES OF INTERNATIONAL SUPERVISION COMMISSION—REQUEST FOR STATEMENT IN SITUATION

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

In the light of the rather puzzling statements made yesterday by Ambassador Gauvin in connection with the difficulties and risks currently faced by the International Supervision Commission, could the minister give the House further information as to the progress made in the field of the co-operation from the belligerent forces?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am sure you would not expect me to answer this question at great length on this occasion. May I make two comments. First, I am sure all of us are highly satisfied with the way in which Michel Gauvin is conducting himself in discharging his responsibilities as leader of the Canadian group. I think he has been very wise at this time in making clear that he expects better things from the operation of the International Commission of Control and Supervision than what has so far happened. I read the full account of what he had to say, and he said he is withholding judgment so far on whether this is a useful operation.

LAOS—REQUEST THAT HOUSE BE CONSULTED BEFORE DECISION ON POSSIBLE CANADIAN PARTICIPATION IN SUPERVISORY ROLE

Mr. Claude Wagner (Saint-Hyacinthe): I have a supplementary question, Mr. Speaker. In view of the reservations already expressed by the Secretary of State for External Affairs with regard to any Canadian role in Laos, can he now give the House his assurance that no

decision on Laos will be taken without consultation with the House?

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, I will not give that assurance, but I will certainly inform the House as soon as we have made a decision so that there can be discussion in this chamber.

* * *

NATIONAL REVENUE

REQUEST FOR CANCELLATION OF TARIFF ON ASTRO TURF AT HAMILTON STADIUM IN VIEW OF USE TO TRAIN OLYMPIC ATHLETES

Mr. Bill Kempling (Hamilton-Wentworth): Mr. Speaker, may I direct a question to the Minister of State for Urban Affairs. Inasmuch as a mechanism has been found to finance the Olympics, would the minister discuss with the Minister of National Revenue the extra tariff placed on the Astro turf at Ivor Wynn Stadium, Hamilton, with a view to cancelling the extra charge, as this stadium will be used to train some of our Olympic athletes?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, although that does not fall within my responsibilities, I am sure the Minister of National Revenue has heard the representation.

* * *

AGRICULTURE

INDUSTRIAL MILK—INQUIRY AS TO DECISION ON INCREASE IN SUBSIDY

Mr. Jack Murta (Lisgar): Mr. Speaker, may I direct a question to the Minister of Agriculture. Has his department reached any decision on increasing the subsidy on industrial milk, as requested by Canadian dairy farmers? If so, how will this increase be paid? Will it come from the federal treasury or from an increase in the consumer price of milk?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have not reached a decision yet.

Mr. Murta: Can the minister inform the House when a decision will be made on this matter?

Mr. Whelan: I hope soon, Mr. Speaker.

* * *

NATURAL RESOURCES

OFFSHORE RESOURCES—ASSISTANCE IN EXPLORATION, DEVELOPMENT AND MANAGEMENT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, may I direct my question to the Prime Minister. When appointing a new chairman for the government's task force on ocean science and technology, the Prime Minister stated that the federal government recognizes that Canada must ensure that it has the technical capacity and scientific understanding to respond effectively to the entire scope of this challenge. Would the Prime Minister indicate whether his government has any specific plans to assist in exploring, developing and managing our offshore resources, and also whether the government, in view of the oil shortage, is considering any increase in the assistance provided to domestic offshore oil drilling rigs and to ships built in Canadian shipyards so that we may utilize our entire offshore resources?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to inquire to see whether any of our assistance to the shipbuilding industry applies to the specific aspects that the hon. member is asking about. I do not know the answer offhand.

* * *

TRANSPORT

RAILWAY LINE RELOCATION—GOVERNMENT POSITION—INTRODUCTION OF LEGISLATION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Transport. In view of the Ontario government's announcement that it will not participate in the second phase of Sudbury's relocation study until the federal government makes known its intention respecting rail relocation subsidies, is the minister prepared to do so now?

Hon. Jean Marchand (Minister of Transport): Would the hon. member repeat the last part of his question, please?

Mr. Rodriguez: Is the minister prepared to announce the government's position, in view of the relocation study?

Mr. Marchand (Langelier): Mr. Speaker, I think I have said many times in the House that a bill will be introduced which will deal with the problem of relocation. A pilot study has been undertaken in Winnipeg. We have encountered this problem in many other places in Canada, mainly in Quebec City which is split in two by rail tracks. As soon as the bill is adopted by the House I hope we will be in a position to correct all these situations which the hon. member deplores and I deplore, too.

* * *

IMMIGRATION

ACTION TO DEAL WITH INCREASED NUMBER OF APPEALS—POSSIBLE INCREASE IN NUMBER OF MEMBERS OF APPEAL BOARD

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct my question to the minister responsible for immigration. As the number of appeals to the Immigration Appeal Board has reached alarming heights, at present numbering approximately 12,000, I wonder if the minister could advise the House what he is doing right now to expedite the hearing of appeals?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as we indicated in the Speech from the Throne, we plan to present amendments to the Immigration Appeal Board Act to the House at an early opportunity. In the meantime, as announced by my predecessor, several successful endeavours have taken place in eliminating the preliminary build-up of additional appeals that might be coming forward to the board. I think we will have to restructure the board in some fashion before we can really beat this problem.

Mr. Alexander: As the chairman of the board indicated in 1968 that the board, as constituted, could not handle the massive amount of work it has to do and in view of the hundreds of appeals being filed daily or monthly, can the minister assure the House that he will be bringing forward legislation in the very near future which will at least increase the numbers on the board in order to expedite the hearing of these appeals? The fact that this has now been going on for three years is ridiculous.

• (1510)

Mr. Andras: Mr. Speaker, it is also ridiculous to take single estimates and put them through the mill three or four times simply for political purposes. If we can get the House moving faster on these things, we will be able to deal with real problems much more rapidly.

Some hon. Members: Hear, hear!

Mr. Alexander: Mr. Speaker, I rise on a question of privilege. I did not expect a hanky-panky answer from the minister. I asked him a straight question which does not call for political manoeuvring on his part. I asked the minister a very simple question with respect to a very important problem that is being faced by many Canadians, those who are involved with the appeal structure, and the least he can do is give me a straight answer in terms of how soon we can expect action.

Mr. Speaker: Order, please.

Mr. Andras: Mr. Speaker, I was giving the hon. member a very straight answer. It was not hanky-panky. It is a very serious consideration that I ask all members to give. We will get to that problem when we can proceed expeditiously with other matters ahead of it.

* * *

AGRICULTURE

ACTION TO COMBAT SHORTAGE OF VETERINARIANS

Mr. A. D. Hales (Wellington): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. In view of the fact there is an extreme shortage of graduate veterinarians in Canada, so much so that we have had to import veterinarians from Europe, I wish to ask the minister if it is the intention of his department or any other department of government to give a grant to the Ontario Veterinary College so they may enlarge their facilities to graduate more veterinarians from a long list of students who wish to study this profession?

[Mr. Alexander.]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, what the hon. member has said is true. There is a shortage of veterinarians in Canada. We actually have a team in Europe looking for veterinarians. We are studying the very issue about which he is talking. I hope to be able to give the hon. member a better answer very shortly.

* * *

GRAIN

SUBSIDY ON WHEAT USED DOMESTICALLY IN MILLS—POSSIBLE FURTHER MEASURES TO REDUCE FOOD PRICES

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, my question is for the Minister of Agriculture or the minister in charge of the Wheat Board. In light of the rising cost of food, is the government contemplating any further cheap food measures like the present one under which the federal treasury pays over one dollar for each bushel of wheat used in the mills for Canadian consumption?

An hon. Member: Yes, meatballs and gravy.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there are one or two other payments or programs in existence which can be called consumer subsidies. Any further decisions along those lines will be announced.

Mr. Horner (Battleford-Kindersley): I suggest that the minister in charge of the Wheat Board is playing politics with $60 million belonging to the Canadian wheat growers.

Mr. Speaker: Order, please.

Mr. Horner (Battleford-Kindersley): I wish to ask the minister how much that questionnaire cost and who is paying for it.

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FISHERIES

WEST COAST HERRING FISHERY—REQUEST THAT MINISTER MEET WITH FISHERMEN TO DECIDE ON DISTRIBUTION OF CATCH BETWEEN GILLNETTERS AND SEINERS

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the meeting-shy Minister of Fisheries. I wish to ask the minister whether he will agree to meet, within the next week, with representatives of the herring fishermen of British Columbia to discuss with them and work out an agreed arrangement on division of the catch as between the gillnet fishermen and the seiners so there will be a fair distribution of the quota he has allocated in the west coast herring fishery?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I have had several meetings with the fishermens' representatives on the west coast and the herring management committee we have there. We have set quotas. The matter now at issue is the price of the herring. That is a matter to

be settled between the union, the native brotherhood, the vessel owners and the processors, not the government.

Mr. Barnett: In view of the minister's statement that the issue is a matter of price, will he tell us why he has refused to meet with the fishermen, in view of having set quotas, in order that there may be a distribution of the catch between gillnet and seine fishermen, so that the matter of price can be properly settled between the fishermen and the buyers? That was my question and I would like an answer.

Mr. Davis: As the hon. member knows, Mr. Speaker, there are various groups of fishermen using different kinds of gear. The battle is between them as to what proportion of the herring they get. That is a battle I do not wish to enter. We have set over-all quotas. It is up to the industry to solve its difficulties in respect to price.

Mr. Speaker: The Chair will recognize the hon. member for St. John's West for a supplementary and then the right hon. member for Prince Albert who has been waiting very patiently for the past 40 minutes.

REQUEST FOR CLOSING LINES TO PROTECT HERRING STOCKS IN PLACENTIA AND ST. MARY'S BAYS

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I wish to direct a supplementary question to the Minister of Fisheries. It also concerns herring. In view of the fact that numerous representations have been made by the fishermen of Placentia and St. Mary's Bays in Newfoundland with regard to the need for closing lines to protect the herring stocks until the study now being undertaken is completed, and in view of the minister's statement in Vancouver last week that the "let's fish and get out" attitude which is being pursued thoughtlessly must stop, will the minister now undertake to have closing lines imposed in those bays to protect the herring stocks until he can determine the size of the stocks and their sustainable yield?

Hon. Jack Davis (Minister of Fisheries): As the hon. member knows, Mr. Speaker, I prefer closing lines. I have been deferring to an industry committee on which the fishermen in southern Newfoundland are represented. They have asked for more time to study this matter. I am open to suggestions.

Mr. Barnett: Mr. Speaker, I rise on a question of privilege arising from a statement made by the Minister of Fisheries to the effect there is a dispute between the gillnet fishermen and the seine fishermen as to the question of the catch. In view of information I received within the past hour to the effect that they are agreed on a division formula if they can meet with the minister and get his blessing on it, in my view the minister must either be misinformed or is misinforming the House.

Mr. Speaker: That, of course, is not a question of privilege. I suggest to the hon. member that it is a question of debate between himself or other members and the minister. The hon. member for St. John's West will be recognized for a supplementary and then the right hon. member for Prince Albert.

Mr. Carter: My supplementary question is to the Minister of Fisheries. In his answer the minister referred to the herring management committee. The point I have been making, and I am sure the minister is aware of it, is that there is no scientific data available to help the minister or the herring committee to establish a safe quota. Until such time as that information is available, will the minister consider imposing closing lines to ensure that the herring stocks in those bays are protected?

Mr. Davis: Mr. Speaker, there is some information available. Additional data is being sought by research vessels right now. We need more information and have an open mind on the subject.

* * *

GRAIN

DEMURRAGE CHARGES ON SHIPS AWAITING CARGOES AT VANCOUVER IN 1972—ANSWER TO ORDER PAPER QUESTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, six weeks ago I asked a question of the government in connection with the Wheat Board. It was a very simple question. After the mountain had been in labour for all that period, it produced this mouse. My question was:

What was the total amount paid for demurrage by the Wheat Board in 1972 for ships which were held up in Vancouver Harbour awaiting wheat cargoes?

The answer was $2,326,469.25. The next question is the one that interests the farmers.

Is the Wheat Board to receive payment of said amount from the government of Canada or, if not, is it to be considered as a marketing expense which will come out of the farmer producers?

The answer was as follows:

Where demurrage is incurred for the account of the Canadian Wheat Board, it is considered to be a marketing expense payable out of the Canadian Wheat Board pool accounts.

In other words, it comes from the farmers.

Whether this amount comes out of sales proceeds or from the government of Canada depends on whether a particular account is in deficit or surplus.

• (1520)

Sir, that answer is the antithesis of frankness and could not have been expressed with greater precision. This is deception that the government is endeavouring to practice on the farmers of western Canada.

Some hon. Members: Hear, hear!

Mr. Danson: On a point of order, Mr. Speaker, may I suggest that when the right hon. gentleman rises and makes allusion to a mouse we should smell a rat.

Mr. Crouse: All the rats are over there.

Mr. Diefenbaker: The hon. member has been silent for a long time. On one occasion I said of the hon. member for York North, in the most kindly way that I had concluded after hearing him that he was a wit but I then had to admit that I was only half right.

Some hon. Members: Oh, oh!

An hon. Member: Old stuff.

Mr. Speaker: I have to apologize to a number of hon. members in the last row who were not reached. Perhaps we might eliminate the budget debate from the question period tomorrow and recognize immediately hon. members in the last row. Before calling orders of the day I think I might recognize the hon. member for Rimouski.

* * *

[*Translation*]

THE CANADIAN ECONOMY

SUGGESTED INTRODUCTION OF GUARANTEED ANNUAL INCOME TO ALLEVIATE UNEMPLOYMENT

Mr. Eudore Allard (Rimouski): Thank you, Mr. Speaker, I was beginning to lose hope. I should like to direct a question to the Minister of Finance.

Since the minister recognized that it is impossible for him to find a satisfactory solution to the problems of unemployment and that, consequently, the rate of unemployment, already heartbreaking, particularly in the case of the young, will go up unavoidably, could the minister tell us if he considered setting up a guaranteed annual income as a possible solution to that unfortunate situation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I must take this question as notice for I could not hear it because of the noise in the House. I trust the hon. member will forgive me.

Mr. Allard: Thank you, Mr. Speaker. I will repeat my question.

Since the minister recognized that it is impossible for him to find a satisfactory solution to the problems of unemployment and that, consequently, the rate of unemployment, already heartbreaking, particularly in the case of the young, will go up unavoidably, can the minister tell us if he considered setting up a guaranteed annual income as a possible solution to that unfortunate situation?

Mr. Speaker: Obviously, there is no answer to be offered to the question asked by the hon. member for Rimouski who will probably have the opportunity to raise the issue again tomorrow or to suggest to the Chair that it be discussed at the time of adjournment.

[*English*]

Mr. Munro (Hamilton East): On a question of privilege, Mr. Speaker, I think my answer to the hon. member for Winnipeg North in connection with the elevator strike might have been somewhat misleading. I should like to advise him that a conciliation board has been appointed and that we are waiting for the union to make its recommendation as to its member on that board.

Mr. Yewchuk: I am sorry to rise on a point of order at this time, Mr. Speaker, but I am seeking clarification of a matter I have been trying to raise for some time. It concerns the honesty of one of the ministers and I wonder whether I could have an opportunity to ask for clarification of this matter.

[Mr. Diefenbaker.]

Mr. Speaker: The Chair is in the hands of the House. I recognize that the hon. member for Athabasca, along with others, has been attempting to ask a question. I suggested that had we started the question period a little earlier, we might have gotten to him and to others before calling orders of the day. I would hope that the hon. member's question might be allowed to stand until tomorrow so that we can proceed with the business before us. I shall undertake that the hon. member will be given an opportunity tomorrow, along with other members. I tried to note the members who were attempting to ask questions, and I would seek the assistance of all hon. members in giving the Chair an opportunity to recognize them tomorrow.

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Monday, February 19, consideration of the motion of Hon. John N. Turner (Minister of Finance) that this House approves in general the budgetary policy of the government.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the House will be in a somewhat different mood this afternoon from the mood it was in the other night. Having spent some time profitably reading previous speeches of the Minister of Finance (Mr. Turner) on budgetary matters, I thought I might refer to those other speeches which he made from time to time. I have before me the speech the minister made last fall in Truro. Does he want to read it? In that speech, he referred to certain budgetary and fiscal measures proposed by the Leader of the Opposition (Mr. Stanfield). It occurs to me he would now want to swallow that speech after chewing it into small pieces—dry. That is the type of punishment he deserves for having made those statements.

I shall not plagiarize the delightful writings of other people who have compared passages in the various statements made by the minister at different times. One such statement was to the effect that the Leader of the Opposition had taken leave of his senses, that his fiscal proposals would increase the budgetary deficit to about $900 million, double what the minister had proposed in June; that it would drive the country to the edge of bankruptcy; that all those measures were utterly irresponsible and ill thought out. But what did the minister have to say the other night? "I come, now, to a budgetary proposal of the greatest significance", he told us. And then he laid out his personal income indexing proposal.

An hon. Member: Why don't you read George Bain's column?

Mr. Lambert (Edmonton West): All right. That's fine. I will go on to something else. I did refer to the opportunity I had had of reading some delightful writing. But not everybody has a chance of reading that column. I think people all over the country who read *Hansard* should

have the benefit of these comments. This applies also to the minister's speeches in Calgary. I do not know whether an increase from $1.5 billion to $2 billion would ever drive the country to bankruptcy. Yet why would the minister now come along and boast that for the good of the country we should now, in a deficit position, spend some $2 billion more? In June of last year he said such additional expenditure would drive the country into bankruptcy—it was sheer fiscal lunacy on the part of the Leader of the Opposition even to suggest we spend that kind of money. Yet now the expenditure of that amount is supposed to bring the biggest possible benefit to the country and constitute the greatest possible gesture on the part of the Minister of Finance. The hon. gentleman reminds me of the little fellow who pulled out a plum. He has been sitting in the corner and he has pulled out a plum. It is great to hear the minister, having said these things, now telling us that what was irresponsible, what was unacceptable, how they now become policy with the greatest possible benefit. Somebody has called this a chocolate bar budget. Perhaps others would call it a candy budget, recalling the Prime Minister's statement about all the candy which would be handed out—les bonbons que nous allons donner au public canadien.

• (1530)

Then I noticed that another eminent scribe had entitled his column this morning "Budget! Humbug!". Is that the kind of candy included in this budget? We will see.

More seriously, Mr. Speaker, the House was in a very anticipatory mood the other night, and so was the public in the galleries. The stage was set for what I would suggest was one of the most dramatic budget nights we have seen in many years. As my colleague from Calgary South (Mr. Bawden) has said, was this going to be the opening of the wedding presents to see whether the trial marriage between the NDP and the Liberals was going to continue? Was the NDP bride going to find these wedding presents satisfactory? I do not know, but perhaps that accounted for some of the anticipation. Others, particularly those behind the minister who were supporting him, were looking for what they might call political goodies, for those things that would make for a good pre-election budget, no matter if those measures were devoid of any principle. We must remember that the thing is to win the next election, and with a nice cushion of swollen tax receipts the minister would be able to play the bountiful Santa Claus to the Canadian public.

The minister would not tell the Canadian public, of course, that he was merely returning to them money extracted from them by a tax schedule provided for by section 117 of the act which the government of Ontario as well as the members of this House, including the NDP, had told the government would grossly gouge the Canadian public and place in the federal coffers funds far in excess of the government's requirements. We now have an admission that the public was being gouged. The minister says with some pride—at least, he thinks it should be with some pride—that he is leaving with the taxpayers some $1.3 billion as a result of the Income tax changes that are proposed in the budget. As I have pointed out, according to the table of revenue that appeared at page 26 of the minister's budget speech, there will be an excess this year of $925 million over last year on the personal income tax account. This represents a growth in the Income tax collections of $2.2 billion. Talk about the government benefiting from inflation!

This is all part of the colouring of the atmosphere in this House the other night. However, there were legions all across this country who were looking to see whether the budget would propose some bold measures, measures that would be new departures to deal with the problems that have been with us for years. These problems have not been swept under a rug. The minister's predecessor used to say, having looked at one month's statistics, that the curve had levelled off and that therefore he could promise that we were going to do a lot better. I quoted that speech the minister made last May in which he solemnly declared that the cost of living index would be much improved during 1972, that we would do a great deal better in the field of unemployment. But what do we have? We have a level of increase in the cost of living now that is totally unacceptable to the Canadian people and it just cannot continue.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): It matters not what it is that influences these cumulative increases. The government had the best of all possible surveillance of these matters, but it strikes me that the surveillance was from the tail of the ostrich with its head in the sand. In other words, they could do nothing, did not want to do anything, and they did nothing.

The personal income tax cut included in this budget is, of course, welcome; there is no doubt about that. But it is less than the figure proposed by the Leader of the Opposition during the last campaign, indeed less than that which we have been proposing all along. Certainly, it is less than what it should be today. It is satisfactory as far as it goes, and I will not gainsay anyone who is able to benefit from this tax reduction. But it only shows, as I have pointed out before, that the tax rates in 1972 grossly overcharged the Canadian public. We are now going to get a decrease in the schedule by one point per tax bracket during 1973. This step was taken by the minister's predecessor to, shall I say, alleviate the possibility of excessive taxation and is statutory.

I also accept the increase of $100 in the personal exemption, but I should point out that the 5 per cent increase in the cost of living has already eroded $75 of the exemption in one year. If you take 5 per cent of $1,500 you will get $75, which brings the $1,500 down, in effect, to $1,425. This $100 increase will make up for the erosion of last year and will provide a partial bridge for this year until the personal income index comes into effect in 1974.

One would have expected there would be some really bold measures to deal with the increase in the cost of living. After all, the minister is relatively new to the job and is not tainted by the attitude that had prevailed when his predecessor was minister. However, the thinking seems to be the same; this budget is set in the same mould as last year's. As I have pointed out, even a lot of the phrases are the same.

As far as the customs tariff reductions are concerned, we have had that sort of thing before, when the only

people who suffered as a result were Canadians. We all remember the acceleration of the Kennedy round cuts. There was no diminution in the cost of living index as a result of that move, and here we have a unilateral reduction in the customs tariff. Some of my colleagues in the field of agriculture, and others in the field of industry, tell me they cannot understand the philosophy of the government in making this unilateral move on the eve of new multilateral talks on the reduction of tariffs. Here, we have a whole series of bargaining points that have been given away.

Mr. Turner (Ottawa-Carleton): They are temporary reductions.

Mr. Lambert (Edmonton West): Temporary?

Mr. Turner (Ottawa-Carleton): That is right, for one year. I said so right in my speech.

Mr. Lambert (Edmonton West): These will not be temporary. I do not anticipate the minister having the opportunity of announcing in the House that he is revising these tariffs and increasing them again.

Mr. Turner (Ottawa-Carleton): Do not get over-anxious, Marcel.

Mr. Lambert (Edmonton West): The minister tells me not to get over-anxious about this but I am not the one to be over-anxious.

• (1540)

I sometimes wonder about some of the underlying philosophy of this budget. Knowing the minister's position in the hierarchy of the Liberal party, one wonders just what circumstances might have coloured this budget. I do not want to be personal about this matter, but I could suggest all sorts of possibilities.

Quite frankly, this budget has no real economic purpose and no central theme. For instance, does the minister wish to expand the economy and, if so, how will this budget affect regional economic disparities? Has the minister taken steps in this budget with regard to regional economic disparities?

Some hon. Members: No.

Mr. Lambert (Edmonton West): Is the minister doing anything in respect of solving agricultural problems?

Some hon. Members: No.

Mr. Lambert (Edmonton West): I suggest that instead he is creating them in the horticulture industry.

An hon. Member: Don't be silly.

Mr. Lambert (Edmonton West): That is so. Does this budget do anything for the building industry?

Some hon. Members: No.

Mr. Lambert (Edmonton West): What part of the economy of Canada does the minister intend to benefit by this budget?

[Mr. Lambert (Edmonton West).]

Mr. Turner (Ottawa-Carleton): The Canadian consumer.

Mr. Lambert (Edmonton West): The minister says "the Canadian consumer". If that is so, why is there not one measure calculated to control the accelerating cost of living?

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): This is a policy of drift. This is a budget of tinsel, garland and candy. It is superficially attractive and lends itself to the kind of headlines I have seen to the effect that taxes are down and pensions are up. There are a number of proposals which we accept, and it would be quite wrong to reject them. Certainly, the minister will agree that the economic crunch of his budget must be related to the over-all impact. He has stated time and time again that he would attempt to deal with the problems of unemployment and inflation, but nowhere in this budget has he really attempted to do so. He has only expressed some fond hopes. The minister has become expert in professing fond hopes that the economy will somehow be cranked up, that we will see a flattening out of upward pressure on the CPI and also the creation of 330,000 jobs this year.

An hon. Member: 300,000.

Mr. Lambert (Edmonton West): Last year it was 330,000, but this year it is 300,000.

Mr. Turner (Ottawa-Carleton): It was quite clear.

Mr. Stanfield: It is 300,000 this year.

Mr. Turner (Ottawa-Carleton): Don't let your leader upset you.

Mr. Lambert (Edmonton West): Does the minister believe that the sales tax reductions and the customs tariff reductions will really have an effect on food prices? These reductions certainly will not have an effect on the demand for and the price of houses.

An hon. Member: What about housing starts?

Mr. Lambert (Edmonton West): I am sure we would all love to hear another factual speech by the hon. member for Bruce (Mr. Whicher). One of these days he will be good enough to bring his attention to bear on some of the true facts of this budget, and tell the Canadian people just how the cost of living is to be reduced and how employment will be increased. That hon. member passes through the city of Toronto regularly. Perhaps, he will tell us how this budget will in any way reduce the rapidly increasing cost of housing in that city. I should think he would have that matter very close to his heart, and we will anticipate his participation in this debate at some time.

An hon. Member: How about right now?

Mr. Muir: He gives the government hell and then votes with them.

Mr. Lambert (Edmonton West): In so far as the income tax cuts are concerned, they are generally acceptable to us. I spoke about the basic exemption for a married

couple. Perhaps this will take care of the erosion caused by inflation during 1972. However, there is one thing I should like to find out in respect of the minister's charge that the Leader of the Opposition's constant dollar proposal was an impossible one. Were the adjustments made with the consent of the provinces? Has the minister been able to get provincial consent? I hope he will tell me that. Will the individual tax return in 1974 provide for an application of the adjustment formula to only federal tax or will it also apply to provincial tax? Having made the proposal at this time, I hope the minister or one of his colleagues will be able to tell us that this has been negotiated with the provinces, or has been presented as a *fait accompli* on a take it or leave it basis. Will this only apply to the federal portion of personal income tax? The answer no doubt will be interesting.

The increases in old age security to $100 is a good step forward. It provides some $13 more than would have been provided on April 1 as a result of the cost of living factor which would come into play at that time. We would then have had basic old age security at $86 and some cents. The adjustments in respect of the guaranteed income supplement are in keeping with the adjustments to the war veterans allowances.

However, there is one thing I wish in respect of these adjustments, and that is that the minister had been in consultation with some provincial authorities in respect of those senior citizens who live in nursing homes or senior citizens' homes. I hope that those who are being maintained at public expense will not have the biggest part of this increase in old age security taken from them under the guise of increased rents. I hope the minister will be able to use his good offices in conjunction with those of provincial ministers from one end of the country to the other to see that this does not happen.

I am not trying to make sheep or goats of any of the provinces, ministers or municipalities in this regard, and I know that it may be the municipalities that are involved, but this is my sincere hope. I know that in many instances these homes face municipal tax increases. This could be a frustrating step. If we must have a deficit in one area it is the Canadian taxpayer who must accept the deficit, and let us not try to say it is being passed on to someone else. It is the Canadian taxpayer who ultimately bears the cost of any deficit, if there must be one, to look after senior citizens and those people in public institutions who are better off there than they would be on their own.

There is some relief in respect of customs duties on such things as bagatelle tables, billiard tables, squash rackets, cricket bats and things of that sort. There is also some relief in respect of certain types of vegetables and fruits, and I am sure some of my colleagues from areas in British Columbia and the Niagara Peninsula will have more to say about this. There are others who will have something to say with regard to white hardware. I am not satisfied that this will prove to be a particularly good move. I am not satisfied this reduction will be passed on in any way to the consumer. Is there to be a monitoring system? We have had expressions of pious hopes in the past in respect of the reduction or removal of sales taxes so that the benefit could be passed on to the consumer if the purpose of the reduction is to fight the cost of living.

• (1550)

Mr. Turner (Ottawa-Carleton): Did you see what Eaton's said today?

Mr. Lambert (Edmonton West): Yes, but next month it may be nothing. I know what the Hudson's Bay Company and others have done. I know what the chocolate bar people have said. Some of them have said they will just make a bigger bar for 15 cents.

Mr. Turner (Ottawa-Carleton): A bigger buy for your money.

Mr. Lambert (Edmonton West): For more money. I know it would have cost the public treasury $200 million or $250 million more, but the minister could have done much more good in the battle against the inflating cost of living by taking off the 11 per cent sales tax on building materials. That step would be directly identifiable.

Mr. Turner (Ottawa-Carleton): There is to be monitoring.

Mr. Lambert (Edmonton West): In respect of the sales tax reductions on children's clothing, has the minister a system of monitoring to see that this will be of benefit? May I ask the minister how much of that reduction or elimination of sales tax would be absorbed by the counter effect of the 10 per cent devaluation of the Canadian dollar. Childrens clothing which is imported from Japan would cost probably 16 per cent more than the present level. Goods from Hong Kong would cost from 8 per cent to 10 per cent more.

Mr. Turner (Ottawa-Carleton): Surely, you are not blaming me for what the Janapese are doing?

Mr. Lambert (Edmonton West): The point is, Mr. Speaker, that the minister should not tell us in his speech that the reduction in sales tax on children's clothing and on these other commodities will have a very marked effect on the extent of the increase in the cost of living. The minister would have had to take 50 per cent, if he had that much tax on, in order to counterbalance the increase due to devaluation. The point is that building materials come mostly from Canada and the United States where there is not this difference as a result of the change in monetary valuation. I would suggest also to the minister that it is much easier to monitor, as a result of the concentration of these materials, the removal of the 11 per cent or 12 per cent tax from various categories of building materials. I believe the minister would have been further ahead had he spent another $250 million in this area because I suggest that his budget is not expansionary enough.

If one looks at the tables that were given to us yesterday by the President of the Treasury Board (Mr. Drury) in so far as the spending estimates of the government are concerned, one will recall that that minister said there was a difference of some $2200 million in the estimates between 1972 and 1973. The main claim the minister makes is that he has an expansionary budget. Let us look at table one which appears at page 16. If one looks at the budgetary estimates and non-budgetary estimates for 1972-73 and compares them to 1973-74 one can see there is not a

difference of $2200 million. There is less than $900 million that the President of the Treasury Board called principal estimates. He conveniently forgot the $1800 million which came in as a supplementary estimate which we just passed. It is the other estimates at which we must look. Therefore, there is no question that this is an expansionary budget. This blue book of estimates reports the spending program of the government.

Now, in respect of the 5 per cent cost of living increase factor let us see where one stands in relation to the 1972-73 estimates. That amount of $800 million I spoke about disappears. Therefore, outside of the inflationary factor, and applied to last year's estimates, there is no change and yet this is supposed to be an expansionary budget.

Mr. Stanfield: They will end up with a big surplus again.

Mr. Lambert (Edmonton West): The minister made certain proposals with regard to tax reform. It is unfortunate that many taxpayers will be caught in a real bind this year. I hoped the minister could have had a word to give these people, because the law of 1971 says that they had to take certain action by 1973. The action taken by the taxpayers was supposed to be subject to regulations, but the regulations have not even been drawn up. Is there no way that the minister could have indicated, for instance in respect of the foreign affiliates provisions of the Income Tax Act, that the date which appeared in Bill C-222 would be changed. There are taxpayers in this country who, if they are to follow the law, will have to undertake extensive administrative changes. However, nothing has been said.

A similar situation exists in respect of discretionary trusts where the beneficiaries are supposed to make elections according to certain regulations. Substantial assets of Canadians, not strangers, are involved in this and yet these regulations have not even been drafted let alone promulgated. The minister has given no indication in this regard. I would hope he would have his colleague the Minister of National Revenue (Mr. Stanbury) stand in his place during this debate and make an authoritative statement in respect of all these matters. I know it will take some time to get Bill C-222 before this House and passed, but the taxpayer is entitled to justice. His fate should not be to be kept dangling in suspense because of the inability of the Finance Department, the Department of National Revenue or the other people involved in finance to agree or because of the deletoriousness at the cabinet level in agreeing on certain provisions. The taxpayer is entitled to a better deal than that.

• (1600)

There was one point that was raised by the Minister of Finance in answering the Leader of the Opposition, with regard to the $890 million which appears as a statutory item under the Department of Manpower and Immigration. This is a bookkeeping entry, but it is not part of an expansionary budget. It does not put one dollar into the economy. All it does is to meet the deficit in the unemployment insurance account which is finally computed with accuracy at the end of April. It goes to repay the advances the Minister of Finance has made under section 134 of the Unemployment Insurance Act. That is all that the $890 million does. It appears as part of this total $19 billion. As a matter of fact, I find that this year's estimates are below last year's, if one looks at the effect of the increasing cost of living which affects the government as much as it does anybody else. If the inflationary factor is applied, and this $890 million is not included, then this year's estimates are well below last year's. Not one dollar of this $890 million will ever appear in circulation; it is a bookkeeping entry.

This budget was supposed to deal with the problem of unemployment. Of course, it is an added bust when it comes to that. There is not within one ministry one proposal that actually makes a constructive effort to expand the economy. There is nothing there that will provide one meaningful job. There are some additional transfer payments.

Mr. Paproski: Long overdue.

Mr. Lambert (Edmonton West): They will be transfer payments; they will increase pensions; they will pay more under medicare and for health care. But that does not increase the number of jobs for Canadians.

Mr. Paproski: Where are those jobs?

Mr. Lambert (Edmonton West): Those are the things that we want to see. Having made these criticisms of the budget, and having indicated how the minister has failed to face up to the principal economic problems of this country, let me point out the third economic problem in this country, which looms large in the minds of many people, namely, the smaller degree of participation by Canadians in the ownership of Canadian business and development. The minister had a wonderful opportunity in this budget to do something positive with regard to that situation. There were many things he could have done to help Canadians acquire a bigger share of their own assets in business, and I do not care what kind of business it is, or a greater measure of control in their own resource development. I know that the minister's colleague, the Minister of Industry, Trade and Commerce (Mr. Gillespie) has a bill on the order paper, but the bill is entirely negative. It says: thou shalt not, thou shalt not, thou shalt not, all the way through. But does it tell Canadians: you may, or, you will be allowed to?

Mr. Baker: Nor does it say: we will help you.

Mr. Lambert (Edmonton West): This is the type of positive action that should be taken, and it could have been taken simply through amendments to the Income Tax Act. Why is there even a partial continuation of the principal occupation rule which bars Canadians from participating in resource development on equal terms with their American counterparts? You have tied the hands of Canadians behind their backs. You have done it for years. Certainly, in Bill C-259 there was a partial relief, but it was only partial; you untied one tiny knot but that arm is still up behind the back. In other sectors there are snackles round the ankles of Canadians as taxpayers in competition with foreigners in the development and ownership of Canadian resources.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): The administration moved in the right direction to eliminate estate taxes. The province of Alberta went the right way in not moving into that field. I trust that the province of Quebec will live up to its promise to do the same and that Ontario will do the same because in my book, in so far as the ownership and development of Canadian business and enterprise is concerned, there has been no greater shackle than the piracy under the succession duty legislation.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): We have seen hundreds and thousands of Canadian businesses that have had to come on the market at fire sale prices in order to meet the rapacious demands of the government's financial policy, the pound of flesh of the "have-nots" and of those who have worked in this country. It is an outdated method going back to the eighteenth and nineteenth centuries in Britain to break up landed estates. It is of no application in this country. How many good Canadian businesses, from small ones to major ones, have had to go on the market, and who was there with the money to buy the shares at fire sale prices? There were our friends south of the border and our friends across the ocean. There is not one member in the House who cannot call to memory some classic examples of that.

Mr. Lewis: I am one.

Mr. Lambert (Edmonton West): You have been blind. I can tell you of any number of them.

Mr. Lewis: Your tears for the poor millionaires who are dying really shower over me.

Mr. Lambert (Edmonton West): They are not millionaires, Mr. Speaker, many of them. We want to pile on the agony higher and higher succession duties. They will find out who sells before succession duties come on and how they sell and to whom they sell.

Mr. Lewis: If you have an opportunity to buy some, what are you yelling about?

Mr. Lambert (Edmonton West): I would have said that by changing the Income Tax Act, by persuasion with regard to succession duties, this situation could be avoided. Since the minister apparently had another good look at some of the fiscal proposals of the Leader of the Opposition and he found some to his liking, what about the small business investment tax credit that the Leader of the Opposition proposed to encourage Canadians? That would help Canadians to take a share in Canadian business.

I would like to make a proposal with regard to our resource development, and this would not cost the government anything at this time. Let us determine what is resource development from one end of the country to the other, and let us reserve this privilege for the average Canadian citizen and say to him: "Canadian, invest $1,000, $5,000". After all, what money can the average Canadian have? Invest it in the equities of whatever company or development you want within the ball park of the determined resource development. Then, you can sell that stock and buy another as long as you keep your capital and accrual to your capital within that ball park. If you want to get out at the end of one year and there is a capital gain, we will forgive you 20 per cent and then 20 per cent for each succeeding year. For instance, if the Minister of National Revenue has left our good friend the Minister of Regional Economic Expansion (Mr. Jamieson) with a few shekels and he has been able to invest $1,000 in resource development equities and finds at the end of five years they are worth $1,200, that is a $200 capital gain. One hundred dollars of that would be taxable, but because he has held the investment for five years we will forgive him the capital gains tax. This would apply to Canadian citizens only.

• (1610)

You may say that we are discriminating, but do we not all discriminate in some form or another? The government's legislation is certainly discriminatory when it comes to foreign takeovers and control of foreign investment. What I am saying is that within the Income Tax Act there would be an advantage available to Canadian citizens only to invest in Canadian resource development. Unless the investment is made, there is no tax that is lost; a taxable income will be earned providing the investment is there but there must be an incentive.

This is not a novel plan, Mr. Speaker. A variation of it has been tried in other countries, such as Australia, where the degree of ownership of natural resource development is far higher than in Canada because of such an incentive. This is, I suggest, a positive gesture in favour of Canadians owning a greater share of the resource development of this country.

Coming to the point—

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Coming to the point of unemployment and those massive measures needed to turn the corner, Mr. Speaker, all sorts of proposals have been tried by the government over the past several years but there were still 688,000 people seeking work this last month.

Some hon. Members: Shame!

Mr. Lambert (Edmonton West): Can we, as Canadians, in good conscience continue to say that we can carry this load, that this becomes something we must get accustomed to, that it is something we have to bear like arthritis or rheumatism? Of course not. I would have thought that the Minister of Finance would have seized the opportunity to do something bold and imaginative. I would say that he should not have been content with this set of estimates which frankly are no greater than last year.

Mr. Alexander: Throw it at him, Marcel.

Mr. Turner (Ottawa-Carleton): He couldn't make it.

Mr. Lambert (Edmonton West): Don't tempt me. On the basis of his forecast as to the gross national product and income, the minister should have said "I am going to make a massive attack on unemployment with a real

expansionary budget. Something drastic has to be done; the corner has to be turned and we have not done it so far."

My colleagues the hon. member for Don Valley (Mr. Gillies) and my leader are going to elaborate on this point. On this occasion, a Conservative minister of finance would have introduced a really expansionary budget and if you want figures it could be $2½ billion or $3 billion to really do a job and at the same time not be afraid to impose a total price freeze and then phased price controls in order to contain inflation.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): We saw the example of a price freeze and phased controls in the United States. There will be some argument as to how effective it was at the time.

Mr. Turner (Ottawa-Carleton): Food prices went up in the United States by 3 per cent in one month.

Mr. Lawrence: What are you doing in Canada?

Mr. Lambert (Edmonton West): The point is this, Mr. Speaker—

An hon. Member: Is this the point?

Mr. Lambert (Edmonton West): The hon. member who keeps yapping in the background would never understand in a year of Sundays. The minister should understand that the inflation psychology was blunted in the United States. The minister has another step to take as far as taxation is concerned and this is to turn that psychology—to get away from this anticipation of continuing inflation. The minister knows very well that there is a national psychological feeling with regard to inflation. Other countries have taken such steps and it would be in the interest of Canadians to do the same. The Conservative party would not be afraid to do this at this time. In future, if the circumstances are the same, I am satisfied that such steps would be taken without hesitation.

Mr. Speaker, I move, seconded by the hon. member for Peace River (Mr. Baldwin):

To strike out all the words after "that" and substitute the following:

While acknowledging certain beneficial provisions in the budget proposals, this House regrets that they do not contain measures that will substantially reduce continuing high unemployment, effectively contain the spiralling cost of living or provide any incentives to Canadians to increase their participation in Canadian business enterprise and development.

Mr. Max Saltsman (Waterloo): Mr. Speaker, in looking at this amendment I see that caution got the better of the drafters and they did not add the words "like the last Conservative government" when I think we had 10 per cent unemployment in this country. It is always a pleasure, Mr. Speaker, to follow the hon. member for Edmonton West (Mr. Lambert); of course, I mean to follow him in the sense of time rather than in the sense of agreeing with him.

Mr. Lambert (Edmonton West): That is because you have never understood it.

[Mr. Lambert (Edmonton West).]

• (1620)

Mr. Saltsman: In a few moments, as I listened to what he said, I thought he would support the budget. He seemed to suggest that there are all kinds of good things in it, things that he supports; yet, somehow or other, he never quite made that statement. I think he came down in favour of virtually everything except bringing back the enclosure laws.

Some hon. Members: Hear, hear!

Mr. Saltsman: You know, it is hard for a man to have faith anymore. It is hard to know what one can believe in.

Some hon. Members: Oh, oh!

Mr. Nowlan: Waterloo is the right constituency for the hon. member. He will soon meet his Waterloo.

Mr. Saltsman: At one time, the Conservative party was the party of fiscal integrity. You knew where it stood.

Mr. Nowlan: So did the Minister of Finance, and now look at him.

Mr. Saltsman: However, when the spokesman for the Conservative party says that the $2 billion deficit—and this is really something—is not sufficient, it is apparent that the day of balanced budgets is over and fiscal responsibility has gone by the board. We decided we were going to support this budget—

Mr. Alexander: Surprise, surprise.

Mr. Nowlan: The hon. member means, support the trained seals on the government side.

Mr. Saltsman: Mr. Speaker, I am pleased to see how responsive my friends in the official opposition are. I think I should make clear what we are supporting.

Mr. Nowlan: We know; your own political hides.

Mr. Saltsman: Oh, no.

Mr. Nowlan: Oh, yes. There is no surtax on them.

Mr. Saltsman: We are supporting specific measures contained in this budget, and not those contained in the previous budget brought down last May. This is a much better budget. I know the Leader of the Opposition (Mr. Stanfield) has taken on himself the onerous task of being our conscience and advising us on how we should maintain our purity. I do not want him to think we do not appreciate him, because we do appreciate him.

An hon. Member: Stanley is in shock.

Mr. Saltsman: Let him get his facts straight so that, while acting as our conscience, he does not inadvertently become misled.

An hon. Member: Stanley is still in shock.

Mr. Saltsman: Let me explain our position. This is not a budget that we, if we were a government, would have brought down. We have reservations about many provi-

sions in this budget. We have reservations about the size of the deficit. We think it should have been larger, that more stimulation should have been applied.

Mr. Nowlan: Well, well.

Mr. Saltsman: Oh, yes. We had other considerations in mind. Perhaps the deficit will not be the determining factor in the amount of employment that will be created in this country. That is one of many considerations which must be taken into account. We suggest that there must be a change in the mix of economic policies followed in this country. We must move away from resource development that does not provide job opportunities and move into the manufacturing sector that does provide them. There is considerable evidence to indicate that, in the past, the size of deficits has not been the only important consideration.

I recall that in 1960-61 the Conservative government of the day, faced with a 10 per cent unemployment rate, also budgeted for a deficit but failed to create jobs. Why, Mr. Speaker? I will tell you why. When the government was budgeting for a deficit capital was coming in, resource development was taking place, interest rates was being forced up, our dollar was too high, and these factors tended to nullify any effects that might otherwise have been felt from the budget deficit. Unless the government introduces a whole range of policies designed to bring down the level of our dollar and curb resource development, and this can be done by accepting the Carter Commission proposals and taxing resource industries more heavily than now, the budgetary deficit in itself will not be sufficient.

The increase in old age pensions, although highly acceptable and welcome, is not one with which we are prepared to be satisfied. We will not be satisfied with the increase announced and will continue to urge the government to increase that amount again. I think this is the position my party has taken for a long time, and it is a position that the party will continue to take. It was not many years ago that J. S. Woodsworth stood in this House and pleaded for a $20 old age pension. We can look back on those years with satisfaction. We have not achieved everything we wanted, but we have certainly come some distance from those days. I think my colleagues and I can take great pleasure in knowing that, from time to time, we have been in the position of exerting influence on governments to increase the old age pension in accordance with precepts of equity and justice.

Some hon. Members: Hear, hear!

Mr. Saltsman: We have reservations about the indexed income system, that great idea the Liberals stole from the Conservatives. I know there is a poverty of ideas within that party, as well as on the government side. That, certainly, was not one of their better ideas. The indexed income issue was phony from day one, because if you adjust income tax rates from year to year you will achieve exactly the same results. Nevertheless, the government saw fit to steal that idea from the Conservative party. I understand the Conservatives are feeling uncomfortable. They are not accustomed to having their ideas stolen. After all, why steal from them? If you are going to steal, why go to an empty cupboard?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Saltsman: We are more accustomed to having our ideas stolen. Actually, in a sense, we wear clothes with large seams, to make sure that when they are stolen they are suitable for others. In time, the great Progressive Conservative party will become accustomed to the idea and accept it with the graciousness that one should acquire from this sincere form of flattery. I will return to the indexed tax system later. At this time, I merely want to note my reservations about it. I do not think it will do a great deal of harm or a great deal of good. I simply think it was a phony issue; nevertheless, there it is.

On balance, this is a better budget than any I have ever seen brought before this House—

Some hon. Members: Oh, oh!

Mr. Saltsman: —by any majority government. It is far from perfect, and we have reservations about it. If you compare this budget with the kinds of budgets Canadians have had to swallow from majority governments, I think you can say on balance that there has been an improvement. I am including Conservative as well as Liberal governments in my comments.

Mr. Nowlan: You will not swallow it for more than six months, if you are here.

Mr. Saltsman: I do not know where the hon. member will be, but I intend to be here.

An hon. Member: I thought you were not going to run again.

Mr. Saltsman: I will be here until then. While we recognize that we did not get everything we wanted, the government accepted many ideas we have been putting forward for a long time. My party has 31 seats in this House and we took 18 per cent of the vote in Canada in the last election. We do not expect, because circumstances have placed us in the position of exerting enormous bargaining power, to use that power to extract everything we want.

An hon. Member: Oh, no?

Mr. Saltsman: I do not think we have the right to do that. On the other hand, we have the responsibility to act on behalf of the voters who voted for us in this country and gave us the seats we hold. We have always held seats in this House and people have always voted for us but, because there have been majority governments, our influence was not given the recognition that it deserved. In a majority House, all parties have influence. That is the way it should be. This government has accommodated itself to us, and so it should have, not only this time but at all other times in the past. It is the failure of majority governments to accommodate minorities that should be condemned, rather than the failure of minority governments to accommodate minorities in this House.

Instead of the 3 per cent tax cut that the government would have been content with before the last election, there is to be a 12 per cent tax cut. Mr. Speaker, it is a 12

per cent tax cut and it is a progressive tax cut. The government has, in fact, accepted in an indirect way one of the proposals we have been making for a tax credit. The idea of having a lower minimum of $100 and a maximum of $500 is basically the same principle as a tax credit. It increases the progressiveness of the tax system to a remarkable degree. As my leader said, this is not the millennium, but it is the acceptance of an important principle that the chief beneficiaries of tax cuts should be at the lower rather than at the higher end of the taxation scale. To the extent that this is being accepted, we are for it. It is four times more than Canadians would have gotten under other circumstances.

• (1630)

The old age pension is being increased by roughly 15 per cent. Veterans pensions have been increased by roughly the same amount. Even the farmers have received some benefits this time. As I recall, in the last budget there was not a single word about farmers. It was as though they did not exist. It looks as though the government in its desperation to remain in office, and I am glad it got desperate enough to think about this, went back over our amendments and decided to pick up some of the ideas we advocated, and in fairness, some of the ideas the Conservatives and Social Credit party advocated.

I remember arguing strongly, as did other members from Saskatchewan, that a farm should be passed on to a son or another member of the family without the payment of a capital gains tax. At the time we moved that amendment, the obstacles for the Liberal party seemed insurmountable. Somehow or other, those obstacles have melted away. We are glad the idea has been accepted and, I think, it has been accepted in a very intelligent way. As long as the farm passes to a member of the family who continues to farm, no capital gains tax is payable. If the farm passes into speculation or some other use, a tax becomes payable, which is right and proper.

There has been a return to measures that permit the building of herds. This is an argument that was made by people in our party as well as the Conservative party. Under the previous tax system, the possibility of building a herd in the early years was not being treated with the consideration it deserved. The government has moved to correct that. To that extent, I think the present budget is useful.

The Minister of Finance, with all his taking ways, has apparently played no favourites. He has robbed everybody. Everyone has had to give up something, involuntarily of course. He is taking from everyone. The government is repaying an obligation it has owed the Social Credit party since 1963 when that party supported their motion and brought down the government. I note the son of the leader of the Social Credit party spoke with approval on the government's position to raise the old age pension and gave the Social Credit party the credit. That party had been advocating a $350 a month pension for married couples. He feels that the $330 is very much in line with what they wanted and he seems to be somewhat satisfied.

As I said earlier, the government also took an idea from the Conservatives, such as it was. I know this will reinforce the belief of the Conservative party that it pays to advertise. All the running around this country advocating this idea, publicizing it, and speaking about it over television and to newspaper men has paid off. The Conservatives got what they wanted. The government accepted their idea. I presume that if they have an idea like that in the future, they will restrict it to the confines of their caucus in case the Minister of Finance steals it.

Something was taken from everyone. Even the page boys got to the receptive Minister of Finance on the candy bars. He has been very accommodating in that way. I would not want to have it appear that the Minister of Finance is a man totally devoid of ideas, because he is not. He has a lot of ideas, one of which is the leadership of the Liberal party. He has a lot of ideas aside from that. In fact, he has done some significant things in this budget and should be given credit for them.

One thing that was done, and the hon. member for Edmonton West (Mr. Lambert) did not think very much of this, was to unilaterally reduce the tariffs on certain items that do not significantly affect employment in Canada. That is an important step. I do not remember another occasion when a government unilaterally removed tariffs. If they did, I do not remember when it was. Whenever there was such a reduction in the past, it was always based on trading off something we have against something another country had. I realize this is only a temporary reduction and the trading potential is still there. It may be somewhat diminished. I hope the minister will not deny that. Nevertheless, the potential is still there.

What is important is that the government is prepared to use an instrument of policy to control consumer prices, something it should have used a long time ago. As long ago as the MacQuarrie commission report on combines, the recommendation to the government was that when you find collusion in the market place and working people are not affected by having some advantages passed along to the consumer, the government should act to remove their tariff protection. They have never done that. On each occasion where collusion was found and a recommendation for tariff removal should have been in order, the government took the position that it could not do it because it would be giving away its bargaining rights at the next round of negotiations. An insignificant fine was levied against the monopolies and they charged what the traffic would bear.

This particular measure, although it does not affect an enormous range of products, still affects enough products for it to have an impact. Its chief impact will not be that prices will be dramatically lowered as a result of the action that was taken. Its chief impact will be, if the government is alive to what it is doing, a warning to industries that do not pass on the savings they should that a government can make a recommendation to have their tariff protection removed. In the long run, it is important for this country to move toward tariff removal. Because of the nature of our country and the feeling in the west against tariff protection, the more we move in that direction without harming those industries which are in a special position, the better things will be. Therefore, I welcome that particular proposal in the budget. I see it as an innovative proposal for which the Minister of Finance should take some credit.

I said earlier that the inclusion of a minimum and a maximum amount for reduction of the income tax is a good feature because it increases the progressiveness of the tax schedule. I am glad to see that the government, after its conversations with the provincial governments, has moved to accept one of their arguments for including school taxes in the tax base. That is very important to many of the provinces.

• (1640)

Let me turn now, to another item in this budget which I feel to be of significance. I have said many nice things about the Minister of Finance. I think this particular thing was not by design. It is something he tripped over in his desire to keep support in this House. We have suffered enormously in this country from a decision made by Liberal governments of previous years that the worst thing we have to face in Canada is inflation rather than unemployment. As a result of that decision, this country was plunged into an unnecessary recession. There were enormous losses in production, untold hardship among the unemployed and enormous damage to our capacity as a nation to do good things and move ahead. It was a disastrous policy on the part of the Liberal government when they decided that inflation was the number one enemy. Inflation was, of course, an important matter. No one can dismiss it as insignificant.

But far more important was the need to concentrate on getting people to work, on providing jobs for Canadian people. Advice given at the time was ignored. Everything the government did was designed to contain an inflation which was largely international. This budget changes that pattern in a number of ways: first, by recognizing that it is necessary to run a sizeable deficit. I think most people will agree with me that the deficit was not large enough but it is a continuation of a deficit and it is bound to have an inflationary affect at the same time that it is stimulating the economy. But more than that, members opposite have accepted a principle we have put forward on many occasions. Yet, let us do what we can to contain inflation, but let us not kid ourselves that we can contain every aspect of inflation. Therefore, let us assure that those on fixed incomes are compensated while we are fighting the fight against inflation and not held, as they have been held, as hostages to a government with intentions that it could not match with action. Now, that has been accepted. The old age pension is indexed. You have gone beyond that. Veterans pensions are indexed and now they have picked up the Conservative idea of indexing the income tax.

As I said earlier, I do not think it is a very good idea, but it is an acceptance of a certain kind of principle. There is nothing much to get excited about one way or the other, because what is really important about the taxes people pay is the rate. It doesn't much matter whether you make this adjustment of 4 per cent up or down or in or out or sideways. That has been accepted. If you want to subtitle the minister's speech, it might be called "How to limit inflation and like it." It frees the minister's hands, now, to start moving this country ahead. These indexes are "in" and those who are going to be hurt by inflation will be compensated. Therefore, the government's No. 1 priority has to be the same as it should have been in the past, namely to get full employment in Canada.

In October, when the dust had cleared, parliament wound up in an unusual position. The early talk was that the country would be ungovernable and that parliament would be unmanageable. All of us were given a share of power. The question was, how would each party use that power. The Liberals have less power than before and they have proven themselves somewhat more accommodating as a result. Even the language in the House has improved to some extent. How have the Conservatives behaved?

Mr. Gilbert: Terribly.

Mr. Saltsman: You are right, they have behaved terribly. They have a little more power than they had before, and it has gone to their heads. All they can think of is bringing the government down and getting themselves in. If the right hon. gentleman from Prince Albert (Mr. Diefenbaker) were here, he could tell a story of how he laughed at the Liberals in 1957 when they suggested to him, get out, get out and let us in; we are the chosen. Now, the Conservatives seem to have picked up the same theme. They are the chosen and the Liberals should make way for them. I do not think it is a position which would be accepted in the country.

Mr. Morgan: Let's find out.

Mr. Saltsman: You will find out soon enough. You certainly did not get any endorsation in the last election.

Mr. Morgan: Nor did you.

Mr. Saltsman: No, we didn't get one, but we have not let it go to our heads, either!

Some hon. Members: Hear, hear!

Mr. Saltsman: Given such a situation, the responsibility of making parliament work has to a large extent fallen on the New Democratic Party. Some hon. members may laugh, but that is because they do not want parliament to work. We campaigned on the basis that we were going to make parliament work, and that is our commitment.

Some hon. Members: Hear, hear!

Mr. Saltsman: That is why, on a budget which has been designed to meet some of our objectives, and the objectives of other political parties, we think those responsible for it are deserving of support. It is for that reason we intend to support them. We intend to live up to our responsibility of seeing that parliament functions as long as it brings in good legislation. That should be clear. I should like to repeat what I said earlier. Our support is for this budget and for the ways and means motions which flow from this budget alone. There should be no misconstruing of the position of the New Democratic Party in relation to other matters which may come before us.

This budget has got something for everyone. Economists will like it because of the tariff proposals; consumers will like it for a similar reason; old age pensioners are receiving some benefits, veterans are receiving some benefits, farmers are receiving some benefits, small business is receiving some benefit; all taxpayers are receiving some benefits and the provinces are receiving some benefits. It has been without a doubt one of the most political

budgets this country has ever seen and I say "political" in the best meaning of that word. Some of those great economic budgets which were designed by governments with a large majority turned out to be complete fiascos. This time, out of sheer necessity, out of the need to adapt itself to the various opinions held in this House, I think we have a political budget which is a good budget. Speaking to me about it the other day, the hon. member for Broadview (Mr. Gilbert) called it a survival budget, a survival kit. Well, it is a survival kit. It is the government's survival kit. If I may quote Samuel Johnson:

> Depend on it, Sir, when a man knows he is to be hanged in a fortnight it concentrates his mind wonderfully.

Mr. Speaker, may I congratulate the Minister of Finance on his powers of concentration?

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, we were really eager to hear the budget speech of the Minister of Finance (Mr. Turner) last Monday.

I do not know whether the fact of having been chosen the fifth best-looking Canadian, male had some effect on him, but he seems to have rewarded his supporters with candy.

So many promises had been made! So nice things had been suggested! Such a renewed governmental policy in the economic and social fields had been predicted that we were expecting a budget repleted with social and economic measures meant to give satisfaction to Canadian taxpayers.

We had been told, Mr. Speaker, that the government had seen the light in October last when the Canadian electors had clearly indicated that they were not satisfied with its performance and had threatened to remove it, if it did not amend shortly.

The Liberal government had then promised to mend its ways, to make it up with the people and listen to their most urgent requests and it had then brought forward a Throne Speech which enabled us to believe that it was finally to govern in the best interests of the Canadian people.

Having heard Monday night the Minister of Finance make amends and admit the past mistakes and faults of the Liberal government, having heard him implicitly state that the government had failed to find employment for those who wished to work and that family budgets are burdened as a result of price increases and taxes of all kinds, we were expecting more thorough reforms, more effective measures to solve the unemployment problem in order to assure the security of all Canadians and reduce prices to an acceptable level for Canadian consumers.

Now, what does the Minister of Finance say in his budget? The purpose of this budget, he says, is to bring about a substantial reduction in unemployment. The budget, he adds, is aimed at the faster growth of our economy, at reducing inflationary pressures and the squeeze of rising prices on family budgets. Finally, this budget, according to the Minister of Finance, is aimed at increasing the real income and improving the standard of living of Canadians.

[Mr. Saltsman.]

That means, Mr. Speaker, that the minister recognizes the gravity of the unemployment situation. The government admits that our economy is not healthy. This means as well that they admit that inflation was not licked and this finally means that they admit that many Canadians are in need and deserve a better fate.

• (1650)

Mr. Speaker, has the Minister of Finance taken the necessary steps to prevent thousands of Canadians from being unemployed? Does that mean that the Minister of Finance announced the decision of the government to secure economic security for all Canadians? Finally, does that mean that the hon. Minister of Finance found a way to stop the inflation and the rapid increase in prices which continuously swallows up an ever increasing part of family budgets?

To find an answer to these questions, Mr. Speaker, we will analyse some of the proposals contained in the budget to find out if the announced measures will be enough to solve the present problems of our economy.

In the Montreal *Gazette* of Tuesday February 20, 1973, the editorial is entitled: "The Candy Budget". The author reminds us that the right hon. Prime Minister (Mr. Trudeau) has undertaken, in a speech which will undoubtedly last for ever, that if the government was reelected, it would distribute goodies to the people of Canada. According to the *Gazette*, the hon. Minister of Finance took this statement seriously since he announced the removal of the sales tax on chocolate bars.

In its Tuesday issue, the Toronto *Globe and Mail* also speaks about "candy kisses" contained in the budget introduced by the Minister of Finance.

Finally, in the *Journal de Montréal* published on Tuesday, one can read the following title: "At last we have them, Trudeau's candies" and reporter Jacques Guay writes about it, and I quote:

> Mr. Trudeau keeps his promises. He promised "candies", lots of candies to Quebecers. He kept his word in his first minority budget. If the manufacturers do not keep everything for themselves, we will pay less for Pepsi, chips, make-up, Dentyne gum and Caramilk bars, thanks to Mr. Turner's last budget.

That then is the tone the Minister of Finance gave his budget: "candies", cheaper candies, Dentyne gum, and soda-pop, more crumbs. But that budget does not hold anything of sustenance. Yet, they claim they want to solve the problem of unemployment and give economic security to the Canadians.

First, let us study the celebrated matter of the cuts in excise tax and duties on some imported goods. In his "Supplementary Information on the Budget", the Minister of Finance explained as follows:

> The budget proposes important new exemptions from the federal sales tax and the removal of special excise taxes on many consumer items. While the changes are effective immediately, their full impact on retail prices may not be felt until goods upon which the taxes have already been paid move to retail shelves and are sold.

When he brought down his first budget on May 8, 1972, the minister stated that the economic expansion would put an end to unemployment and that inflation would at last be controlled.

We know what happened. The rate of unemployment has kept on going up while prices are at a record high. That should give us an indication of what we should believe when the Minister of Finance tells us that the cuts in sales taxes and excise taxes will benefit the Canadian consumer.

What gives to the hon. Minister of Finance (Mr. Turner) assurance that lowering the sales tax and removing special excise taxes will benefit the consumer and not the retailer? What gives him assurance that some retailers will not take the opportunity either to increase their profits or to try to improve their unsteady situation because they have difficulty in striking a balance and meeting their expenditures? Who then will benefit from these lower sales and excise taxes and what measures will the government take in order that these cuts are really passed on to the consumer?

And why have especially chosen chocolate bars or Dentyne chewing gum as typical products on which the government wants to make sales taxes disappear?

For years now, Mr. Speaker, the Social Credit party of Canada and other opposition parties have been asking the government to eliminate that nuisance tax on building materials. For years, house builders have been requesting the elimination of that 11 per cent tax on building materials whose fall outs are heavily felt in the budget of all Canadian families, either in the monthly payment they have to make to pay for their house or in the rental payment they must make each month. The elimination of that tax would have been more beneficial and logical for the Canadian consumer than that proposed by the Minister of Finance for "candies" and bubble gum.

Secondly, the minister proposes an increase in the basic exemption on personal income; he also proposes to reduce personal income tax.

Let us say first of all that we do not understand how is it that between an income of $3,000 and another one of $6,000, the only difference in the tax reduction for the unmarried taxpayer earning that income will be a mere $2.

The same phenomenon recurs in the case of the salaried married man with two dependent children and whose annual income varies from $5,000 to $10,000. The wage-earner whose income is $5,000 will benefit from a $137 reduction a year, while another man earning $10,000 will have a reduction of $145 a year. How come the one earning $10,000 is entitled to a $145 reduction while the other who is getting $5,000 would only receive $137? The latter certainly needs a bigger cut than the one earning $10,000 a year.

The minister assures us in the budget that such measures will permit to salvage the family funds which are depleted by inflation and rising prices.

Looking at the statistics supplied by the minister himself on page 13 of the "Supplementary Information on the Budget" we notice first that, for instance, the married taxpayer with two dependent children under 16 and whose income is $6,000 a year will get a reduction in the federal and provincial tax of $139 for the year 1973. The amount of $139 annually corresponds to a $2.66 supplement a week in the taxpayer's pay envelope whose income is $6,000 and who, furthermore, has two dependent children under 16. A weekly supplement of $2.66 works out to 38 cents a day for four persons or, if you prefer, 9½ cents a day per person. This 9½ cents a day per person does not even buy a 10 cent chocolate bar from which the excise tax has been removed.

• (1700)

All this means, Mr. Speaker, that we should not be bowled over by the budgetary proposals of the Minister of Finance.

The married taxpayer with two 16-year-old children and an income of $6,000 will not even be able to buy a chocolate bar for 10 cents a day with the tax reduction the federal government has just granted him. This is for the birds.

Let us now look at this problem from another point of view, using the same example of a married taxpayer with two children under 16 and an annual income of $6,000.

After looking over the tables which the Minister of Finance himself supplied, we know this particular taxpayer will pay $139 less in 1973 for income tax. This means he will have $139 more in his pockets than before income tax reduction. On comparing with 1972, one wonders what will be the benefits for the taxpayer. According to Statistics Canada monthly publication no. 62-001 on consumer price movements, the consumer price index as regards food prices has risen by 13.6 per cent in 1972 and it stands at 150 for January 1973 compared with 136.4 in January 1972. As explained by Statistics Canada, this is a proportional increase of 10 per cent.

What is the equivalent of an annual or weekly increase of 10 per cent for food in a family budget for four people.

As usual, we are going to obtain an answer from the government itself in a bulletin released February 15 last by the Department of Agriculture under the title: "Tastes Dictate Grocery Bills". In that publication, the Department of Agriculture seems to insinuate that Canadians want to eat too well, hence the increase in the price of foods.

The Department of Agriculture shows three sample budgets for Canadian families.

The first one is a budget of misery which is pompously called moderate. It is set at $28.70 weekly.

The second budget which is highly recommended by the Department of Agriculture is an average budget for a family of four and which amounts to $47.76 weekly. Finally, there is the "generous" budget which amounts to $49.90 weekly.

For analysis purposes, let us study the intermediate weekly budget of $47.76 for an average family of four. I would compare this, Mr. Speaker, with the amount of $39 per person granted by the Quebec Department of Social Affairs, with the fact it is considered normal to spend $47.76 weekly.

If it is estimated that in theory the typical budget on January 1, 1973 would have amounted to $47.76 in practice it would have amounted to about $43, removing that 10 per cent because prices have increased by 10 per cent since January 1, 1972. This would amount to a weekly

increase of $4.75 in the food budget of a family of four, over the year 1972, that is an annual increase of $247.

But what do they suggest to grant a family of four which draws an income of $6,000 a year? The Minister of Finance proposes to give it a tax reduction of $139. How can the minister explain that with $139 one can buy $247 worth of goods? This is a mathematical impossibility if one considers simply the case of the government concerning the moderate food budget introduced by the Minister of Agriculture.

What am I saying, Mr. Speaker? This average family of four whose annual income is $6,000 cannot even afford the low price food basket, the poor man's basket at $28.70 that the Minister of Agriculture suggests in the release that I referred to earlier.

• (1710)

Mr. Speaker, considering that the increase in the cost of living has been 10 per cent in the case of food over 1972, it can be said that today's market basket, costing $28.70, cost $25.83 in January 1972. We can say that basket now costs $2.87 more a week which for 1973 makes $149.24 more than in 1972. Now, the Minister of Finance has found no better compensation for that increase in the cost of food than a tax cut of $139. That family will therefore be $10.24 short for the purchase of a poor man's basket during the 52 weeks of 1973.

And that, of course, includes none of the other increases, rents, transportation, gasoline, medical care, leisure. Everything is increasing, Mr. Speaker, and we are all aware of that.

We have no congratulations to extend to the Minister of Finance for the minor tax cut he is offering the average Canadian taxpayer.

However, the minister did better when he announced an increase in old age security pensions. Of course, we know that these pensions will be increased from $82.88 to $100 a month beginning April 1, that is an increase of $17.22 per month. We believe that all Canadians who have reached pension age have the right to an equal pension sufficient to allow them a decent life. This pension must be high enough to enable them to benefit from Canada's wealth, from Canadian production and from all that the activity and genius of Canadian workers can make available to them.

This is why, we, of the Social Credit Party, are once more today proposing that the elderly person who retires should receive at least $200 per month whereas his or her spouse should receive at least $150 per month, no matter what his or her age.

We believe that the government has lost a magnificient opportunity to bring more happiness into numerous homes for the elderly in Canada by not allowing the spouse of the retired individual the right to receive this pension as soon as the breadwinner of the family or couple retires.

Nevertheless, we recognize that the government has taken a step in the right direction and we congratulate ourselves, of the Social Credit Party, for always having been at the vanguard of those who were asking for better conditions for the elderly and the retired whereas our Liberal friends are only beginning to become aware of this. Not so long ago, Mr. Speaker, the government was simply refusing to increase the basic old age pension.

On May 4, 1970, during a vote on a motion of the hon. member for Winnipeg-North-Centre (Mr. Knowles) to increase the basic pension to $150 per month, the Minister of Finance and the right hon. Prime minister as well as the hon. member for Langelier voted against this motion while the Créditistes supported it.

The hon. member for Témiscamingue (Mr. Caouette), leader of our party, said at that time:

> We support the objectives of the motion. For many years, we have called for a $150-a-month old age pension. We are calling for a similar pension for the blind and the disabled as a basic pension for all classes of society. We are in a position to do it because production in Canada can guarantee such a pension.

This is what the leader of the Social Credit Party of Canada said on May 4, 1970 to support a motion to raise old age pensions, which was fought and rejected by the Liberal members who were then in this House.

Mr. Speaker, it can be said that only a fear of losing power, a fear of being defeated on the coming votes seems to guide this government who does not seem to have any social policy, let alone a family policy.

At least, this is what is suggested by Roger Bellefeuille, a journalist, in a study published in the Quebec *Le Soleil* on February 15 last.

On the subject of family allowances under the heading "The Cornerstone of a Social Policy", Mr. Bellefeuille writes:

> Had the federal government officially advocated an "anti-family" policy, it could not have shown more reluctance, as has been the case since 1945, to offset more generously family expenses.
>
> It may be argued that other so-called social measures, such as hospital insurance, medicare, the so-called free education, drug insurance for welfare recipients, help to alleviate the financial burden of families, the fact still remains that over the years, the steady increase in the cost of living has systematically eroded the purchasing power of families.
>
> The cost of food products has increased by 52 per cent.
>
> During that time, the federal government, with a disconcerting meanness, maintained family allowances at $6 a month for children up to 10 and $8 for those from 10 to 16.
>
> It did not even deem it advisable to index them on the cost of living.

This was written last Thursday, a few days before the budget was brought down.

We, of the Social Credit party, find this attitude of the government shocking. We are shocked to see the present government pursue a policy likely to prove unfair to families, to reduce the birth rate, so that people, particularly in Quebec, become discouraged. And while forgetting its essential programs for family development and progress, the government seems inclined to talk even more of abortion. Such an attitude, Mr. Speaker, is somewhat shocking.

We feel that the government has missed the opportunity to give to all Canadians the economic security and social measures that they deserve.

We, of the Social Credit, have established a program; we put it to the people and, Mr. Speaker, in Quebec, where

our party is better organized than elsewhere, we have made more progress than all other parties.

Mr. Speaker, I want to repeat in the House what we propose, so that the entire population will know what policy a Creditiste government will implement when it comes into power.

Mr. Speaker, the basis of our policy is to give a chance to all Canadians to achieve self-fulfilment. And since, as far as the province of Quebec is concerned, the administration of all social measures comes *de jure* or *de facto* under provincial jurisdiction, we would obviously settle major problems by striking at their roots.

This is why we have included in our political platform, with regard to provincial rights, the following sentence: The Social Credit party of Canada will make available to all provinces the financial means they need in order to fully assume their constitutional responsibilities, without any interference from the federal government.

And further, we said: The Social Credit party of Canada believes that the present constitutional status quo, with which nobody is satisfied, must be left behind and the provinces must be given the power to be themselves, to develop and to fufil themselves, according to their needs and aspirations.

In other words, Mr. Speaker, the dilemma facing the government and the Minister of Finance comes from what? It comes from a lack of co-ordination between the different levels of government.

This is why the Social Credit party of Canada said that the provincial governments should have their say in the development of monetary policies. The exclusive control of money and its extension, credit, through the federal government, the federal government's action on currency rates, on the money supply, on prices and inflation, have a direct influence on provincial finance and local economic development possibilities.

For these reasons, the provinces should participate in the development of those policies. In co-operation with the federal government, they should be able to turn their own credit into money in the same way as they are now able to borrow money on their own credit.

Some might say, Mr. Speaker, that the federal-provincial conferences are arranged to solve this problem, but everyone knows that those conferences have only one objective: to enable the ministers involved, in this case the Minister of Finance, to tell the provincial ministers, in a paternalistic way, that such is the Federal government's decision and that they can take it or leave it.

In the field of customs and trade, the provinces are now unable to protect their industries whereas the federal government can, through its power to negotiate or set customs tariffs—as mentioned in the budget speech—impose regulations on exports and imports, and thus considerably affect provincial economies.

We feel that negotiation of custom tariffs and settlement of extensive trade agreements should be done in consultation and with assent of provincial governments.

In respect of taxation, direct taxation was reserved for a very long time to the provinces because that was their only source of revenue. By its policies elaborated during the war, the central government tried to withdraw from the provinces that source of revenue; at the present time, the continuous presence of the central government in the field of direct taxation results in freezing and destroying all direct taxing powers of provinces.

The increasing needs of provinces in the field of education, social security and industrial expansion require that the provinces get back their direct taxing power.

Mr. Speaker, if we let the provinces administer as they want the matters under their own juridiction, probably there would be fewer constitutional conflicts, fewer fiscal conflicts and then it would be possible to implement the social security program we commended in the course of the last electoral campaign.

Mr. Speaker, we have repeated it many times: it is essential that some day—and that day should be much closer than we think—all Canadians should be given a guaranteed vital minimum income. Our country enjoys a fantastic amount of resources and it is unthinkable that the people should not take advantage of them.

Mr. Speaker, in conclusion and further to the amendment of the hon. member for Edmonton West (Mr. Lambert), I move the following subamendment:

That the amendment be amended by striking out the period and by substituting the following:

"as well as the absence of measures designed to reduce the burden of the federal public debt and to stimulate the public financing of the provinces by interest-free loans from the Bank of Canada."

• (1720)

[*English*]

Mr. Deputy Speaker: Hon. members have heard the motion.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I rise on a point of order. I wonder whether Your Honour would give the House an opportunity to look at the amendment and reserve our right to argue its admissibility, particularly in the absence of the House leader.

Mr. Baldwin: I am perfectly willing to consent to that, Mr. Speaker although, on looking at the amendment I note that its wording is almost identical to that of the subamendment proposed by the same party 10 years ago and supported by the government party, including my friend, the Minister of Finance (Mr. Turner).

[*Translation*]

Mr. Fortin: Mr. Speaker, I shall hold my remarks as to the admissibility of such an amendment if you accept the proposal of the Minister of Finance but it seems evident to us that this subamendment is in order.

[*English*]

Mr. Deputy Speaker: I think there is a general disposition in the House to leave for the moment the question of the admissibility of the amendment. Perhaps, in fairness to hon. members, since the vote on it would take place at 9.45 p.m. tomorrow evening if it is found to be in order, it could be agreed that the argument on the admissibility or otherwise of the proposed subamendment would take place immediately upon the calling of this order tomorrow. Is this agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is agreed and so ordered.

[*Translation*]

Mr. Raynald Guay (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the presentation of the budget last Monday by the Minister of Finance (Mr. Turner) seems to please most members, since it put together some realistic measures meant to improve economic prospects in 1973 for the individuals as well as for the community.

Mr. Speaker, we have endeavoured in 1972 to control inflation and unemployment, but I sincerely believe that the measures proposed in the last budget are really likely to make us reach our objectives, since they will promote the production rate and therefore employment. In addition, the budget has the great merit of enabling Canadians to benefit from higher incomes and thus increase their purchasing power. If a certain stability is maintained, especially as far as the American economy is concerned, 1973 should be a good year for the Canadian people on the whole.

But, obviously, everything is not perfect; I am sure that members of the opposition will agree with me and I should have liked to see certain questions included in this budget, for example, the question of shipyards.

I think we should tackle this problem as soon as possible because I consider that industry as essential from a defence and national economy standpoint. Our shipyards played an important role during the recent wars and one must recognize also that that industry now employs thousands of Canadians.

The last program called STAP allowed our yards to built 24 ships for foreign owners, in addition to acquiring valuable experience in the building of high-tonnage ships and developing new building methods. I think the government would be well advised to continue this program after March 31 and extend it to Canadian shipbuilders who could benefit from it, either by increasing or modernizing their present fleet. I hope the ministers concerned will take the necessary steps to ensure its continuance.

Another factor which affects the operation of our shipyards is the coastal traffic. The Darling report published in October 1970 made 15 recommendations to the government, the main purpose of which was to restrain coastal traffic in Canada to ships which displayed the Canadian flag. If they are accepted, the recommendations put forward in this report will have the following effect: they will give the Canadian government better control over its coastal traffic throughout Canada, enable it to derive a greater revenue from taxes on Canadian maritime transportation companies, give it a stronger authority in the Arctic waters, create more jobs for our sailors, and also encourage the operations in our shipyards thanks to the construction and repair of ships which will have to be built to meet these new needs.

Therefore, Mr. Speaker, I hope that the interested departments, that is the Department of Transport and the Department of Industry, Trade and Commerce, will implement these recommendations as soon as possible. Another thing which would have a substantial effect on the activities of our shipyards would be to set up a Canadian merchant marine. This is something which has been lacking for many years in Canada, though our country is considered among the greatest countries in the world when it comes to foreign trade. Our economy would derive many benefits from it, given the ever increasing amount of goods and commodities like grain, oil, ore, coal, wood and many others which have to be moved outside Canada. It is difficult to admit that in this area, one can see almost no Canadian ships or ships displaying the Canadian flag. This is, I suggest, a matter of national pride which is quite important.

I would like as well to draw the attention of this House to the pension plan of the CN employees. We received a report by the Committee on Transport and Communications on this. The CN pension plan was considerably improved, but I feel that the most important matter has not been settled, that is the rate of pension payed to those who retire. Since they are employees of a Crown corporation, the CN employees now want to know why they are not treated exactly in the same way as the employees of other corporations under federal government jurisdiction. I think that the request is reasonable and even if there are certain adjustments to be made concerning the 1.5 per cent less that they pay on the part of their salary that they contribute according to the pension plans, there is no reason why these employees should not be treated the same as those who work in the civil service and why they should not benefit from the 2 per cent formula. This problem concerns 80,000 railroad employees and some of them come from my riding and I believe that if a solution is not found soon, the federal government would be justified in intervening. At this point, Mr. Speaker, I wish to emphasize the fact that I have been one of the main defenders of the railroad employees before the Standing Committee on Transport and Communications because I believed and I still do that this claim on their part is fair and easily justified.

• (1730)

Another serious problem the farmers are faced with namely feed grain, has been overlooked in the budget. I would like the government to take steps regarding the supply of feed grain as soon as possible. This is a serious problem specially in Quebec and I think it would be possible to solve it, taking into account the volume and the price of grain in Quebec which are influenced by the federal government programs and more specially by those of the Canadian Wheat Board. The Quebec farmers request nothing but fair treatment. They do not want special privileges or better treatment than the western farmers. They do not want to deprive them of anything. All they want is equal treatment.

The Quebec Department of Agriculture and Colonisation, the Coopérative fédérée du Québec and the Union des producteurs agricoles du Québec has made nine recommendations to the Canadian Federation of Agriculture and to the Canadian Livestock Feed Board, the major one being as follows:

1. That feed grain transport assistance is an integral part of the feed grain marketing system in Canada.

2. That the price of feed grains on the interprovincial market in Canada be based on the Fair Formula, provided that all grain producers in Canada are given equal treatment.

3. That any procedure to minimize the cost of moving Prairie feed grains to consumer areas be encouraged.

I suggest, Mr. Speaker, it would be high time for the federal government to make a decison, because seed time is only a few months away.

Another suggestion is related to housing. It seems to me it is about time for our government to consider the possibility of granting a tax deduction on the building of family type houses in order to encourage Canadians to become homeowners.

Since owners of public and commercial buildings are allowed to claim, each year, a certain devaluation of their property, it would seem logical that homeowners be entitled to the same privilege as well as to a tax deduction on the maintenance costs of such houses. As for the mortgage, it could also become deductible for income tax purposes. These are measures which would stimulate the construction industry, while achieving a purpose contemplated by this government, namely to allow a growing number of families to become owners of their own houses.

To conclude, I would like to raise an important matter, while it is of regional rather than national concern. For nearly 15 years, as chairman of the Lauzon Chamber of Commerce and member of a joint committee on the Lévis-Quebec City direct link, I never stopped from advocating the establishment of that link, for the economic and regional development of our area, because this superstructure is essential. Recently, more specifically on February 20, the Hon. Bernard Pinard, Quebec Minister of Highways and Transport, released the report of experts who have proved that we were right in requesting a direct link. But one problem remains: the financing of the project, for it seems that a bridge would cost somewhere between $175 and $200 million. I therefore take this opportunity to ask what the federal government participation might be to that realization which cannot be postponed much longer.

[*English*]

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, it is my understanding that one of the traditions of the budget debate, at least in the second round of speakers, is that members may range over a wide field in their comments; they may depart if they wish from strictly budgetary considerations and deal with matters relating to their ridings, as did the hon. member for Lévis (Mr. Guay) who spoke just before me.

This is also my wish, Mr. Speaker, but I propose to remain within the ambit of the budget debate by directing my attention to an area of endeavour which the government has consistently overlooked but one which, if properly treated, could be gratifyingly expansionary in a sector of the economy that is both labour intensive and is related to regional development, while taking into account Canadian tradition we have too long neglected.

I regret that in the course of the remarks by the hon. member for Lévis the minister who is primarily concerned with them left the chamber because I, too, plan to direct my attention to that part of the amendment which regrets the absence of incentives to Canadians to increase participation in Canadian enterprise and development and to deal with the serious burden of unemployment which afflicts our country. I find it curious that the first speaker from the government benches should put his emphasis on programs which the government had decided in the past and in the present budget to overlook entirely. I suggest to him that he belongs to another side of the House.

• (1740)

My remarks today are derived from a multiplicity of sources. I speak of one of Canada's greatest traditions, an aspect of our native competence which is threatened by negligence and may disappear. I shall examine it in the context of our present economic plight. I shall also speak of the current unemployment situation in the country and of the growing need to exercise stronger controls over pollution in our waters and on our shorelines. If time permits, I will develop my second mix of thoughts. In doing so I will be drawing on a lengthy experience in serving Canada abroad and observing Canada from abroad.

It seems to me odd and distressing but true that, from time to time, we need to remind ourselves that Canada is a maritime nation. Too easily can we forget it; too often do we forget it, to our cost. I see the hon. member for Lévis (Mr. Guay) seems to have left. As I said, too often do we forget it, to our cost. We have been led to do so, I suggest, partly because of our continental fixation, our easy overland route north and south to markets, and partly because of Commonwealth preferences.

Two recent events, however, have shattered these illusions, namely, the restrictive trade policies introduced by President Nixon in August, 1971, and the entry of Britain into the European Common Market on January 1, 1973. The time has come, I suggest, to refocus on our maritime heritage.

In the deep sea navigable waters off the constituency of Esquimalt-Saanich, which include the Haro Straits and the Strait of Juan de Fuca—both of them running out to the international boundary—we have a special set of problems with which to deal. This is an international artery of commerce, and we want it that way. But in waters through which an international boundary runs, solutions of a particular kind are required. These solutions require the closest consultations between the national authorities who share the benefits of those waters as well as concerted action when action is needed. In a large measure, we do not have this co-ordinated approach at the present time, and it is high time we remedied that defect.

Before we can embark, however, on any bi-national program of co-ordination or undertake the international action that is required of us in our special circumstances on the west coast, we must consider a number of purely domestic concerns that deserve our attention, matters giving rise to problems that we must ourselves put right before we even think of trying to handle them in their international aspects. The first, of course, is the regulation and control of shipping of whatever registry plies our national waters.

As matters stand at present, Canada provides a variety of marine services: to cite only a few, these include lighthouse tendering, fisheries patrols, immigration controls, narcotics controls, dredging, icebreaking, happily not off my constituency, pilotage services, rescue, a sort of mini-

mum Coast Guard, and, in a very tentative sort of way, pollution control. All these services a maritime nation requires. In addition, a new duty has recently put in its appearance, the regulation and control of drilling rigs. These are appearing off the east coast, the west coast and in our northern waters. As well there are, of course, reconnaissance and search and rescue activities performed by our uniformed personnel. All these services are needed to an even greater degree than at present provided.

What is needed more is domestic co-ordination of all these services so that their provision may be supplied as, when and where required, and in the proper amount. There must be a means of overcoming overlapping jurisdictions and clashes of priorities which interfere with the provision of these services. According to the information reaching me, there is no single, co-ordinating authority in this complex area because civil and military authorities in Canada are each staking out their respective claims. Neither will let go and no superior authority, in this case a minister, is able or perhaps willing, to make a ruling and make it stick. Perhaps a statute is needed, Mr. Speaker. In the meantime, we are not providing all the services which our maritime status requires.

For example, we seem incapable of drafting and implementing regulations for the ordinary control of deep seagoing vessels of all kinds that carry all sorts of cargoes and enter our waters. We do not appear to keep records of the pattern of shipping entering our waters. This astonishes me. In the meantime, we provide many services that those ships themselves need, but provide them, perhaps, in an unco-ordinated manner. We do not require of those ships the standard of performance that we, a coastal nation with untold riches above and below the sea and on our shoreline, ought to insist on.

Let me cite examples. Such ships can enter our waters with semi-trained crews. They can enter our waters with only marginally seaworthy craft. They can travel on our waters without equipment that modern day developments ought to make mandatory. We need a full fledged coastguard to ensure that these and all other threats to our waters and shorelines are removed. In order to ensure that necessary action in this regard is taken in a co-ordinated fashion, I would be prepared to see our coastguard—I have already spoken about the mess of uncoordinated commands—placed under the ministry of transport for staffing and maintenance purposes but placed under the authority of the commander, maritime command for operations and tasking. This would provide satisfactory civilian careers, gratifying accomplishments and an effective service to Canada.

As of January, 1972, Canada could not boast of more than 86 vessels of all kinds operated by the Department of Transport to look after the needs of a coastline some 17,800 miles long. By contrast, the U.S. coastguard, with only 12,300 odd miles of coastline to protect, has almost 3,000 craft afloat. So, in one case 86 vessels look after almost 18,000 miles of coastline and in the other 3,000 vessels look after 12,000 odd miles of coastline. No wonder the United States coastguard is frequently called on to rescue seamen and fishermen in distress in Canadian waters. I feel ashamed that we have to go outside Canada to obtain this kind of service. As a maritime nation, we must be prepared to carry our own weight at sea.

[Mr. Munro (Esquimalt-Saanich).]

The establishment of a coastguard is one of my pleas, and a revived shipbuilding industry is another plea associated with it. Information reaching me causes distress, dismay and shame. One of our vessels now doing work on the west coast is due to be replaced. It is old and outmoded. According to the answer I received today, it is 20 years old and completely outmoded. The reply from the government side today indicates that the government is thinking about drawing up plans for a replacement. I have also heard that the present government is thinking of chartering out this work to a foreign vessel and foreign crew. This procedure, I understand, is already being followed either in the Great Lakes or in our Arctic. How, can we think of chartering foreign vessels to do work for Canadians in Canadian waters? Can anything be more outrageous in a maritime nation which is faced with high unemployment than going out of the country and obtaining both ships and crews that we can easily supply here? We have the capacity on both our coasts to build these vessels. On both our coasts, in our lakes and on our rivers, a Canadian coastguard such as I conceive it under a co-ordinated command could have as its supreme function regulating ships that ply our waters. They should be manned by Canadian crews and built in Canadian yards.

• (1750)

This brings me to another of my concerns. It is a concern of all Canadians, the pollution of Canadian waters and shorelines from accidents to ships at sea. We had such an accident on the west coast within the past month. We failed to get a full report from either the Minister of Transport (Mr. Marchand) or the Minister of the Environment (Mr. Davis) as to the full consequences of that accident. The pollution of Canadian waters and shorelines is becoming more susceptable to these accidents as our traffic increases and ships become larger, particularly tankers. Spills or sluicing bilges at sea or in Canadian waters is on the increase. These sorts of pollution must stop. They can be stopped only by effective policing. The most effective police for this purpose is a strong coast guard.

To bring these matters under control requires action on three different levels. We must be prepared to act in the international arena, the bi-national field and domestically we must get legislation on our statute books that will prevent *Arrow* disasters or *Van Lean* happenings as well as others that have occurred within recent memory. Above all, we must never permit a *Torrey Canyon* to happen on our shores or such accidents as happened just before Christmas in the Gulf of Oman, a collision and fire involving two midi-tankers. By midi-tankers, I refer to those ships of only 86,000 tons.

Canada and like-minded states should press for an international convention setting forth new seaworthiness criteria for ships and crews, criteria that will weed out hulks and thin out marginally qualified mariners, whether masters or crew. Failing that, we must at least have regulations, agreed upon with our neighbour, that will prevent inadequately inspected ships with semi-trained crews from sailing in our waters.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but the special order made previously today only allows 15 minutes per speech.

Some hon. Members: Continue.

The Acting Speaker (Mr. Laniel): Order, please. If I understood correctly, there was also an agreement that there would not be any request for an extension of time.

[*Translation*]

Mr. Comtois: Mr. Speaker, I am rising on a point of order.

The Acting Speaker (Mr. Laniel): The Parliamentary Secretary to the Minister of Finance is rising on a point of order.

Mr. Comtois: Mr. Speaker, as it is late, all hon. members seem to agree to call it six o'clock.

The Budget

[*English*]

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on a point of order. It was my understanding that this agreement was to be worked out and announced from the Speaker's chair. I do not believe it has until just now.

An hon. Member: Six o'clock.

[*Translation*]

Mr. Comtois: It is six o'clock, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Order. Hon. members have heard the Parliamentary Secretary's proposal.

[*English*]

Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): It being six o'clock, this House stands adjourned until tomorrow at 1 o'clock p.m.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

25789—25½

HOUSE OF COMMONS

Thursday, February 22, 1973

The House met at 2 p.m.

[*Translation*]

PRIVILEGE

MR. FORTIN—LATE DELIVERY OF FRENCH HANSARD

Mr. André Fortin (Lotbinière): Mr. Speaker, I rise on a question of privilege.

I have noticed every morning, to my great annoyance and to that of each of my colleagues, that the French version of *Hansard* gets to us some hours after the English one. I should be grateful, Mr. Speaker, if this situation were put right immediately. This quite unacceptable delay holds up the work of members who speak only French.

I consider that bilingualism must be applied as efficiently as possible in the House if we are to set the example for all levels of the federal civil service. I believe that monolingual francophones have a right to get just as swift service in their own language as monolingual anglophones do, and that no technical obstacle should prevent the application of this principle.

Therefore, Mr. Speaker, seconded by the hon. member for Abitibi (Mr. Laprise), I move:

That the Speaker of the House of Commons be authorized to take whatever technical measures are necessary for the French version of *Hansard* to be published as soon as possible every day, like the English version, so that both versions may be available to all members early in the morning.

Mr. Speaker: I would point out to the hon. member that his proposal is a formal motion and not a question of privilege. He may wish to move it on motions under Standing Order 43.

In any case, I acknowledge that the hon. member has raised a serious point which deserves the attention of the Chair; I will give close and conscientious study to the hon. member's suggestion that the French version of *Hansard* appear at the same time as the English version.

The hon. member will admit, however, that there is a certain problem and I suspect that the reason for the delayed publication of the French edition is that especially on some days, most speeches are delivered in English. Now those speeches must be translated before appearing in *Hansard*, which necessarily involves a delay.

It is possible, however, that there would be a technical way to cope with that difficulty and I will convey the hon. member's complaint to the attention of those who are responsible for the preparation and daily publication of *Hansard* in French as well as in English.

[*English*]

ROUTINE PROCEEDINGS

GRAIN

ANNOUNCEMENT OF INITIAL PAYMENTS ON WHEAT, OATS AND BARLEY FOR 1973-74 CROP YEAR

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as has been the custom for the past two years, I should like to again this year inform the House, and then send information to all producers in the prairie region, about the initial payments for wheat, oats and barley for the 1973-74 crop year. The practice is to give this information to farmers now, prior to seeding, so that it can play a part in their plans for the next crop year beginning on August 1, 1973.

• (1410)

The initial payment for No. 1. western red spring wheat will be fixed at $1.76 a bushel, which is the same as in the current crop year. The initial payment for No. 3. western six-row barley will be $1.20 a bushel, an increase of 15 cents over the level presently in effect. This is in line with some of the requests from farm organizations. The initial payment for No. 2. western oats will be 80 cents a bushel which is an increase of 10 cents over the current crop year level. All initial payments are "basis in store Thunder Bay and Vancouver". The initial payments for the grades of wheat, barley and oats other than the basic grades I have mentioned will be established by the Canadian Wheat Board and announced at a later date.

It is our expectation that the higher level of initial payments for barley and oats, in addition to the higher level of assured deliveries which will be referred to in letters going to the producers, will encourage producers to increase feed grain acreage over the acreage sown in 1972 and that they will do this even though an increase is expected in the acreage that will be sown.

Producers are also being encouraged to increase production of rapeseed this year in view of the excellent market prospects for the sale of all of these grains and because of the importance of holding our customers in this area as well in making the best use of the acreage available in the Canadian production area now and in the future.

Mr. Jack Murta (Lisgar): Mr. Speaker, in replying briefly to the minister responsible for the Wheat Board I would hope that on other occasions he would give longer notice to opposition members who are expected to comment on such statements. This is only courtesy, and I would strongly urge the minister to take this course in the future. In this instance, the statement was received about two minutes before he stood up to make it.

As far as the prices are concerned, I think the initial payment for barley of $1.20 is in line with what we on this side of the House have been urging. I am disappointed, though, that there is no guarantee to purchase a set amount of barley and I think this is really the critical item of the three items the minister mentioned. I am also disappointed that he did not say anything about a cash advance in his statement. It seems that if farmers are to receive these amounts of money it will be very necessary for them this spring to have some funds by way of cash advances to help them put their crops in.

A guarantee, though, is possibly more important because I believe, after talking to a good many farmers in western Canada, that as markets are at the present time, unless the government can guarantee to take all or virtually all of the feed grain produced in western Canada we still face the possibility that there will be a very heavy emphasis on wheat production. I think this is very critical. I hope the minister will realize the importance of our feed grain markets being maintained this year in particular, since I think this will be a crisis year for the production of feed grains in Canada. We will hopefully see an enlarged market domestically, and over the next year or two the demand for feed grain will be even heavier.

I believe that the prices announced by the government are realistic. However, for this year at least I think the government should guarantee to take a set number of bushels rather than simply proceed on the assumption that in view of the price of the grain farmers will automatically grow the required amount.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, the initial price guaranteed by the government is not unexpected. If we are to have the amount of feed grain or barley we are going to need this year, this is the minimum that could be set as the initial price. It could be argued that the initial payment should be higher, because in the case of feed barley, which is the grade that moves best and is produced in greatest amount, the initial price will be less than the price announced. I hope the minister will announce the initial prices for other grades of barley very soon.

The critical area in crop production in western Canada is probably rapeseed. I notice that the minister says that producers are also encouraged to increase the production of rapeseed this year. That is a nice phrase, but in point of fact the government has done nothing to encourage producers to grow rapeseed this year in sufficient acreages and quantities to serve the markets that have been developing.

Surely the minister is aware that the pricing situation in regard to rapeseed is chaotic. Surely he is aware that one price is being paid at one point in Saskatchewan while a few miles away another price is being paid. Surely he is aware that delivery opportunities between the producers of Saskatchewan and those of other provinces are unequal, and that transportation of rapeseed by rail has not been satisfactory.

It is not good enough for the minister simply to insert that sentence in his statement and leave it at that. If we are to produce the amount we need I suggest the minister must come back to the House soon and announce the policy of the government so that the farmers will plant the rapeseed acreages that we are going to need this year. In view of the guaranteed initial prices for wheat and barley and given orderly delivery for those grains and a clear road ahead for the farmer, and in view of the marketing of rapeseed in the past, one does not need to do a lot of guessing to know what could possibly occur.

Finally, the minister should clarify his position regarding the so-called two-price system for wheat. Instead of sending out questionnaires and trying to conduct a plebiscite by mail, which incidentally leaves out significant numbers of people with a stake in such payments, the minister had better come to the House and tell the House what his policy is, so we can then refer the matter to the standing committee where it can be properly discussed.

• (1420)

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, first I must call your attention to the fact that we were given the minister's statement only a few minutes before the beginning of the sitting and we did not get a French translation of it.

By way of explanation the minister says:

I am sorry, but the French translation is not ready yet. As soon as it is completed, you will receive a copy of it.

An hon. Member: Tomorrow.

Mr. Beaudoin: As usual, Mr. Speaker, we have to wait until tomorrow again and it will be too late to comment on it.

Mr. Speaker, we of the Social Credit party of Canada approve any proper action by the minister responsible for grain production as advance payments to western grain producers to encourage them to seed larger pieces of land so that grain crops are larger and especially to encourage barley and oats crops for cattle feed, to the point where feed grains are produced in large enough quantities at stable prices all across Canada. Also, that they be available on all Canadian markets at profitable prices for production and, finally, so that western producers respond to the demands of those producing cattle feeds all over Canada.

* * *

THE CANADIAN ECONOMY

APPLICATION OF COMPENSATED DISCOUNT POLICY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, pursuant to Standing Order 43, I solicit unanimous consent of the House to propose a motion in a case of urgent and pressing necessity of interest to all consumers in Canada.

In view of the many attempts made over the past few years to curb inflation, and the fact that such action and the substantial amounts invested to this end did not bring about the results anticipated, the population continuing to face an exaggerated increase in prices, and since all experts at the national and international levels recognize that it is no longer possible, nor human, to curb inflation

by decreasing economic growth, a concept which created an alarming unemployment situation wherein all age groups in this country in the immediate past—

Mr. Speaker: Order. I must interrupt the hon. member. Would the hon. member kindly resume his seat? I must invite him to bring forward his motion. The Standing Order and usage clearly establish that the hon. member can propose a motion, but that it must be quite explicit. If the hon. member includes in his motion arguments he cannot bring forward in the House, I believe he is bending the Standing Order.

I would therefore invite him to tell the Chair and the House as promptly as possible the substance of the motion he wants to put under Standing Order 43.

Mr. Boisvert: Mr. Speaker, under Standing Order 43, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That this House assign the Standing Committee on Finance, Trade and Economic Affairs the tasks of making an in-depth inquiry into the possible consequences of the application of a compensated discount on Canadian goods sold to Canadian consumers, especially with regard to standardizing price increases.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The House is not unanimous. The motion may not therefore be put.

* * *

[*English*]

FLOODS

LAKE ONTARIO WATER LEVEL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, pursuant to Standing Order 43 I ask leave of the House to move the following motion:

That the House deal with the need for action by the International Joint Commission to lower the water level of Lake Ontario because the present high level threatens property in the Toronto area and may become more dangerous by mid-summer if such action is not taken and the water rises even two more feet.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Scarborough East. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity, so the motion cannot be put.

[*Translation*]

FINANCE

INTEREST ON PUBLIC DEBT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to discuss a matter of the highest importance.

As indicated in the recent federal estimates, Canada has an indebtedness whose interest alone is of the astronomical amount of $2.5 billion for the fiscal year—

Mr. Speaker: Order! I have just suggested to the hon. member for Drummond that hon. members who wish to move a motion pursuant to Standing Order 43 must do so without any argument, and I would invite the hon. member to indicate to the House as soon as possible—and I repeat, without any argument—the substance of the motion that he wants to put for consideration by his colleagues of the House.

Mr. Rondeau: Mr. Speaker, in view of the fact that Canada will have to pay interest charges of $2.5 million on the public debt during the 1973-74 fiscal year, I ask leave, under Standing Order 43, to move, seconded by the hon. member for Kamouraska (Mr. Dionne):

That this House instruct the Standing Committee on Finance, Trade and Economic Affairs to study the possibility of financing the public capital of Canada through interest-free loans granted by the Bank of Canada at the administrative rates instead of the current rates, and to analyze at the same time how savings thus made could serve to give much needed impetus to the Canadian economy.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

FLOODS

LAKE ONTARIO WATER LEVEL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I rise under the provisions of Standing Order 43 to deal with a subject which the House has already considered this afternoon, I believe too hastily. I hope that upon reflection the House will agree to give unanimous consent. In view of damage to public facilities and private property as well as the possible danger to life which threatens as a consequence of the rising water level of Lake Ontario, I move, seconded by the hon. member for Broadview (Mr. Gilbert):

That this House directs the federal government to intervene before the International Joint Commission on behalf of the resi-

dents and authorities concerned, to insist that steps be taken immediately to relieve the threat of widespread and costly damage and danger to life and health, and further to inform this House what contingency plans it intends to activate in the event that the IJC does not act soon enough.

Mr. Speaker: Is there unanimous consent to the motion proposed by the hon. member?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

MANPOWER

ADDITIONAL FUNDS FOR LOCAL INITIATIVE PROGRAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. André Fortin (Lotbinière): Mr. Speaker, pursuant to Standing Order 43, I wish to move, seconded by the hon. member for Kamouraska (Mr. Dionne):

That this House consider the possibility of transfering to the Local Initiatives Program part of the additional $200 million for National Defence of which $80 million will be used for useless capital projects, because the lack of funds to carry out useful LIP projects is obvious.

Mr. Speaker: The hon. member has moved a motion pursuant to Standing Order 43. That motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Since there is not unanimous consent, the motion cannot be put.

* * *

[*English*]

FLAGS OF CANADA BILL

PROVISION FOR PRESENCE IN BOTH HOUSES OF PARLIAMENT

Mr. Stan Schumacher (Palliser) moved for leave to introduce Bill C-146, respecting the presence of the Flags of Canada in both Houses of parliament.

Some hon. Members: Explain.

Mr. Schumacher: Mr. Speaker, the purpose of this bill is to give honour and recognition to the two flags of Canada which were recognized by parliament in 1964. One, of course, is the national flag, the maple leaf, and the other is the union jack, symbolic of our connection to and abiding belief in the monarchy as our system of government, the parliamentary system as the means of governing, and the value of the Commonwealth of Nations. The bill would legislatively ensure that both these honoured flags would be displayed in both Houses of parliament.

• (1430)

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The Chair will have to put the question. All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it. I declare the motion carried on division.

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

* * *

[*Translation*]

OLD AGE SECURITY ACT

AMENDMENTS TO INCREASE BASIC PENSION AND TO CLARIFY BASE YEAR IN ESCALATION FORMULA

Hon. Marc Lalonde (Minister of National Health and Welfare) moved for leave to introduce Bill C-147, to amend the Old Age Security Act.

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

* * *

[*English*]

WAR VETERANS ALLOWANCE ACT

AMENDMENT TO INCREASE AMOUNT OF PAYMENT

Hon. Daniel J. MacDonald (Minister of Veterans Affairs) moved for leave to introduce Bill C-148, to amend the War Veterans Allowance Act.

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

ORAL QUESTION PERIOD

FLOODS

HIGH WATER LEVEL IN LAKE ONTARIO—ACTION TO REDUCE—PAYMENT OF COMPENSATION TO THOSE SUFFERING FINANCIAL LOSS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of the Environment of which I have given him ample notice, so I will expect an answer that will be both full and factual. In

view of the fact that the water level in Lake Ontario is between four feet and five feet higher than is normal for this time of year and as this has caused severe damage to property and installations on the whole of the Lake Ontario shoreline, would the minister advise the House what have been the results of the approach which he assured the House a week ago today he would make to the International Joint Commission to take action to reduce significantly the water level in Lake Ontario?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, the Great Lakes Water Levels Board is meeting today in Chicago and our representatives are there, of course. I might add that the outflow from Lake Ontario is at a record high. It is at the maximum it has been for a number of months. Inflow into the Great Lakes system from Lake Nipigon is close to zero and leaving Lake Superior is the lowest in 50 years. There are no works which can control levels of either Lake Huron or Lake Erie.

Mr. Hees: As it is obvious that the government either cannot or will not take action—

Some hon. Members: Order!

Mr. Hees: —to control the water level in Lake Ontario—

Some hon. Members: Oh, oh!

Mr. Nielsen: Dry up.

Mr. Hees: —has the government been in touch with the government of the province of Ontario to offer co-operation to that government in making available compensation to the residents of Ontario who have suffered severe financial losses due to the severe flooding that has taken place?

Mr. Davis: Yes, Mr. Speaker. Our government has been in touch with the government of Ontario in respect to dikes and other remedial works. Also, the government of Ontario is aware of the general formula that applies in all provinces of Canada. It includes a threshold—of course, with a larger industrial lease and a larger population the threshold is higher for Ontario—but a per capita formula applies and in the event that the province is prepared to pay compensation to individuals hurt by flooding, it can get financial assistance from Ottawa.

Mr. Hees: Mr. Speaker, I have one final supplementary question to the minister. Do I take it, then, that this government is willing to co-operate in paying compensation, and has the government of Ontario indicated that it is willing to pay compensation?

Mr. Davis: Mr. Speaker, this is a very co-operative government, as everyone knows.

HIGH WATER LEVEL IN LAKE ERIE—REQUEST THAT PUBLIC WORKS ENGINEERS DETERMINE WHAT WORKS CAN BE UNDERTAKEN TO PREVENT FURTHER DAMAGE

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a supplementary question which I should like to put to the Minister of Public Works. In view of the fact that Lake Erie flooding is just as bad as that of Lake Ontario and even more property damage has taken place there, will the Minister of Public Works send engineers from his department to Lake Erie as soon as possible and request them to make recommendations as to what works can be undertaken at once to prevent immediate and massive further damage?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I have no objection at all to sending one of my officials to study the situation, but in reality I do not want to take over the responsibility of the province of Ontario. In any event, all federal efforts are co-ordinated under the leadership of my competent seatmate, the distinguished Minister of the Environment.

An hon. Member: Send Joe Guay, the water expert.

Mr. Nesbitt: A further supplementary—

Mr. Speaker: Order, please. I trust that today we will try to get to the second question before half the question period has expired. Therefore I hope that hon. members will not ask too many supplementary questions on the very first question. The hon. member for Oxford has a supplementary question.

Mr. Nesbitt: My supplementary question is also directed to the Minister of Public Works. It is my understanding that a cabinet committee is looking into this matter. Is the minister on the committee and, if not, would he request to be put on the committee if he is not already a member? Second, is the Minister of Public Works telling us that the entire responsibility for building works to stop Great Lakes flooding rests on the province of Ontario? It does not. I have letters from his colleagues to the contrary.

Mr. Speaker: Order, please. Obviously the hon. member has a reply to the question.

HIGH WATER LEVELS IN GREAT LAKES—USE OF ARMED FORCES PERSONNEL TO CONSTRUCT PROTECTIVE WORKS

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I have a question on this subject which I should like to address to the Minister of National Defence. Has he consulted his colleague, the Minister of the Environment, and/or the provinces with a view to placing units of the Canadian Armed Forces at the disposal of the provinces or the other minister in order to construct bulwarks against possible flooding or to undertake such other works as may alleviate the threat?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I have had consultations with my colleague but not with the provinces.

Mr. Grier: What has been the result of those consultations, and can the minister assure the House that in fact plans are now being made to make such use of the armed forces?

Mr. Richardson: Mr. Speaker, the armed forces are available for purposes of this kind, but there are no specific plans that we have arrived at yet.

• (1440)

HIGH WATER LEVELS IN GREAT LAKES—POSSIBILITY OF SITUATION WORSENING

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary question is directed to the Minister of the Environment. Is he in a position to tell the House if he has any estimate whether the situation is going to get much worse this spring from the International Joint Commission, the Great Lakes Water Levels Board, his own department, or even from a provincial agency?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, the engineers who represent us on the Great Lakes Water Levels Board say that the levels might go up another foot and a half this spring, that is, through to June or July. Even then the levels would be lower than those encountered in 1952. They would have been higher had it not been for the construction of the St. Lawrence Seaway which has in fact reduced the effective level by about one foot.

HIGH WATER LEVEL IN LAKE ONTARIO—STUDY OF EROSION EFFECTS

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I wish to direct a supplementary question to the Minister of the Environment. Can the minister advise whether the Centre for Inland Waters at Burlington, Ontario, more specifically the $60 million hydraulic facility at this location, is studying the erosion effects of high water in Lake Ontario and, if not, will he direct that such a study be undertaken immediately?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I understand that a study along those lines has been under way for some time. It is being done in co-operation with the government of Ontario, and I expect that a preliminary report will be published some time in March.

* * *

EXTERNAL AFFAIRS

SHOOTING DOWN OF CIVILIAN LIBYAN AIRCRAFT OVER SINAI—SUGGESTED IMPARTIAL INQUIRY BY INTERNATIONAL TRIBUNAL

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Does he propose to make a statement to the House on motions on the shooting down of a Libyan aircraft over Sinai, which follows a grim pattern of action and reaction, of reprisal and counterreprisal, and may lead to further tragedies of incalculable proportions?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the House is aware, on learning yesterday of this tragic event I, on behalf of the government and people of Canada, sent a message of condolence through our ambassador in Cairo to the foreign ministers of Libya and Egypt.

[Mr. Richardson.]

I know that all members of the House share my shock and sorrow at the destruction of a Libyan civil aircraft and at the loss of the lives of the majority of its passengers and crew. Many of the details of the tragedy are still obscure. What is all too clear, however, is that, as a result of a conscious act, up to 100 innocent persons aboard a regularly scheduled flight of a civilian airliner are dead. I am not satisfied that the destruction of this plane was unavoidable, and I shall be asking the Israeli government to clarify the reasons for this action.

Mr. Brewin: Before asking a supplementary question, Mr. Speaker, may I say that we share the shock and sorrow expressed by the minister. I would like to ask him whether or not he will seek to have a full inquiry made by an impartial and, I take it, international tribunal or authority, so that the facts can be ascertained before final judgments are made on this matter?

Mr. Sharp: Mr. Speaker, I do share the point made by the hon. member that one should not jump to conclusions. I also share his view that there should be an inquiry that will establish the facts because we do not want an event like this, tragic as it is, to cause a further escalation of violence in the Middle East.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, would the Secretary of State for External Affairs say whether or not Canada might take a lead, even though not on the Security Council, to bring about an immediate meeting between representatives of Egypt and Israel to the end that the deplorable awfulness of what took place yesterday will not become the beginning of tremendous potentialities against the peace of the world?

Mr. Sharp: Mr. Speaker, I do share the wish of the right hon. gentleman that something should be done to try to bring the parties to this conflict together. I am rather sceptical, however, that a request of this kind from Canada would produce the necessary results, and I feel we should continue our present policy of supporting action under Resolution 242 of the Security Council, which does provide a framework for negotiations.

CYPRUS—SUGGESTED WITHDRAWAL OF CANADIAN TROOPS FROM PEACEKEEPING FORCE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct a further question to the Secretary of State for External Affairs. With the situation the way it is in Cyprus, the degree to which unrest has broken out being unequalled in a matter of six or seven years, as a first step is the government taking action to do something about our peace force in Cyprus, which I think has earned the right to be removed, particularly in view of the fact Canada is the only nation that is actually financing all the costs of its participation in the peace force? This would do two things. It would save Canada $3 million, and would also do something to remove a danger that I do not want even to mention, so fearful is it, to the possibilities of peace.

Hon. Mitchell Sharp (Secretary of State for External Affairs): On a point of fact, Mr. Speaker, Canada is not the only country that is paying the costs of its own force.

All of the countries participating are contributing the pay and allowances of their forces.

Mr. Diefenbaker: But they don't pay the complete shot.

Mr. Sharp: Unfortunately there are other costs not being shared as equally as they should be among the nations of the world. I can assure the right hon. gentleman that we have been urged by all the countries concerned, and all of those who want to maintain peace in Cyprus, to retain our peacekeeping forces there. We should like to withdraw them, but we have been told that to do so might make the situation even more difficult than it is.

SHOOTING DOWN OF CIVILIAN LIBYAN AIRCRAFT OVER SINAI—SUGGESTED IMPARTIAL INQUIRY BY INTERNATIONAL TRIBUNAL

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a supplementary question to the Secretary of State for External Affairs. In his reply to the question put by the hon. member for Greenwood the minister suggested that he agreed in principle with the idea of having an impartial investigation into the shooting down of the Libyan aircraft, but he did not answer specifically whether or not he would take steps to initiate the establishment of such an impartial investigation. Therefore I would like to put that question to him. Will he take such action?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, this is an event that took place in another country, and it is very difficult for us to initiate an impartial inquiry in an area under the control of another government. I do agree that it would be desirable to have an impartial inquiry, and I hope the Israeli government itself will ensure that the inquiry it makes is truly impartial.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Cochrane for one last supplementary on this subject.

[*Translation*]

Afterwards I shall recognize the hon. member for Champlain.

[*English*]

SHOOTING DOWN OF CIVILIAN LIBYAN AIRCRAFT OVER SINAI—CANADIAN POSITION RESPECTING UNITED NATIONS RESOLUTION 242

Mr. Ralph Stewart (Cochrane): Mr. Speaker, I wish to direct a supplementary question to the Secretary of State for External Affairs. Since he said that Canada would support Resolution 242 of the United Nations and since this terrible act yesterday was initiated from occupied territory which should have been vacated as a result of Resolution 242, what is Canada's intention with regard to reiterating our stand in support of that resolution?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we are thoroughly in support of it, and we do support the principle that Israel should withdraw its forces to secure and recognized boundaries. I regret to say that there is not agreement on what are secure and recognized boundaries.

[*Translation*]

SPORTS

MONTREAL OLYMPIC GAMES, 1976—STUDY OF IMPACT ON ECONOMY

Mr. René Matte (Champlain): Mr. Speaker, I would like to ask a question of the Minister of Industry, Trade and Commerce.

Could he tell us if a study has been ordered by his department on the economic effect of the Olympic games in Canada in 1976?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not aware of any study on that matter by my department.

[*Translation*]

MONTREAL OLYMPIC GAMES, 1976—GOVERNMENT FINANCIAL ASSISTANCE

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to put a supplementary to the Minister of Finance.

Account being taken of figures published by the Treasury Board, of publicity and other benefits accruing to the whole Canadian population because of the Olympic Games, does the government intend to resort to new measures to help the financial operation of the games or does he leave the taxpayers of Montreal and the rest of Quebec to foot the whole bill?

Hon. John N. Turner (Minister of Finance): The government's position in this matter has already been announced, Mr. Speaker.

* * *

[*English*]

INDIAN AFFAIRS

RESPONSE TO BRIEFS SUBMITTED BY INDIANS IN 1969

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have a question to direct to the Prime Minister. Being a new member and having taken part in meetings of the Standing Committee on Indian Affairs, I am amazed at the lack of response from the government—

Some hon. Members: Order!

Mr. Speaker: Order, please. The hon. member has the right to be amazed, but in asking a question he does not have the right to say so. He should ask the question.

• (1450)

Mr. Oberle: I should like to ask the Prime Minister how long it takes to respond to briefs of people from British Columbia, Alberta and Manitoba that were submitted in 1969?

Mr. Speaker: Order, please. Perhaps the hon. member might like to ask a supplementary and rephrase his question. If he wishes to ask a question relating to a brief or a

matter going back to 1969, I wonder whether it might not be advisable to put the question on the order paper.

Mr. Oberle: A supplementary question, Mr. Speaker. I agree with Your Honour that it has been a long time. Perhaps the Prime Minister has forgotten about the matter. I am simply asking if he is replying to submissions by the Indian people of those provinces made in 1969.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the hon. member is new he might not have had occasion to read the statement of the government in 1969 and, of course, the response by his own party to that statement.

Mr. Baldwin: Bilge!

Mr. Trudeau: The essence of it—

Mr. Baldwin: Bilge!

Mr. Trudeau: Well, the response was partly bilge but the essence of the statement was that we were telling the Canadian people, both Indian and white, that they had arrived at a crossroads, that a decision was necessary, and that discussion must continue between the two parts.

Mr. Hees: And a decision would be made in due course.

Mr. Trudeau: These briefs and the court actions themselves are part of this ongoing discussion.

Mr. Oberle: The Prime Minister referred to the white paper that was brought out by the government in 1969. The briefs I am referring to are the responses to that white paper and they contained definite proposals to which the people are awaiting a response.

Some hon. Members: Hear, hear!

Mr. Joe Clark (Rocky Mountain): May I direct a supplementary to the Prime Minister, Mr. Speaker. Will the Prime Minister explain to the House how he proposes to have discussions when one side will not respond for three years. Is this his definition of discussion?

Mr. Chrétien: Mr. Speaker—

Mr. Speaker: Order, please. I would not think that a question asked in those terms is in order.

Mr. Baldwin: You were not going to answer anyway, were you, Jean?

* * *

TRANSPORT

RAILWAY PASSENGER SERVICE, WESTERN ONTARIO—STEPS TO RE-ESTABLISH

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the urgency of re-establishing rail passenger service in western and southwestern Ontario, where many communities find themselves without any kind of public transportation to the detriment of many people who must depend on public transportation, can the minister inform the House when he will take a definite step in this direction, as recommended last spring by the Standing Committee on Transport and Communications?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, on this matter I will have to meet with the government of Ontario and Metropolitan Toronto and with Mr. Carton, following the Soberman report, to study the whole problem of transportation not only in Metropolitan Toronto but in the entire province, although mainly in southwestern Ontario. As soon as those meetings have taken place I will be happy to indicate what the results are.

An hon. Member: A supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. I can assure hon. members that it will not help them to try to shout louder than other hon. members. The hon. member for Grey-Simcoe.

Mr. Mitges: If I may respond to the minister's answer, he mentioned on January 15, as recorded on page 275 of *Hansard,* that he would have to meet with the Ontario government before any decision is reached. Can the minister inform the House whether steps have been initiated to set up such a meeting and, if not, when does he propose to do so?

Mr. Marchand (Langelier): Mr. Speaker, I think I said in the House somewhat later than the date to which the hon. member referred that as soon as the work of the House allows me to go, I will go.

Mr. Speaker: The hon. member for Wetaskiwin.

* * *

CANADIAN CULTURE

MULTICULTURALISM—STEPS TO IMPLEMENT CONCEPT THROUGH BROADCASTING MEDIA

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I congratulate you on pronouncing the name of my constituency correctly. I hope the hon. member for St. Boniface was paying close attention. My question is for the Secretary of State. Can the minister indicate what steps are being taken by himself in association with the Canadian Radio-Television Commission to promote positively and implement the concept of multiculturalism by way of the broadcasting media?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, as the hon. member knows, there was a hearing before the CRTC recently in Montreal touching on this question. We are awaiting a decision from the president of that commission. On the matter of the work that might be done by the various cultural agencies in support of this important goal, I think I would prefer to deal with that question when these various agencies are examined before the standing committee of the House. I think it is important that we raise this question with each individual agency and ask each one what it is doing.

PRESERVATION OF RIGHTS OF MULTICULTURAL GROUPS IN WINNIPEG AREA

Mr. Jake Epp (Provencher): Mr. Speaker, may I direct a supplementary question to the minister responsible for multiculturalism. CRTC hearings have now been held in Montreal, as already mentioned, but only certain groups found it possible to go to Montreal. As there are no hearings scheduled for Winnipeg on this matter, can the minister indicate to the House what alternatives he is proposing which would preserve the established customary rights of multicultural groups in the Winnipeg area?

Hon. Stanley Haidasz (Minister of State): Mr. Speaker, this is a matter of government policy and if anything is to be be done it will be announced in the usual way.

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INCOME TAX

POSSIBLE APPLICATION OF INDEXING PRINCIPLE TO CAPITAL GAINS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I want to ask the Minister of Finance, now that he has adopted the principle that he calls indexing in connection with income taxation, whether he is prepared to adopt the principle of indexing in the computation of capital gains for the purpose of taxation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, perhaps when the hon. gentleman makes his speech in the budget debate he will wish to expand that a little more.

Some hon. Members: Oh, oh!

Mr. Stanfield: When the matter is put before the minister and if he takes a decision on it, will he give the assurance that, following his usual practice, he will change his decision within a few months?

Some hon. Members: Oh, oh!

* * *

HEALTH

STATUS OF NUTRITION SURVEY

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of rumours now circulating to the effect that the Canada nutrition survey has been discontinued because of lack of funds, will the minister say whether this is true and, if it is not true, when the survey will be completed?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am pleased to inform the hon. lady that this is not so and I believe we can expect the survey and report to be completed in the fall. However, I will inquire further into this matter in order to be sure that the information I am giving the hon. lady is exact.

Mrs. MacInnis (Vancouver-Kingsway): As we were promised originally that the survey would be available for this spring, can the minister say why it will be delayed until fall?

Mr. Lalonde: I would certainly be pleased to do so, Mr. Speaker. I would assure the hon. lady that, unfortunately, this will not be the first instance when this has occurred with such surveys.

INQUIRY AS TO FEDERAL SURVEY OF HEALTH COSTS— REQUEST FOR STATEMENT OF GOVERNMENT POSITION

Mr. G. W. Baldwin (Peace River): I have a supplementary question, Mr. Speaker. In light of the survey just completed in the province of Quebec, which indicates that government health costs will probably rise by 150 per cent within the next ten years, would the minister say whether the federal government has made a similar survey? Is the minister able to advise the House about it? If not, will he, in due course, make a statement to the House of what the government's views are in this regard?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the federal government, as far as I know, has not made any similar survey, but I will certainly be pleased to expand on this when I appear before the standing committee at the appropriate time.

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[*Translation*]

COMMUNICATIONS

REQUEST FOR TABLING OF AGREEMENT BETWEEN BROADCASTERS ASSOCIATION AND CHIEFS OF POLICE

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I want to ask a question of the Solicitor General. Is the minister prepared to table in the House or at the Standing Committee on Broadcasting, Films and Assistance to the Arts a copy of the agreement concluded recently between the Association of Canadian Broadcasters and the chiefs of police?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, there is no such agreement between my department and the radio broadcasters.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

ROLE OF FORCE IN POSSIBLE OCCUPATION OF BROADCASTING STATIONS DURING CRISES

Mr. Gilbert Rondeau (Shefford): I wish to ask a supplementary question, Mr. Speaker.

Mr. Speaker: The hon. member for Shefford wishes to ask a supplementary question.

Mr. Rondeau: Can the minister tell us what is the role of the RCMP in the event that radio and TV stations facilities were occupied during civil disorders?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as I mentioned in the House the other day, there were discussions between the RCMP and the broadcasters regarding forcible occupancy. I can check to see if there is anything in writing. I do not think there is any written agreement but I will check and find out. There were merely discussions, to the best of my knowledge.

* * *

GRAIN

WHEAT—POSSIBILITY OF LOW FINAL PAYMENT IN LIGHT OF INITIAL PAYMENT FOR 1973-74 CROP YEAR—PAYMENT FOR FARM STORAGE

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is addressed to the minister in charge of the Canadian Wheat Board. As world wheat prices are over $3 per bushel, is the very low initial payment announced by the minister today an indication to the farmers by the government that there will be a very low final payment, as there was this year?

• (1500)

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker, it certainly is not. Of course, in terms of Thunder Bay prices, which is the basis for the initial price, the world price is not over $3 but some 30 cents lower than that. The initial prices which were announced today are for the crop year commencing next August 1. I assure the hon. member and other hon. members that I expect there will be a very good final payment for the crop year in which we are now. The final payment the hon. member was referring to was for the crop year which ended quite some time ago.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Will the minister indicate to the House if he has made any decision about paying the cost of storage to farmers for holding grain on the farms so that they can meet the commitments he is asking them to meet for next year?

Mr. Lang: Mr. Speaker, this question has been canvassed from time to time with farm organizations. The basic proposition adopted to this point is that the total amount of money available to the farmers, both from the sales of their grain and from the federal treasury, is realistically the important figure. The question of whether a specific payment for on-farm storage of grain should be paid is rather a matter of getting the right result in regard to the position of grain. There seems to be no problem about the farmers holding and building up stocks when they see adequate marketing opportunities. I am confident they will produce on a record number of acres this year.

[Mr. Speaker.]

HOUSING

LAND BANK PROGRAM—AVAILABILITY OF SERVICED LOTS IN TORONTO AREA

Mr. Don Blenkarn (Peel South): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In view of the fact that spring is rapidly approaching—

Some hon. Members: Hear, hear!

Mr. Blenkarn: —and that is the season when building normally commences in this country, has the minister any policy or plans to make available from his land bank fund any serviced lots for builders in metropolitan Toronto?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, my riding is Vancouver Centre and spring has already arrived.

Some hon. Members: Hear, hear!

Mr. Basford: The budget for Central Mortgage and Housing Corporation for this coming year has been approved. Funds are available for land assembly upon application by municipalities or provinces. Where land has already been assembled in a number of areas, that land is being made available in the form of serviced lots, including metro Toronto.

Mr. Blenkarn: Has the minister used any of the suggested $100 million for this year to acquire any land that can be serviced for housing this year or next year?

Mr. Basford: Mr. Speaker, the purpose of that fund is to acquire raw land. We are in the process, and have been for some time, of acquiring raw land. Some of that is being serviced and some is being made available.

* * *

CRIMINAL CODE

INQUIRY AS TO LEGISLATION TO INCREASE CONTROL OF WEAPONS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Solicitor General. In light of the fact that many people in Canada are concerned about the increase in crimes and the use of guns and weapons, while other people, such as sportsmen, are very concerned about controls, is it the government's policy to now toughen the regulations covering the sale and registration of guns and other weapons of that kind?

Hon. Warren Allmand (Solicitor General): This is being considered, Mr. Speaker.

Mr. Woolliams: I have a supplementary question, Mr. Speaker. I will make it brief. Do any of the amendments to the Criminal Code that were introduced in 1969 or 1970 empower the government to pass regulations respecting the sale or registration of weapons described in that act?

Mr. Allmand: Mr. Speaker, there are no new regulations at present.

AIR TRANSPORT

ADVANCE BOOKING CHARTER REGULATIONS—REQUEST THAT CANADIAN TRANSPORT COMMISSION REVIEW RATE-SETTING PROCEDURE

Mr. John Harney (Scarborough West): Mr. Speaker, my question is for the Minister of Transport. In view of the fact the rates for advance booking charters have finally been set at the level of about $187, and in view of the fact these rates are some $80 more than the rates for a comparable trip originating in Britain, will the minister inform the House whether he has any intention of asking the Canadian Transport Commission to revise its rate-setting procedures so that Canadian travellers can benefit from the advantages of fair competition in this field?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the competition that the Canadian Transport Commission governs is that which involves planes chartered for flights outside the country. However, we do not consider a plane chartered in England to bring passengers to Canada and take them back to England as a competitor, because the clientele involved is not the same. And so it can happen that English companies perform the service at rates that are patently lower than ours.

[*Later:*]

[*English*]

Mr. Harney: Considering that it would be very difficult for most Canadians to understand why it should cost almost twice as much for Canadians to travel from Toronto to London and return than for British residents to travel from London to Toronto and return, can the minister assure the House that he will ask the CTC to study the whole pricing procedure, particularly with a view to ensuring that there is competition in the pricing structure in Canada?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, the Canadian Transport Commission governs competition between charter planes leaving Canada for destinations abroad. It does not allow a company to charge less than the lowest price charged by Canadian companies. I think it is easy for the Canadian public to understand that it costs less to charter a plane in England, since labour itself costs less than here, and this makes it possible to offer cheaper tickets.

* * *

[*English*]

HOUSING

DARTMOUTH, NOVA SCOTIA—ALLEGED FIRE HAZARD IN SENIOR CITIZENS COMPLEX—GOVERNMENT ACTION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wish to direct a question to the minister responsible for Central Mortgage and Housing Corporation. It arises out of the report prepared by the Nova Scotia fire marshall indicating 22 points of critical danger in a massive senior citizens' housing complex in Dartmouth, Nova Scotia. Has this matter come to the minister's attention and, if so, what action has the government taken to ensure that these 22 points of concern to the provincial fire marshall have or will be met before our senior citizens are permitted to move into this building?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the general rule of CMHC is that all buildings upon which they have loans must comply with applicable provincial and municipal bylaws and regulations, including fire regulations. This case has been brought to my attention. I am asking for a report on it. When I get it, I will submit it to the hon. member. Certainly the purpose of our intervention would be to ensure the safety of the senior citizens who propose to live in that building. I would point out that my understanding is that the Dartmouth fire commissioner is satisfied with the building construction, but that is a subject that is open to inquiry.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

REQUEST FOR FINANCIAL ASSISTANCE TO VALCARTIER INDUSTRIES INCORPORATED

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the hon. Minister for Regional Economic Expansion.

Has the hon. minister received a request from the management of Industries Valcartier Inc. concerning financial aid to prevent the factory from closing down? If so, can the hon. minister tell us what steps the department plans to take?

• (1510)

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, a great many applications flow through my office in the course of a week. I am not certain whether this is one of them. I would prefer to take the question as notice so that I could give a more complete answer.

* * *

RESTRICTIVE TRADE PRACTICES

POSSIBLE PROSECUTION OF PFIZER CHEMICAL COMPANY FOR PRICE FIXING

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, my question is directed to the Minister of Justice. It concerns a matter we discussed several weeks ago relating to the Pfizer Chemical Company of Canada Limited. Does the hon. gentleman's department not intend to initiate legal proceedings against this company on the advice of investigators from the Department of Consumer and Corporate Affairs?

Hon. Otto E. Lang (Minister of Justice): When I last looked at this matter several days ago, consideration was still being given to the proper course of action to be taken.

Oral Questions

PUBLIC BUILDINGS

CONCENTRATION IN OTTAWA—REQUEST FOR INCREASED NUMBER IN WESTERN CANADA

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is to the Minister of Public Works. In view of the fact this is the second year in a row in which the government is spending more on public works in the city of Ottawa than in the four western provinces, the Northwest Territories and the Yukon combined, can the hon. gentleman tell us how this disproportion can be reconciled with an effort to develop government services throughout western Canada?

Mr. Speaker: Order, please. The question is very wide in scope and the hon. member is really inviting the minister to make a statement which would normally be made on motions. Perhaps he would like to rephrase it.

Mr. Roche: In view of the continued expenditure of public money for buildings in Ottawa, can he tell us what the policy of the government is with regard to spreading government services throughout western Canada?

Hon. Jean-Eudes Dubé (Minister of Public Works): This is a matter which would be better discussed when the estimates come before the committee. The quick answer would be that obviously there are more public services in the capital of the country than elsewhere. In principle I would agree with the hon. member that there could be some redistribution of power. But this is a difficult subject to deal with in the question period.

* * *

EXTERNAL AFFAIRS

POSSIBILITY OF CANADA BECOMING PARTY TO 1958 CONVENTION ON CONTINENTAL SHELF IN ORDER TO ENTER RESERVATIONS CONCERNING RESOURCES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. On February 13, the minister informed the House that the first substantive session in connection with the Law of the Sea Conference would be held in Santiago, Chile, in April or May of 1974. In view of the fact that Canada's continental shelf represents an area which is 40 per cent the size of Canada's continental land mass, is it the intention of the government of Canada to become a party to the 1958 convention on the continental shelf so that we, as Canadians, may make legal reservations with respect to any of the 15 articles of that convention which concern the exploitation of our natural resources on the shelf?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I should like to have notice of that question so that I can give an adequate answer to a very careful inquiry.

[Mr. Lang.]

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

CLAIM BY QUEBEC FOR PAYMENT IN LIEU OF USE OF ROYAL CANADIAN MOUNTED POLICE

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to direct a question to the Minister of Finance.

Some weeks ago, the Quebec Minister of Justice stated that he intended to claim from the federal government an amount of $230 million representing Ottawa's contribution to the maintenance of a division of the Royal Canadian Mounted Police as a provincial security body.

As it is important to know whether the Quebec minister was serious, I should like to ask the Minister of Finance whether he has received such a claim concerning the refund to Quebec of an amount of $230 million representing expenses in that respect.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in answer I must tell the hon. member that I have received such a claim, but I must also add that under the equalization payments announced in the budget, the province of Quebec should receive $80 million.

Mr. La Salle: Mr. Speaker, I should like to ask a supplementary of the Minister of Finance.

The minister having said that the province of Quebec will receive an extra amount of a few million dollars, will the $230 million claimed by Quebec be reimbursed to that province by the federal government, for the reasons given by the minister?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have just said that over the amount already granted Quebec in equalization payments, the province will receive an extra $80 million following the measure announced Monday night last.

[*Later:*]

[*English*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is directed to the Solicitor General and it is supplementary to that directed to the Minister of Finance. Has a request been received from the government of the province of Quebec for $230 million with respect to police services, either directly or through the RCMP and, if so, has the minister replied, and to what effect?

Hon. Warren Allmand (Solicitor General): A request was made, Mr. Speaker. The matter was brought to my attention and it was pointed out that, as far as I am concerned, the RCMP provides police services which we are willing to provide to any province that wants them, but we are not willing to give out subsidies or grants.

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AIR TRANSPORT

CANADIAN CARRIER TO BE AWARDED RECIPROCAL LANDING RIGHTS AT MILAN, ITALY

Mr. Terry O'Connor (Halton): I have a further question to the Minister of Transport, Mr. Speaker, with respect to the reciprocal landing rights awarded to a Canadian air

carrier in Milan. In view of the fact the government said it would make an announcement on the subject before January 1, and in view of the fact the minister has told us twice in the House that such an announcement would be made soon, would the hon. gentleman indicate what factors and what circumstances are being considered that are causing such a delay in making the announcement?

Hon. Jean Marchand (Minister of Transport): Unfortunately I can only make the same answer on this occasion. I would hope I would have a decision from the cabinet very soon, but I cannot say whether it will be this week or next week.

Mr. O'Connor: Has the minister estimated the immediate cost in lost revenues due to the delay and, second, has he made any costing with respect to long-range losses due to passenger loyalties which are being acquired by Alitalia?

Mr. Marchand (Langelier): No, I do not have such figures.

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FISHERIES

FRESHWATER FISH MARKETING CORPORATION—REQUEST FOR INVESTIGATION OF OPERATIONS

Mr. Elias Nesdoly (Meadow Lake): I have a question for the Minister of Fisheries, Mr. Speaker. In view of the fact that Saskatchewan Co-operative Fisheries Limited has voted to break with the Freshwater Fish Marketing Corporation, in view of the fact that the Freshwater Fish Marketing Corporation has apparently suffered severe financial losses, and in view of the fact that Saskatchewan fishermen have called on the federal government to conduct a complete inquiry into the operation of the Freshwater Fish Marketing Corporation, may I ask whether Co-op Fisheries have been in communication with the minister and, if so, whether an inquiry will be held?

Hon. Jack Davis (Minister of Fisheries): The Saskatchewan Co-operative in question has not been in direct contact with my office. However, I would expect it to work through the provincial government, since the provincial governments of the prairie provinces are joint partners with the federal government in the freshwater fish marketing venture.

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REGIONAL ECONOMIC EXPANSION

GOOSE BAY-HAPPY VALLEY AREA OF LABRADOR—REQUEST FOR REPORT OF FEDERAL-PROVINCIAL COMMITTEE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a brief question for the Minister of Regional Economic Expansion. Is the minister now able to table, or report briefly on, the joint federal-provincial report on the future prospects of the Goose Bay-Happy Valley area of Labrador?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Yes, Mr. Speaker. The report in question was prepared as a background document for the preparation of a federal-provincial committee. Copies of the report have been, or are being, made available to members of that committee which is made up of representatives of both governments and of municipalities in the area. If any hon. members, including the hon. member for Central Nova, are interested, we would be pleased to provide them with copies also.

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TRADE

ALLEGED DUMPING OF CANNED FRUIT BY AUSTRALIA—REQUEST FOR INVESTIGATION

Mr. Kenneth J. Higson (Lincoln): Mr. Speaker, my question is directed to the Minister of National Revenue. Has the hon. gentleman received reports that Australian fruits, specifically canned peaches and pears, are being dumped on the Canadian market? Has he investigated such reports and, if so, can he tell the House what has been the result of his investigations?

Hon. Robert Stanbury (Minister of National Revenue): I shall be glad to check into it and report to the hon. member.

Mr. Speaker: The hon. member for Calgary South on a supplementary.

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INCOME TAX

SUGGESTED ALLOWANCE AS DEDUCTION OF FEES PAID CONSULTANTS BY INDIVIDUAL TAXPAYERS

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I hope the minister will answer my question today. It is a very important one for a great many Canadians. On February 8 the Leader of the Opposition asked whether the Minister of Finance would be permitting deductions on the part of ordinary Canadians who have to spend money seeking tax advice. May I ask the minister whether the budget purposely overlooked this question, and whether individuals obliged to seek professional advice in filing their tax returns will be permitted to make deductions for the fees they pay?

Mr. Speaker: I fail to see how that is supplementary to a question about pears and peaches.

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member would probably suggest that it is a question asked of the same minister. That hardly makes it supplementary. However, the question having been asked the minister might reply. We have just about reached the time when orders of the day should be called.

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, the hon. member knows, I am sure, that

questions about the budget are matters for the Minister of Finance.

* * *

AGRICULTURE

FARM MACHINERY—INQUIRY AS TO IMPLEMENTATION OF BARBER COMMISSION RECOMMENDATIONS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Prime Minister. On May 19, 1970, I asked the minister of agriculture of that day, the Hon. H. A. Olson, which of the recommendations of the Barber Commission on Farm Machinery Prices had been implemented. His response was that all the recommendations had been implemented except the one dealing with a reverse dumping duty. A similar question was directed to the present Minister of Agriculture on February 5 and his reply was that none of them had been implemented. Bearing in mind the conflict between those answers, I wonder whether the Prime Minister would clarify the situation for the benefit of the House and tell us whether or not any of these recommendations have been implemented and, if so, which ones?

• (1520)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it would be helpful if the hon. member gave notice of this kind of question or placed it on the order paper. However, I will take it as notice and look into the matter.

Mr. Whelan: A point of order, Mr. Speaker.

Mr. Speaker: The Minister of Agriculture is rising on a point of order.

Mr. Whelan: Mr. Speaker, the question is clear in *Hansard* and the way I answered it. I thought that the hon. member who was asking the question at that time was talking about the present Minister of Agriculture initiating any of the Barber Commission recommendations, and I have already discussed two since that question was asked. The former minister initiated four of the recommendations contained in the Barber Commission report.

Mr. Speaker: Order, please. I am afraid that unless I recognize the hon. member for Lethbridge he will return in his scarlet coat. The Chair will recognize him before calling orders of the day.

* * *

GRAIN

POSSIBLE ENCOURAGEMENT OF FARMERS TO RETURN LAND FROM GRASS TO GRAIN

Mr. Ken Hurlburt (Lethbridge): Thank you, Mr. Speaker. My question is directed to the minister in charge of the Wheat Board. In 1970 the government paid farmers $10 per acre to plant crop lands with grass. In the minister's statement on initial prices today he recommended that they replant their lands with grain. Is it the intention of the government to have these lands varied from year to year?

[Mr. Stanbury.]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the hon. member is quite inaccurate in suggesting that we are recommending any return of lands from grass to grain. Indeed, as the Minister of Agriculture indicated in the House a couple of nights ago, we propose to continue to encourage farmers to put additional acres into grassland this year. What the hon. member may have noticed is that we are talking of a much larger acreage in grain in the prairie region than in the past number of years. I refer him to the agricultural practice of summerfallow. We would foresee that farmers would reduce their summerfallow to a much lower level than has been the case before.

Mr. Speaker: Order, please. The hon. member for Lethbridge might ask a supplementary, after which, with my apologies to a number of distinguished frontbenchers and to equally distinguished backbenchers—

Some hon. Members: Hear, hear!

Mr. Speaker: —I shall call orders of the day.

Mr. Hurlburt: Thank you, Mr. Speaker. I should like to ask the minister in charge of the Wheat Board where we are going to get the additional acres in view of the fact that they were planted to grass in 1970 under the Lift program?

Mr. Lang: Mr. Speaker, may I go over it once again for the hon. member. Last year an estimated 29 million acres of grain land in the prairies was in summerfallow, which I believe was a near record for summerfallow. We are anticipating that the farmers may reduce this 29 million acres to as little as 20 million acres, and this will furnish the additional acres for barley, rapeseed and wheat.

Mr. Speaker: Perhaps this question might be followed up tomorrow. Orders of the day.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: On a point of order, Mr. Speaker, I should like to ask the government House leader whether, in the unfortunate event that the government is still around to organize the business of the House after next Wednesday, he will tell us what will be the business for the rest of next week and the week following, after completion of the budget debate.

Mr. MacEachen: Mr. Speaker, on Thursday of next week we will probably begin discussion of the Old Age Security Act followed by war veterans allowances. On Monday and Tuesday, March 6 and 7, I shall probably call opposition days. I will be calling the 1972 budget bills at an early date also.

Mr. Baldwin: May I ask a supplementary question. Following from the discussions we have had, and in view of

the fact that it is highly important to try to activate the Standing Committee on Public Accounts and the joint standing committee on statutory instruments, can the government House leader indicate when these two committees will be set in motion so they can commence their work?

Mr. MacEachen: Mr. Speaker, we hope to have the organizational meetings for these committees very early next week. In the case of the committee on statutory instruments, I hope to have an organizational meeting established very early next week, and also the public accounts committee set up as early as possible.

While I am on my feet, Mr. Speaker, may I attempt to request the House to agree to an arrangement in regard to time limits for speeches during the budget debate. There was a meeting of House leaders this morning and I hope to be able to explain what appeared even to me to be a complicated formula.

We have agreed that speeches will be limited to 15 minutes, with the exception of a 30 minute time allotment for three members of the official opposition; 40 minutes, however, if one of these members happens to be the Leader of the Opposition. There will be 30 minutes for five ministers, but 40 minutes if one of them happens to be the Prime Minister; and 40 minutes for the leader of the New Democratic Party and the leader of the Social Credit party, or the acting leader of the Social Credit party.

[*Translation*]

Mr. Speaker: Order. Before recognizing the hon. member for Joliette who, apparently, rises on a point of order—

[*English*]

There might be a slight difficulty in connection with the hon. member who had the floor last night and who had just about reached the end of a very interesting 15 minute address. In fairness to him, it should be said that at the time he had the floor no order had been made at that point. Therefore, I think he should be allowed to go for a while yet.

With this fifth or sixth exception, as the case may be, perhaps an order might be made, as suggested by the President of the Privy Council. Is it so agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. La Salle: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member for Joliette (Mr. La Salle) on a point of order.

Mr. La Salle: Mr. Speaker, my point of order has to do with the question I put to the Minister of Finance. I think it is important that the minister understand the true meaning of my question. He answered that Quebec would get a certain number of million dollars under the equalization payments. My question was whether the minister intended to repay the $230 million claimed by the Justice Minister of Quebec, in respect to the security measures applied in Quebec by the provincial Sûreté as opposed to the R.C.M.P. in other provinces?

Mr. Speaker: Order. I must intervene at this point. The hon. member cannot rise on a point of order to put the question again, or to ask for an explanation on the answer given by the minister. It might be advisable for the hon. member to put the same question tomorrow; I shall cooperate to ensure that his question is allowed again.

[*Later:*]

[*English*]

Mr. Speaker: The hon. member for Winnipeg North Centre is rising on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order with respect to the time limit arrangements that we have just made. I believe that the government House leader neglected to include the fact that we had agreed, as I understood it, that these time limits having been decided upon, no one would ask for or be given an extension of the indicated period of time.

Mr. Speaker: Is that also provided by the House?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Wednesday, February 21, consideration of the motion of Hon. John N. Turner (Minister of Finance) that this House approves in general the budgetary policy of the government, and the amendment of Mr. Lambert (Edmonton West) (p. 1526), and the amendment to the amendment of Mr. Matte (p. 1533).

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I do appreciate the kindness of the Chair since it was certainly my understanding when I began my speech last evening that this new rule had not come into effect. However, I do not propose to take more than five or six minutes of the time of the House. Thank you once again for the exception.

When my remarks were terminated last evening I was talking, in the context of the coast guard and general marine services, of the need to have international standards of seaworthiness and crewworthiness. The criteria which we ought to include in an international convention which I would like to see developed should be concerned not only with seaworthiness and crewworthiness but also with speeds on the high seas in various types of weather and for various types of ships, whether fully laden or in ballast. I think we should also contrive in such a convention to prescribe construction standards.

• (1530)

In addition, as well as requiring the best available navigational equipment that can be obtained— 360° radar, radio beacons, D/F equipment and ship-to-ship and ship-to-shore radio—all ships under the international convention I am proposing should be required to carry pollution control equipment. I regret that at this point the Minister of the Environment (Mr. Davis) has disappeared.

Ships now carry lifesaving equipment and fire fighting equipment. These are for the safety of the crew. Why should ships not also carry pollution control equipment which is for the protection of the rest of mankind? Surely it is time we insisted on equipment that will safeguard the interest of the rest of the world and reduce the risk to our sources of food.

There has been developed in the area which I represent a type of pollution control equipment which is capable of encircling a damaged vessel or a vessel leaking oil or other floating pollutants with a six-foot boom in a matter of minutes. I call this device "the instant boom". This equipment could be built in the shipyards in my constituency and supplied to ships all over the world.

On the national scene, and as a complement to these precautions, I suggest there should be sited at strategic places around our coast, but particularly in our active ports, a battery of pollution mop-up equipment such as the slick-licker, which was also developed in Esquimalt-Saanich I am pleased to tell my hon. friends, together with mobile instant boom barges. These two pieces of equipment could be brought into play, like fire fighting equipment, when the need arises.

On the bi-national front, once we have put in train legislation and funds to implement the foregoing suggestions nationally, there should be no problem in convincing our U.S. neighbours of the seriousness with which we are taking our status as a maritime nation and the earnestness with which we view our maritime problems and propose solutions for them. We can then take practical steps to co-ordinate our efforts with our neighbours. At the present time, the U.S. coastguard is implementing a system of lane traffic in Puget Sound. We should welcome this development and take similar action in the Gulf of Georgia. So far as I know, nothing of this sort is happening.

Perhaps this is a convenient place for me to conclude my intervention. I should have liked to go into the subject of developing a merchant marine which is a companion part of my theme, but I shall leave that for another opportunity.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, in the days since the presentation of the budget of my colleague, the hon. Minister of Finance (Mr. Turner), a number of comments have been made in various parts of this House concerning the correlation between the various budgeting measures that were presented and the emphasis which this government has placed over the past four years on programs to decrease regional economic disparity. Therefore, with the indulgence of the House, I should like to spend a few moments this afternoon indicating how, in my view, the budget is a significant contributor to the improvement of these

[Mr. Munro (Esquimalt-Saanich).]

regional economic disparities, and how these programs when taken in concert with the items totalling something over $500 million listed in the estimates will continue throughout the coming year the thrust that was undertaken in 1969 in order to attempt at least to provide a greater measure of equity across this country and to level out some of the disparities which have plagued this country literally from its very beginning.

In connection with budget measures specifically, it is a fact, of course, whatever arguments may be put forward, some legitimate and some perhaps not quite so legitimate, that the Minister of Finance was on solid ground when he forecast there would be differences of opinion regarding the effectiveness of the various measures he introduced. Other speakers in all parts of the House will, I am sure, be commenting on these particular issues, but I should like to point out to the House that there are certain elements within the budget that, in fact, can be forecast with precision and accuracy. The first of these is that, given the concurrence of this House, and I have not the slightest doubt that this will be granted, as of the beginning of April our old age citizens will have a basic pension increase to $100 a month each and considerably more than that if in fact they are entitled to part or all of the guaranteed income supplement.

The second point is, of course, that there will be a very large number of Canadians, particularly in the lower earnings bracket, who will gain substantial tax relief from these measures. Here again, it is possible to make this kind of forecast with complete accuracy. The third point is that there will be considerable improvement, and I hope it will be considerable, in respect of the measures taken to reduce the high cost of living.

I mention these three because they have a direct relationship not only to my responsibilities as the Minister of Regional Economic Expansion, but also because I come from the province of Newfoundland where I am well aware of the value of these measures and of how welcome they will be. This, it seems to me, is as much a part of fighting regional economic disparity as are the industrial incentives and economic measures so frequently talked about and referred to—indeed, I regret to say, almost to the exclusion of any thorough examination of other aspects of the regional economic expansion program.

Those of you who come from the Atlantic provinces, and I am sure I would not find any disagreement from either my colleagues from Newfoundland or, indeed, from the Leader of the Opposition (Mr. Stanfield) on this score, will know that we have within the Atlantic provinces, apart altogether from the present problems which are very acute and very severe in terms of unemployment, what I call a significant residue which is a reflection of past industrial inequity. In other words, we have a great many middle-aged to elderly people who are dependent upon these kinds of measures and improvements to them literally for every mouthful that goes into their mouths and, in fact, for the roofs over their heads. Therefore, these significant improvements will, I know, be of more benefit in many respects to people in the areas for which I have a responsibility than in some other areas of the country, even though I am not, of course, discounting the benefits there either.

The second point where it seems there is an improvement, far beyond those improvements resulting from the budget of the Minister of Finance, is in that area where we have succeeded in turning over additional moneys to the provinces through the equalization formula. I have heard it said in this House that these amounts are perhaps not large enough. I suppose if one were talking about this in purely philosophic or abstract terms he would certainly have to agree that, indeed, seven of the 10 provinces will need even more in the way of assistance than the Minister of Finance is providing at the present time. Let me remind the House that over the past few years the degree of grants under the equalization formula has increased sharply from what it was even four or five years ago. Under this heading alone, leaving out the amount that will be provided through this particular budget, equalization in the case of Newfoundland today, and I use it because I am more familiar with the figures for that province, amounted to something in the neighbourhood of $130 million or $140 million, and now will probably be over the $150 million mark.

• (1540)

I mention these figures, in a sense, off the top of my head because there is no time for a detailed description. The figures are certainly in this area. Another interesting point when one asks what the federal government and federal agencies are doing in respect of regional economic expansion is that they are helping certain taxpayers across the country. Perhaps again I might refer to the province of Newfoundland and mention the fact that according to the statistics which are available for the year 1972-73, 52 cents of every dollar expended by the government of Newfoundland directly came in one way or another from federal spending. At the moment I am not arguing whether this is an adequate, inadequate or excessive amount. I might be prepared to argue with my colleague the minister in private that it might be greater, but I think it is significant to point out that it is still a very large expenditure in respect of any province of this country in the kind of program which the Minister of Finance has moved ahead on this particular occasion.

As Minister of Regional Economic Expansion, I recognize that one of the things which in fact has been most easy to identify is the plight of the municipalities in many areas where disparities are greatest at the present time. The municipalities have to assume a larger and larger portion of the burden of increased services and increased demands, so therefore any relief which is to be provided by the federal government to the provinces will we hope—and I am sure this will be the case—reflect on the position of the municipalities. In addition, however, there is also the fact that in several regions of this country, particularly those which by agreement with the various provinces have been designated as special areas, the federal government through the Department of Regional Economic Expansion has been making a significant input into the plant of the municipalities in these special areas. It might be surprising to hon. members to hear that in fact the emphasis—and it is understandable why this is so—has been on the industrial incentives.

The fact is that if one takes the infrastructure support provided directly by DREE in one form or another to the provinces, and couples it with the very important other matters designed to put in place a better social structure for these areas, and takes these two together, in the past year as in the coming year some three-fifths, roughly speaking, of the total budget for regional economic development will in fact be going into assistance to municipalities of various sizes but usually small to medium-sized municipalities where in fact the need and demand is greatest. It will interest hon. members to know that during the four years in which DREE has been in operation—and effectively it has only been three and a half years that the program has had an opportunity to start taking effect—just less than an amount of $1 billion has been provided to the provinces. The majority of this has been in terms of infrastructure support and the like, has been provided by the program I have talked about in the past few minutes.

In other words, we have recognized what has been maintained by a great many people, long before the concept of DREE was created, that is, that there is the necessity, if one is to draw industry to a particular area, to ensure there is the infrastructure support necessary to induce an industry to come into the area and, second, to help through the provision of the basic services necessary to make that industry grow. Therefore, I believe this is one of the more important parts. If one takes, as I say, the budgetary measures and couples them not only with the plans and estimates for the future but the expenditures to date, it can be seen that a very significant contribution has been made in respect of the reduction of regional economic disparities.

Let me go on to say that there are unquestionably major problems in respect of the program of regional economic expansion. We have been trying now for some months, indeed the review preceded my assumption of the particular responsibilities, to determine how we can make this whole program more flexible. Perhaps I will be permitted to go into some of these matters in more detail when I appear before the Committee later in the current month or in the month of March. However, I want to re-emphasize this point, because it has been suggested on one or two occasions in this House that perhaps we have not been recognizing the necessity for infrastructure support. I do not like that word, but I am sure hon. members know I am referring to such things as water and sewage systems, aid to land assembly, the building of schools and various other public facilities.

There is another way in which the budget is very significant in terms of what effect it will have in relieving regional inequalities in this country. I refer to the tax measures which the Minister of Finance mentioned on Monday night. When one looks at the difficulties we face in attempting to induce industry on a fairly significant scale into the so-called disparity parts of Canada, it will be seen that there are a number of problems one encounters which are clearly visible but which are very difficult to eliminate and which, in fact, have been with us in one way or another for years. I am sure the Leader of the Opposition in a completely non-partisan sense will probably recognize what I am speaking of because of the innovative steps taken by his government in Nova Scotia in terms of the Industrial Estates and various other agencies of this kind which have been copied in one way or another in other parts of Canada.

Mr. Paproski: Not only in other parts of Canada, but right here in Ottawa.

Mr. Jamieson: In the short time I have, Mr. Speaker, let me give you what are in my view some of the problems with which we must cope and which I hope we can resolve. The first is in respect of the degree of entrepreneurial skills, talent and initiative which exists in a particular region of this country. If one looks at the disbursements which have been made under the incentives program it becomes perfectly obvious that one of the difficulties we face in many areas, even where we are not only willing but anxious to make expenditures in terms of attracting industry, is in respect of the very small number, relatively speaking, of applicants who come forward seeking this kind of aid. I think there are very good reasons for this. Some of them have to do with the fact that in the case of some small industry there might not be the capability in terms of talent, staff and the like to do the necessary projections, studies of potential markets and the whole range of things which are necessary before one can put a new industry in place.

Another significant point stands out very clearly when one looks at the incentives which have been provided. By and large, the DREE program has been most successful where it has had some direct application in respect of the upgrading of resource-based industry; in other words, where there has been a reasonably solid base such as in the fishing industry. It has been possible there—and there has not been a significant lack of initiative on the part of entrepreneurs—to put in additional funds to undertake expansion. However, the further one becomes removed from the resource-based industry the more one seems to attract what are sometimes described as footloose industries, that is those which can locate in one place in Canada as well as another, and it becomes apparent that the entrepreneurialship is one of the things which is badly needed in many parts of the country.

• (1550)

The next point—and here I return to my observation of a few moments ago about the assistance in the budget—is to try to determine what degree of assistance is necessary in order to change an entrepreneur's or a company's mind about a proposed location in favour of one where it is desirable to build up an industrial enterprise. This is again a very difficult question. I mentioned a few moments ago that we do have various agencies, somewhat comparable to those established in Nova Scotia but located across the country and also located in the "have" provinces as well as the "have-nots", which are also in the business of offering incentives and inducements of one kind or another in order to keep industry active in their regions and to expand. I would naturally assume that each province, whether or not it be more affluent than some of the others, will still want to get a large industrial base.

So, therefore, one of the things that becomes apparent is that this competitive situation which exists, not only between the larger and the smaller provinces but between the smaller provinces themselves, is in many respects detrimental to the whole attempt at getting some form of regional economic expansion. I believe that it will be and is possible to pit, as it were, the more affluent provinces against the "have-not" provinces in this regard and to do a good deal of shifting, even within the depressed regions of affluent provinces. But one of the real dangers we have discovered, and it is perhaps one of the failings of our federal-provincial system, is that two or three "have-not" provinces compete amongst themselves, and the only winner in that kind of situation is the entrepreneur or the promoter. So one of the things which is important, and what we are seeking to do, is to try to bring some rationality to the industrial development efforts of the provinces, so that far from imposing our will on them we will nevertheless be able to arrive at some cohesive policy so that the poor regions will not be played off, as it were, against each other in this search for industrial expansion.

A third point which it is important to examine in detail in asking how the incentives program can be improved is to improve what I describe, for want of a better term, as the industrial intelligence that is available either to the industrial provinces or to other regions of this country. For a very long time, and certainly it goes back in my own memory to the earliest days of Newfoundland's entry into the Canadian union, there has been a tendency to play it by ear when it came to industrial development, to look to anyone who came forward with a proposal and to say: if you are willing to come in, certain assistance will be granted to you. But there has not been either a strategy or the degree of thorough examination necessary to determine whether that kind of industry will be able to survive in the particular milieu or area in which it is being located. Therefore, I see a need across the country for a very thorough job, particularly, for instance, within the Atlantic region and the western parts of the country, for this form of industrial intelligence.

I want to emphasize that what I have said is in no sense meant to convey any criticism of what some industrial organizations within the provinces are doing at present. Their efforts are very commendable and they have had indeed a good deal of success in one way or another in terms of attracting industry and in terms of getting additional jobs. But there is the necessity for some form of over-view to eliminate, if nothing else, this intense, one would almost describe it as exaggerated, competition that can sometimes develop between provinces. Therefore, there is in the programs that I am seeking now to develop in a comprehensive way an attempt on our part to discuss with the provinces how we can be more helpful to them in establishing this form of industrial intelligence.

Another difficulty in terms of regional development of industry is the growing tendency typified best of all perhaps by southwestern Ontario, but also by a few other regions of the country, for what I described in a speech in western Canada in December as industrial incest. In other words, the whole industrial development tends to become more and more interdependent throughout the country. Therefore, one has a situation in which, if you have a great deal of industry, there are many strong reasons why another one will attach itself to that particular complex, and the process grows. Of course, I should say in parenthesis that the transportation problem is basic to all of us and that any re-examination of the regional economic expansion policy cannot be undertaken effectively unless it also examines the transportation question.

But even more important than transportation, in the sense that I have been outlining it, is this tendency for industries to group together. Therefore, it is my judgment, and we hope to work in this direction, that we would get agreement with the provinces. This is in partial answer to a question asked a few days ago by the Leader of the Opposition. We would get, in co-operation with the provinces, the capacity to seek out those people who have a communality of interest in terms of a variety of related industries, so that instead of simply seeking to put a particular plant in a particular location we would do a thorough analysis in that region of what, to use the vernacular of the trade, now are referred to as spin-offs or value added, or whatever the case might be. In New Brunswick we are experimenting with such an approach with a good deal of success at present.

One of the things that is clearly necessary in the Atlantic provinces, for instance, is a complete metal working complex, not simply one factory making one part of a metal working complex but a total complex. So the Multiplex Corporation was established with that idea in mind. It will be very important in terms of a large section of this country that we have not merely the industrial incentives to which I have referred earlier but as well the maximum number of concessions of one type or another, be they depreciation, lower tax rates, or whatever they happen to be, because when one puts all of these things together, they are really the selling tools that we will have in order to induce industries to enter into these regions. I am satisfied for my own part that if we are to get away from the resource based industries in the regions of the country that are not in the centre—which is perhaps the best way to describe it—if we are going to get into manufacturing and processing, which I believe we have to do whether we are talking about agricultural products or fishery products, then it can only be done on the basis or in some variation of the routine that I have outlined.

It has been said, and I freely admit, that the incentives program needs re-examination and needs to be updated. I do not make any apologies for the past performance because I think that when we are before the committee it will be possible to illustrate that it has performed reasonably well, but I think it can perform better. There are questions which hon. members in all parts of this House will want to ask, and, incidentally, I would like to get from them advice on some of these things. For instance, it has been suggested that incentives should be paid earlier on in terms of the start of a new project. In its wisdom this House decided, when the DREE legislation was established, that the enterprise has to be 80 per cent in place in terms of its capital assets before it is entitled to a single cent from DREE. Furthermore, the enterprise must be in commercial production for a period of 30 days.

The reasons for having put these provisos in place are obvious, of course. They were designed to ensure that moneys would not be given out before the assets were in place or before there was pretty clear evidence that the project was going to go ahead. In other words, we were not speculating with the taxpayers money. There are those who say that perhaps this kind of policy should be changed, that in point of fact what is really needed is bridge financing, that we should be prepared to commit earlier and to put dollars in before the project gets to the point that I have outlined. I have some reservations on this score, but nevertheless it is something that is open to question. It may be that we can find a better formula that would help the small businessman in particular who may have difficulty in getting the bridge financing, even on the basis of an offer of assistance from the Department of Regional Economic Expansion.

• (1600)

The second way in which the program has to be improved is by decentralizing the decision-making processes. All of us are aware—

Mr. Woolliams: Are you getting ready for the next leadership convention?

Mr. Jamieson: Mr. Speaker, the last time I rose in the House to speak I had an awful lot of fun with members opposite and they criticized me for not talking about the policies of my department. I think I am restraining myself admirably today.

On the matter of decentralizing, Mr. Speaker, one of the things I feel is important is that we should not think about decentralization in the conventional sense. In other words, when one normally talks about the decentralization of a department or agency one thinks about putting a headquarters in Halifax or Moncton and saying that we are now decentralized in terms of the Atlantic provinces, or putting a headquarters in Edmonton or Winnipeg, and saying we are now decentralized in terms of the prairie provinces or western provinces. What I am looking for is a decentralizing mechanism that will not simply re-centralize in another part of the country, but which will ensure that there will be trained, responsible people with authority to make the decisions, in the field, so that in particular the smaller entrepreneurs will be able to get assistance and to get it more quickly.

But once again I have to remind hon. members that one of the great concerns expressed in this House when DREE was established was that there be a solid and assured guarantee that public moneys were not being expended on projects which were, at the very best, of dubious value. As a result there has been a natural, understandable and defensible tendency to try to be careful, to centralize, and to take too long in many respects in the making of decisions. So, Mr. Speaker, I am now in the process of trying to find, in consultation with the provinces, just what is the best method by which we can resolve this particular problem.

One of the other difficulties which we can go into at committee stage, with regard to levels of expenditure on incentives, is that there is still not a sufficiently long history behind the program for us to be able to forecast with precision just how many dollars in incentives will actually be spent in a particular year. One of the related difficulties in that regard is, of course, that it is also hard, at any given moment, to assess how many jobs have actually been created, because the lead time may be as much as three years after a grant is offered before an enterprise goes into production. We will need some more experience on the basis of the past three years' records, before we are able to give the House and the public the clearer figures to which they are entitled.

There is something else that has bothered me since becoming the Minister of Regional Economic Expansion, and which I am hoping we will be able to correct in some other way. I believe that we ought to have a greater degree of advice from knowledgeable people in the various regions, first of all as to the kinds of enterprises which are most likely to succeed, something I have already alluled to, and second, advice on many of the specific applications for incentive grants that are received. I would propose that we expand the present National Advisory Board on Incentives, which has been of very great value to us, to the point where we have sources on which we can draw in all the regions—businessmen, various other people, labour leaders and the like—so that they too will have the chance to tell us in specific terms whether such and such an enterprise has a chance for success.

Of course one of the difficulties has been that we have to respect the confidentiality of the records of various companies that come to us, but I would hope there can be some way arrived at so that not only the members of this House but these advisory panels and the like can have the opportunity, under some form of confidentiality, to assess just how meaningful has been the contribution we have made, and how effective any new proposals we make are likely to be. I am aware that there are members of this House who dismiss the concept of regional economic expansion out of hand. I am aware that there are those who believe that the natural forces should be put into play, that they should be allowed to take their course, and that this country should in all probability be polarized around ten or twelve centres within the next ten to 20 years.

Indeed, there are those who say that any efforts such as we have undertaken, efforts both of this government and of provincial governments, in an attempt to change the normal demographic trends in this country are really, as we say in the vernacular of the sea, spitting into the wind. I cannot accept that, Mr. Speaker, and I do not believe that the majority of the members of this House accept it. I think there is a great deal more—

Mr. Deputy Speaker: Order. I regret to interrupt the minister, but the 30 minutes allotted to him by the order of the House passed earlier this day have now expired.

Mr. James Gillies (Don Valley): Mr. Speaker, I rise to speak in this debate on the budget which is before the House fully aware of the fact that this budget has probably been awaited by Canadians with more expectation than any budget brought down in the last 15 to 20 years. I am not cynical enough to think that the reason for their impatience for it was simply because of the political implications of the budget, but rather because they, the Canadian people, have a great deal of concern about the way the Canadian economy has been managed in the past four years, and about the way that it is going to be managed during the course of the years ahead.

This concern is easily understood when we recall that we have had an unemployment rate for three or four years of 6½ per cent, when we note that we have inflation at a rate of 5 per cent, and that it seems to be increasing, when we see that we have regional disparities increasing more and more, and despite the expenditure of millions of dollars that they do not seem to be getting less, and when we see that we still have in this rich nation far too many people living in poverty.

The Canadian people are very concerned about these problems. Moreover, they are very concerned not only about these things that are so apparent and easily measured, but they are also concerned because they have a feeling that somehow or other economic policy making in Ottawa is out of touch with the reality of what is happening in the world. Canadians know and have seen that the world is changing dramatically. They know that no longer are we in a period of Kennedy Rounds when there was a great thrust for free trade. They know that we have entered a period in which we may well be moving to more protectionism, and when we do not know what is going to happen as a result of the development of the Common Market.

Canadians are aware that their own country has changed dramatically. They realize that more and more people are living in cities, and that more and more employment has to be found in manufacturing, and in service trades to provide employment for the people in urban areas. They recognize that over the last few years a nationalistic spirit has been developing in this country that wonders why such a high proportion of our resources is controlled by people who are not Canadians and who do not live within the confines of this nation. As a result of all these things throughout the country there is a feeling of concern about what our economic policies are going to be.

People hoped to find out in the budget brought down last Monday night that the government of Canada had entered a new period, a period of new ideas, that the government was really taking our problems seriously, and was willing to bring down measures that would solve them. Did they find that in this budget, Mr. Speaker? The answer is clearly no. This is a budget that could have been written in 1952, that could have been written in 1962, and indeed could have been written in any year since the publication of Lord Keynes work, "The General Theory of Employment, Interest and Money". This is a budget that holds together without a particular thrust, that does not represent or seem to understand the urgency with which Canadians want an attack made on the economic problems they face in the world today.

What is the purpose of this budget? At the start of his budget speech the Minister of Finance (Mr. Turner) said that the budget was designed to lower unemployment, slow down inflation, create faster economic growth, and increase the real standard of living of Canadians. It is the responsibility of the people of Canada and of this House to decide whether or not the budget can succeed in achieving those particular goals. Canadians will only know a number of months after this budget has been adopted, if unfortunately it is adopted, whether or not these goals can be achieved. We, in this House, do not have the luxury of waiting until that time before deciding whether or not we can support this type of budget. For myself, I see little likelihood that the goals espoused by the Minister of Finance in the budget will be reached.

• (1610)

How does the Minister of Finance suggest we solve the present unemployment problem in Canada? The basic assumption of the budget is that we can approach this problem in a global way by increasing the aggregate amount of expenditure in the economy. The minister says he is depending on an increase in export trade, on an increase in capital investment, and on inventory buildup as the basis of the thrust for creating the 300,000 jobs which this budget will attempt to create. He said there will be some increase in consumer demand, but he was not looking to it for the basic thrust of the budget in 1973. Mr. Speaker, can we have confidence in the predictions of the Minister of Finance when he says that 300,000 new jobs will be created? It seems to me to be very difficult to have confidence in that projection. We have no budget papers and nothing has been said in the budget about the way in which forecasts have been made. We are not told what proportion of new jobs will come through increases in manufacturing, what proportion will come through increases in export trade and what proportion will come through increases in investment. We must take on faith the projections of the Department of Finance and I, for one, find it hard to do so, given the fact so many projections have been wrong.

In addition given the fact that the Minister of Finance said only last fall that a cut in personal income tax and an increase in expenditure would bankrupt the nation, and that the Stanfield proposal for the constant dollar was an absolutely unworkable scheme, yet accepted these propositions in the budget further shakes my confidence. In view of this performance by the Minister of Finance, one can have little confidence in his statements.

Some hon. Members: Hear, hear!

Mr. Gillies: Even if there were not such a dismal record in the field of forecasting and performance, can one be sanguine about the budget when one looks at its thrusts and philosophy in the attempt to create 300,000 jobs? Can one realistically expect the people of Canada to accept a budget that says that one of the important ways of increasing employment this year is through an expansion of exports? There may be an expansion of exports from Canada during 1973, but it is far from certain in view of the recent breakdown in the international monetary exchanges and the devaluation of the American dollar on February 12. We know that there may be an increase in protectionism in the United States and in other countries with which we do business. We know that, in our own monetary policies, there are problems connected with our floating exchange rate, and I wonder if we can keep our dollar floating without creating serious inflation. We know that in Canada we have never had really high levels of prosperity since the dollar floated up in value. Under these conditions are we responsible in placing confidence in any budget that says that one of the major thrusts for increasing employment in 1973 will be through an expansion of international trade?

What are the other reasons for expansion? We do not know how large the increase in capital investment will be in 1973 but, according to indications at this time, it will not be extremely large. There is still a degree of uncertainty among businessmen, an uncertainty resulting from the provisions of the tax reform bill, from the suggested Competition Act and from changes in labour relation laws. People in the business community still are not sure where the government is going. Consequently, we cannot positively count on substantially increased business investment to move the economy ahead. Certainly, we have been looking for an inventory buildup for the last two years, and that inventory buildup has yet to occur. But even if it does, it is an enormously cyclical factor. So, if we are to depend on increased international trade, on increased inventory buildup and increased capital expenditure to get this economy moving again after it had been in dead centre for three or four years, it seems to me we are expecting more than we have any right to hope for.

What do the budget figures actually tell us? They say that the government hopes, basically, to stimulate an expansion in consumer expenditure and, to do that, the minister has introduced a cut in personal income taxes, a cut which, I presume, the government introduced with reluctance, because, as recently as last May, the government thought that cutting personal taxes was not a good thing to do. However, even if one counts the cuts in personal income taxes introduced in this budget, the amount of money that will be taken out of the hands of consumers by the personal income tax system in 1973 will be higher, it is estimated, than the amount taken out in 1972 despite the cuts which have taken place.

In addition, the budget expects to introduce more purchasing power into the economy by cutting sales taxes and excise taxes by about $200 million, out of a total of $3.5 billion. So, that is a very modest cut indeed. The net effect of all these cuts in taxes will be that the total revenues of the government will be $1.7 billion higher than they were last year. Of course, expenditures have been increased throughout the same period; expenditures have a way of increasing faster than revenues. Consequently, this year the budget proposes a budgetary deficit.

The really fundamental question one has to ask in considering this budget and its effect on employment in the economy is: is the deficit large enough to really move this country ahead, to produce the sort of employment that Canadians have every reason to expect and to hope for within the economy. I would argue, that it is not. In the first place, the change in the cash base, as the minister likes to point out, between this year and last year is essentially nothing. Last year the cash needs of the government were forecast at $2 billion, and the cash needs for the government in the forthcoming year will still be $2 billion. We were to see 300,000 new jobs last year and we did not get them. Why would one think that there will be 300,000 new jobs this year, without any change?

On a national accounts basis, the deficit is less than it was last year. Yes, the deficit is actually less than it was last year. On a budgetary basis it will be only $975 million. I suggest to you that a deficit of this size has little likelihood of moving the country forward in the way in which it ought to go. Let us see what would happen in this country on the basis of our present tax system if there were high employment. Where would we be? If the country were operating on a basis of high employment, under the expenditure and revenue pattern suggested by the

Minister of Finance in his budget we would have a surplus in tax revenue in this country of approximately $1 billion. Even if we were operating today with an unemployment rate of 5.5 per cent, we would probably still be in a balanced budget condition. Considering the revenue and expenditure pattern that the government has brought forward, how can one ever argue that the economy will move ahead?

As I said many times, I do not like international comparisons, particularly those involving the United States. When United States authorities wanted to bring their unemployment rate down they operated with a deficit of 10 per cent on a national accounts basis and brought the unemployment rate down from over 6 per cent to about 5 per cent in 17 months. On a national accounts basis, the deficit which the American government is running with a 5 per cent unemployment rate is twice as high, proportionately, as the deficit projected by the minister for the forthcoming year. In view of this pattern, there is no reason to expect that a deficit of the size projected in this budget will do anything to move this country ahead in a major way.

How long must Canadians wait before a government takes the sort of action that will put the people of this country back to work? We do not need to have a 6.5 per cent unemployment rate in this country three or four years in a row. We do not need to have young people without jobs. What we need is the will and determination to make the economy work. Only a lack of spirit on the part of government has enabled the situation to continue. In Germany there is virtually no unemployment. In Japan there is full employment. In the United States the unemployment rate is down to 5 per cent. Why cannot we do something about the problem in this country?

I can assure you, Mr. Speaker, that if a Progressive Conservative government had been in power and had been given the responsibility of bringing down a budget, it would have brought down one that would get this country going again. That budget would have been substantially more expansionary than the budget the government is introducing at this time. Within one year and a half our unemployment rate would be down towards 5 per cent, revenues would be up and we would not be operating so far below potential. Just think what you could do with the extra revenue that full employment would generate. If you had an extra $1 billion in tax revenue, you could start to move old age security payments down from age 65. If you had an extra $5 billion or $6 billion in output, which would happen and which is the real value to the country from a full employment operation, just think what you could do with regard to housing, regionally depressed areas and so forth. It is inexcusable that, after three years, the government is not willing to go on a much more expansionary basis than they have at the present time. If the Conservatives had brought down the budget, we would have removed the 11 per cent sales tax on building materials—

• (1620)

Some hon. Members: Hear, hear!

Mr. Gillies: —to lower the high price of housing and construction and to get the stimulation of more employment right away. If we had brought down a budget, we would have removed the sales tax on all types of clothing, not just children's clothing, in order to avoid the bureaucratic problems that will develop in deciding which is which. If we had brought down a budget, we would have had a program—

[Mr. Gillies.]

Mr. Deputy Speaker: Order, please. I regret that I have to interrupt the hon. member, but the time allotted to him by the House order made earlier has expired.

Mr. Stanfield: Mr. Speaker, I rise on a point of order. Under the agreement reached, the hon. member has half an hour.

Mr. Lefebvre: That is correct, Mr. Speaker.

Mr. Deputy Speaker: The Chair is always glad to have advice. It had not been given to the Chair before. I apologize to the hon. member for Don Valley.

Mr. Gillies: As I was saying, Mr. Speaker, if we had brought in the budget, we would have removed the sales tax on building materials, all types of clothing, not just children's clothing, and brought in a program to help the small businessmen of this country. We would have had the tax program that has been put forward by our party, a program that would really stimulate employment because the bulk of employment in this country is still in small business. To have a budget come down that does nothing more than correct the mistakes of the past as far as small business is concerned is quite inexcusable.

If we had done these things, the deficit we would be running on a national accounts basis would be somewhat over two and one half as much as the deficit which the Minister of Finance suggested. I say to the members of this House that this country at long last needs this sort of stimulation to move ahead in an effective and improved fashion. This is the sort of program we would have had if there were a Conservative government in power at the present time.

Some hon. Members: Hear, hear!

Mr. Gillies: The Minister of Finance says that with his budget he may overshoot; it is a budget that may be too strong. I do not know how it can be too strong. There is no way that there is sufficient stimulation in that budget to bring unemployment down to a level of 4.5 per cent, the figure for which we should be aiming. Even his own estimate is that the unemployment rate would be down to 5.5 per cent. I suppose what the minister is saying is that the budget may be too much stimulation in its inflationary impact.

There is no question that inflation is a very important problem in this nation. However, anyone who thinks that inflation in the nation today is coming from excess demand in the economy certainly is misinterpreting the inflationary situation in totality. That is unexcusable. It may well be a sort of interpretation that will rank with the earlier choice of the present government trying to stop inflation in this nation by creating unemployment. The inflation we have in this nation today, and a very serious problem it is, will be with us unless we take serious action to prevent it.

It is an inflation that is caused primarily by cost push, and an inflation that is created by cost push can only be solved by an action that is dedicated and directed toward attacking the particular problems that are causing it. If this party were the government, it would have introduced on budget night a program which would have called for a freeze on wages, prices, dividends and income. We would have an income policy for 90 days so that we could develop in this country a stabilization program that would really get to the heart of the inflation problem of this nation.

Some hon. Members: Hear, hear!

Mr. Gillies: The time has passed when we can ask the Canadian people to pay the cost of a continuing inflationary situation such as we have had for the past year. The time has passed when we can pretend to put our finger in the dyke and solve these problems. The time has come for action on these particular situations. We would have put on a freeze. We would have used the time of the freeze to consult with the provinces, labour leaders, business leaders and consumer groups to work out an economic stabilization program that would achieve controlling the price rises in this nation.

Some hon. Members: Hear, hear!

Mr. Gillies: It would bring down the inflationary rate in this country to close to 3 per cent in a year. This is the sort of thing we need. The Canadian people want action to solve the problems of unemployment and inflation. The budget before us tackles neither of these in a really responsible fashion. There is no chance of this budget solving the problems of unemployment and inflation. There is no way in which responsible members of this House can support this budget given the fact that we have these serious problems in the country today.

Some hon. Members: Hear, hear!

Mr. Gillies: The people of Canada want the problem solved. They know these problems were solved in the United States to a considerable degree. Why does not the government have some imagination and come forward with programs that will really work?

In addition to having an expansionary program of the sort this party proposes, and in addition to a freeze to tackle the problem of inflation, we would have been working on programs to solve some of the other economic problems that face this country. We would have had a task force working now to find out how to use funds in the exchange equalization for investment by Canadians. We would have had a tax program to support Canadian exporters—a program based on performance. We would have resurrected the Porter commission report and done something about regional monetary policies to stir economic activity in this depressed nation.

Some hon. Members: Hear, hear!

Mr. Gillies: By now we would have certainly had a reorganization going into the way in which economic policy decisions are made by this government so that we would not be making policy on forecasts that are wrong in direction.

Some hon. Members: Shame!

Mr. Gillies: The people of Canada deserve much more leadership in economic policy making than is even suggested in this budget. The people of Canada want these problems solved. Any member of this House of Commons who thinks this budget is going to reduce unemployment substantially, who thinks this budget can possibly solve the inflation problem and therefore votes for it is not responsibly serving the needs of the Canadian people at this time.

Some hon. Members: Hear, hear!

• (1630)

Mr. Blais: I was wondering whether the hon. member for Don Valley would permit a question? I am sorry for the delay, but the thunderous applause prevented my getting your attention, Mr. Speaker.

The hon. member has indicated that he espouses a policy of wage and price controls and controls on dividend payments. I should like to ask him when he came to that brillant conclusion was that decision formed when he appeared on the program Encounter on February 8, 1973 at which point he gave such an indication—

Mr. Grafftey: That is not a question, that is a speech.

Mr. Deputy Speaker: The question and the answer would have to be very brief. The hon. member for Don Valley is one of the members of the opposition who has been given 30 minutes for his speech. There was approximately a minute left at the conclusion of his observations and the applause attendant thereon. I think I am bound by the order of the House, since a question by the hon. member would take us past the time allotted to the hon. member for Don Valley.

Mr. Macdonald (Rosedale): He failed to answer the question.

An hon. Member: Don't you think he could?

Mr. Macdonald (Rosedale): The question killed the whole speech.

Mr. Gillies: I have the answer right here.

Mr. Macdonald (Rosedale): He ran away!

Mr. Alexander: You all look sick over there.

Mr. Deputy Speaker: May we have order. The Chair has recognized the hon. member for Sherbrooke.

[*Translation*]

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, I am very pleased to speak at the beginning of the budget debate.

I would like to take this opportunity to discuss two subjects which are important both for the constituency I have the honour to represent and for Canada as a whole.

[*English*]

Before dealing with these two important questions, may I say it is a very happy coincidence that I should be one of the first backbenchers on the government side to speak on the budget. I was offered this opportunity, probably, because the first minister of finance of this country was the Hon. Sir Alexander Galt, the member for Sherbrooke in Sir John A. Macdonald's first cabinet.

The county which I represent has been represented by many other distinguished members who have served Sherbrooke and Canada with high distinction. I might mention, for example, the Hon. William Ives, Charles Howard and Maurice Gingues in this connection.

[*Translation*]

Sherbrooke, often rightly called the Queen city of the Eastern Townships, is the fourth most important city in the province of Québec. I am very happy, Mr. Speaker, to be able to draw the attention of the government and this House on the economic situation in Sherbrooke and the Eastern Townships during the debate on the budget, a budget which will allow the government to materialize its intentions.

Mr. Speaker, the two questions I chose to deal with are part of the two major objectives stated in the Speech from the Throne and that the government intends to pursue in the coming years in both the social and economic fields.

I will deal first of all with the economic situation in Sherbrooke and the Eastern Townships and, after that, with amateur sport in Canada.

In order to reach the economic objectives stated, the government of Canada has launched a two-part program. As indicated in the Speech from the Throne, the first part consists of measures to provide more jobs immediately by strenghtening and broadening existing programs. As an example, one can quote a substantial seasonal capital works project to be undertaken in co-operation with municipalities and provinces.

In the second part, the government intends to take measures that will add to the fundamental strenght of the economy and can be expected to have effect with a minimum of delay and, again, one can quote as an example the Speech from the Throne where it is said that the government intends to bring in renewed measures to reduce deeply-entrenched regional economic disparities and the Department of Regional Economic Expansion will be decentralized to allow a better identification of opportunities for regional development.

Among the measures which we could single out in that second part, there is one which seems to me to be important and that is the one dealing with already existing programs to encourage research and development in order to increase their efficiency by encouraging innovation in the private sector of the economy, a two-fold important step in a riding which has two universities—one English-speaking and one French-speaking—two community colleges, one French and the other one English, and several other educational institutions.

As to economic growth, and industrial progress in particular, we are well aware of the fact that the Canadian government in agreement with provinces makes a great contribution to the economic growth, because it has many controls which enables it to encourage investment.

[Mr. Pelletier (Sherbrooke).]

If we consider a map of the province of Quebec, Mr. Speaker, we see that the Eastern Townships region is perhaps one of the only regions in Quebec which has not benefited, during the past few years, from significant government assistance. It now ranks among the slower growth regions in this country.

It has to be emphasized that the federal government, under the designated area assistance program, invested several millions of dollars in this region. As regards industrial structures, however, we must admit that the main reason why we are lagging behind in terms of economy is that the amounts granted were far from being sufficient to create a substantial impact.

Considering data related to employment in the manufacturing sector, we see that Sherbrooke is in a position much worse than many other regions throughout Canada and increased government assistance would be very useful and have pretty good results.

Between 1965 and 1972, employment in the manufacturing sector in Quebec has risen by 7.4 per cent while it dropped by 10.8 per cent in Sherbrooke. Therefore, if the manufacturing sector is important, our region is becoming a marginal area and we can prove, in the light of available information, that the city of Sherbrooke can in no way expect to have an economic recovery without substantial grants from the federal government.

For several years, the Eastern Townships have been studied from a social, economic, cultural, industrial point of view.

In the recently published white paper on socio-economic conditions in the Eastern Townships, we find the main reasons why the Eastern Townships are behind on an economic level, in comparison with other areas of the country. It must be pointed out that the industrial structures are one of the reasons for that economic slump.

We all know that the textile industry as well as the pulp and paper industry have always been and are still among the most important of the district. Now, we know that though both industries have experienced a certain stability in recent years, it must be admitted thanks to the intervention of the federal government, they have not increased the number of jobs and it is easy to understand why there is at the present time a surplus of manpower in that area.

We see anomalies such as, for instance, where the average annual salary paid in the clothing industry of the area is $2,122 lower than the national average, which is $5,492.

This, I respectfully suggest, shows to what extent these traditional industries have paid such low wages in our area.

It is true that the Sherbrooke area has developed an important tertiary sector, but unfortunately the secondary sector has progressed so slowly in recent years that there has been practically no economic progress.

It is obvious that in order to restart the economy, there will have to be some quick and important government action.

The present Minister of Finance (Mr. Turner) said not so long ago that the tertiary sector cannot develop if the secondary sector is not in good shape.

Regional expansion programs should be timed in keeping with the national economic situation. The federal government has, on one hand, situation programs for the purpose of coping with cyclic variations and on the other hand, national expansion programs to change economic structures of a region at a given time and at long term.

As a result of delayed application of structural programs in many cases (regional development), the government now lacks significant possibilities for making public investments more profitable; businessmen are well aware that there is a strategic timing for investments, which is often determined by the situation.

I therefore believe that we should take these two important factors into consideration for our investments in industrial infrastructures, on the one hand the economic situation of the country as a whole and on the other the situation proper to a specific region at a specific time.

Nationally, 1973 should be a good year for private investments and consequently a good year to support efforts for economic expansion in the Eastern Townships.

It could be useless to think of investing industrial development funds in Sherbrooke without knowing whether or not there will be private investments, which as I have said, depend on the national overall sitation. Just as it could be useless to invest capital in places that are not prepared for them.

Ideal conditions exist in Sherbrooke at the present time, and there is urgent need for action, as a result of the national situation as well as the sad state of the regional economy and the rational requests expressed by the people of the Eastern Townships in the last few years.

Sherbrooke is the capital of the Eastern Townships; the riding encompasses an area which has seen an almost unique migratory movement in Canada. One can say that the Eastern Townships encompass eight ridings, of which seven are rural and one urban. The seven rural ridings are now losing their population to the urban riding of Sherbrooke. In addition, as a result of the stratification of ages, we must welcome a high percentage of young people who flood the labour market.

• (1640)

In 1972 alone, those two factors put together led to an increase in the number of employees in Sherbrooke from 49,244 in January 1972 to 59,100 in 1973. This increase therefore exceeds 20 per cent. Thus 7,449 jobs were created last year to employ this manpower, but as we can easily notice it was not sufficient and in January 1973 the unemployment rate in Sherbrooke was between 11.6 and 11.8 per cent.

Two firms among the most important in the region are now threatening to close down sometime during the year. The university hospital, otherwise recognized throughout Canada, would dismiss about 200 persons and nothing serious is provided as a replacement.

However, there is hope since three firms that would create about 400 jobs would come to Sherbrooke if they were attributed 45 acres of serviced land in a regional industrial park—which indeed has been seriously considered for several years—whose plans are now available.

Other industries have expressed their intention to settle eventually in an industrial park in Sherbrooke. This industrial park was recommended in a $250,000 research report sponsored by the federal government in the riding of Sherbrooke. Without help, the city of Sherbrooke can absolutely not equip the industrial park or even provide 10 per cent of the $5 million needed for this project.

The rationalization works necessary to implement the project have come to an end; we have furthermore received a recommendation from the Quebec Planning and Development Bureau that would like to finance it through the special areas programs.

Mr. Speaker, there are also enormous touristic possibilities in the region that numerous studies made in recent years have always properly stressed. We have there unlimited riches if we know how to exploit them rationally. The intentions of the government, through the Department of Industry, Trade and Commerce, to stimulate this industry in Canada give new hopes to our region.

The situation which I just described raises, on the social point of view, a number of real difficulties which soon will have to be considered.

The white paper published by the Quebec Planning and Development Bureau stated that 20 to 25 per cent of the Eastern Townships population are now living in poverty. In other words, 50,000 people in this region are living below what is considered to be the subsistence level.

As I said earlier, the current unemployment rate has reached alarming proportions since it amounts to 11.6 or 11.8 per cent of labour, and over 40 per cent of the jobless are under 25.

From the annual report just published by the Department of Regional Economic Expansion, it is obvious that great progress has been achieved through the programs implemented by this department in the 23 "special areas" throughout the country.

In the recently published annual report of the Department of Regional Economic Expansion, one can read:

> There are important signs that progress has been made in the effort to strengthen the economies of the slow-growth regions of Canada. A number of key indicators in these regions have begun to move in an encouraging direction,

And further on, the report reads:

> The experience of the past three years has made it clear that any effective regional development policy must contain certain key elements. It is clear, for example, that regional development policies and programs require close and continuing intergovernmental co-operation. Such co-operation is essential if confusion and conflict are to be avoided.

And the conclusion is as follows:

> One other important fact is clear. Regional development cannot be simply an effort to make all regions similar in their growth. There are important differences in the aspirations of people who live in various regions of Canada. Any effective regional development policy must not only take these into consideration, but also recognize that the quality of life desired by the people of the region can be—

—different.

> The development approach taken in each region must recognize this key fact and build upon it.

These, I submit, are clear and specific examples of the type of intervention to which the federal government has

resorted for the past few years and which have been successful. We have enthusiastically welcomed in the Speech from the Throne those proposals which are intended to reduce unemployment, check inflation and strengthen the economy.

Through our adoption of the present budget, we shall be able to carry out in many parts of the country projects on which the people have been consulted but which must also, from an economic point of view, be undertaken in the nearest future. This, I suggest, is the economic situation in the constituency which I have the honour to represent.

A joint intervention by the government of the province of Quebec and the federal government has become urgent. Whatever the government mechanisms used to correct the economy of this area, it is imperative that this be done as soon as possible.

[*English*]

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him by the House order passed earlier today has expired.

[*Translation*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, at the outset of my remarks, I would like to congratulate my neighbour from Sherbrooke. I think his maiden speech in the House was in French and I would like to take this opportunity to offer my sincere congratulations to him. Even though his opponent during the last elections was a great friend of mine, I take this opportunity to wish him the best of success in his political career.

Mr. Speaker, at the present time, as well as during the last election, the most important problems for all Canadians are unemployment, inflation and regional expansion.

Our problems remain the same as they were at the time of the last election and they are the result of bad administration of the Canadian economy, whereas adequate policies which were proposed to everybody by our leader and our party should solve those problems.

• (1650)

[*English*]

I can only repeat most emphatically what has already been said. In my view the present debate is an important one because the questions that were important at the time of the election, notably those of unemployment, inflation and regional disparity, are the very questions of concern to the Canadian people at the present time. The same question that was concerning the Canadian people at the time of the election more than anything else, namely the maladministration of the Canadian economy by the present government, is of equal concern today. That is why the budget debate is of such importance not only to the members of this House but to all Canadians.

I would be the first to admit, along with many of my colleagues on this side of the House, that in the short term there are obviously many attractive items in this budget. They are attractive and desirable politically, economically and otherwise—

An hon. Member: Wait for the "but".

[Mr. Pelletier (Sherbrooke).]

Mr. Grafftey: Yes, there will be plenty of "buts". Members on this side of the House who have preceded me noted time and time again that there is nothing in this budget to alleviate, in the long run, basic problems of unemployment, the cost of living and regional disparity.

As I listened to the minister responsible for DREE a few minutes ago I could not help but feel his whole speech was nothing more nor less than an indication of why DREE has not worked. I repeat, as most members on this side of the House said before me, there is nothing in this budget in the long term that will alleviate unemployment, the cost of living and regional disparity. One might ask why. It is because the budget, in itself, is not expansionary enough to begin to correct any of these conditions.

There are other questions I should like to ask, Mr. Speaker. Where in this budget are the incentives to Canadians to invest in the Canadian economy? If we are really interested in creating a viable economy in this country, which in turn will create more good jobs and I mean good jobs for Canadians, we must do something about developing secondary industry. Surely, one of the first and basic things we do through a budget is to create an atmosphere which will encourage Canadians to invest in Canadian industry and in the Canadian economy. I ask the minister, as people will ask from coast to coast, not just those in this House, where are these tax incentives? This question will be repeated time and time again because there are no long-term solutions in this budget to the basic, economic questions facing the Canadian people.

An hon. Member: It is a cosmetic job.

Mr. Grafftey: If there are no long-term solutions in the budget it is because, as was said by the speaker who preceded me, there are no long-term forecasting procedures in the Department of Finance. We have seen time and time again over the last few years that the United States has outperformed us in areas of regional disparity, inflation and unemployment. I suggest it is because the United States has exercised, not necessarily with bureaucratic control but with leadership, certain percentage guidelines in these areas of inflation and unemployment. Where is the leadership in respect of guidelines shown by this Minister of Finance and this government? I suggest they do not have any and that we will drift along in the same old unimaginative way. There are no long-term forecasts and no guidelines, and we compare very badly with what we see going on in the United States.

Let me remind this House of one of the things that struck me most forcibly, and this is an important consideration. While I have noted, as have other hon. members, that certain transfers are to be made to the provinces, basically speaking this budget does not realize that very often the action is at the provincial and municipal levels. This budget does not recognize the responsibility of the provinces. It is my contention that because of the lack of realization of provincial responsibility we are really not going to achieve any tax cut, because provinces will be forced, much sooner than later, to up provincial taxes. This government does not recognize the duty and responsibility of our colleagues and confreres at the provincial level. I want to stress the importance to hon. members of the House and the Canadian people of watching how this

budget, directly or indirectly, will force provincial Prime Ministers and Premiers to increase taxes. This will result in virtually no tax cut for the Canadian people at the end of the year.

Without getting too specific in this budget debate, although sometimes we can argue from a specific to the general by taking examples, I should like to touch upon three problems in my area which are national problems that faced this country during the last election. Very often politicians at the local or constituency level are accused of being narrow or parochial when they discuss what they think are problems of their constituency, but soon find out after coming to Ottawa that they are problems facing and harassing the constituencies of Members of Parliament from coast to coast.

I want to refer to designated areas, health care services and unemployment insurance. It was some time ago that Mr. C. D. Howe said "what's a million", and during the intervening time the government has wasted millions in faulty handling of an aircraft carrier and other things. I am talking about something much worse than that. In a short 15-minute budget speech I do not have the time or the right to document this waste with the Clerk of the House, but I categorically claim that in these three areas which affect not only my constituency but the whole nation, that is designated areas, health care services and unemployment insurance, because of the gross mismanagement of this incompetent and tired administration we are wasting annually over $4 billion in tax money.

Let me first of all refer to the unemployment insurance issue.

Some hon. Members: Oh, oh!

Mr. Grafftey: You can sit over there and make fun of these things, but I am talking about some pretty serious matters.

An hon. Member: Mal de tête.

Mr. Grafftey: I do not think I need comment on that sort of remark in this House, Mr. Speaker.

• (1700)

While we can talk about the run on the unemployment insurance fund and the maladministration of this fund, I simply talk about the main issue, as did the Minister of Labour (Mr. Munro), unemployment. However, there are some other things which must be brought to the attention of this House. There was a day about ten years ago when there were unemployment insurance commission offices well placed throughout this country. But to satisfy the bureaucrats much more than to satisfy the will of the people, many of these offices were shut down in the name of efficiency, decentralization or centralization if you like. The fact is that in many constituencies across Canada such as mine—constituencies containing towns with a population of 15,000 people—there is not one UIC office. However, in the present, as in the past, if one in order to qualify for unemployment insurance must be available for work how in the world, if there are manpower offices in the rural areas and UIC offices only in the large cities, can the fund be policed.

In the province of Quebec and in many provinces of Canada, one has a long and painful wait in respect of unemployment insurance benefits because of the terrible administration by this government and by its inhuman administration. An hon. member laughs, but I suggest to him that the same situation exists in his area. People must wait for weeks and weeks to receive their cheques. Some of them have to go on welfare just because this government cannot administer the fund properly. I am concerned about the day-to-day administration of government services. People in my riding ask, if a government cannot get cheques to people who are out of work through no fault of their own, can it administer and govern in respect of other things in Canada. We might say the same thing about the mail services. It is my view that a $1 billion overrun in the UIC fund is an example of poor administration especially when it involves the shutting down of UIC offices.

It might be more difficult to expose les grandes lignes de ma pensée in a short 15-minute speech before this House this afternoon, let alone the next two items in respect of the $3 billion annual waste in the health and medicare field and in the field of designated areas. What is the background to this sort of thing? We were told in the Mackenzie King era that the members of the NDP were nothing more than Liberals in a hurry.

An hon. Member: What era was that?

Mr. Grafftey: It could have been in the St. Laurent era or in both eras. We were told in the 1930's in respect of the new deal, and later in respect of the fair deal, that the best way to solve social and economic problems was to have a massive infusion of funds and that things would more or less look after themselves. But that approach does not go far enough. Very often it results in wastage. When you have waste in one program, often needed funds for other programs are denied. Now, what do we have? We have an alliance—I do not care what anybody calls it, whether a coalition or an arrangement, I call it an alliance—between the NDP and the Liberals with an obvious result. What will the result be? In the area of health care services and in the field of designated areas—

Mr. Deputy Speaker: Order. I regret very much to interrupt the hon. member but the time allotted to him by the House order passed earlier today has expired.

Mr. Paddy Neale (Vancouver East): Mr. Speaker, in view of the fact that I have been limited to 15 minutes, it is not my intention to take the time of this House with pious platitudes about this budget. Suffice to say that it is with considerable reluctance that I offer my support to it. My reluctance stems from the fact that while there is something in it for everyone, there is simply not enough of anything. In my opinion the minister, by his own admission in his budget speech, could have doubled most of the goodies without running short of funds.

The minister has said a number of times that his budget is aimed at creating jobs in Canada and he is talking about 300,000 new workers in the next year. As I understand it, there are some 260,000 jobs created per year in Canada by the natural demand of the market place, so really what he is talking about is some 40,000 additional

jobs being created in the next year over and above the normal level. This is simply not good enough, and if this government is truly interested in knocking unemployment below 5 per cent or 5½ per cent in the near future, it must look at some other avenues.

Mr. Speaker, I would like to spend the rest of my time introducing a few suggestions which, in my opinion, would go a long way towards creating employment in this country. First, I would like to suggest that the government take a serious look at recreating a Canadian merchant navy. The ocean-going dry cargo merchant fleet has now been reduced to the lowest possible point barring complete extinction—one solitary ship, if we still have that ship. This does not include the shipping on the Great Lakes. In the past a Canadian merchant marine handled significant portions of our overseas trade. A report of the Canadian Maritime Commission shows that in 1947, 20.2 per cent of the total dry cargo Canadian trade—excluding trade of the United States—was carried in ships of Canadian registry. By 1953, this percentage had dropped to 4.3 per cent. The latest figures that I have seen show the absolutely ridiculous figure of .2 per cent. Meanwhile, ships of foreign registry have captured significant portions of our trade, including ships of German, Greek and Norwegian registry plus the fantastic number of runaway flag ships.

It is incongruous that the Liberal Minister of Veterans Affairs, the Hon. Ian MacKenzie said at the end of the World War II:

> We are not going to repeat past mistakes. It is the determined policy of the present government that Canada is in the shipbuilding business for good. The navy and merchant marine that you made are going to be maintained and expanded. The ships you built will carry Canada's trade to the ends of the world, creating employment and opportunity for Canadian workers.

Here is a statement by a responsible government official that failure to build a merchant marine in the past was a mistake. It is also stated that we are to be in the shipbuilding business for good, and that the merchant marine is to be maintained and expanded. Employment and opportunity for Canadian workers are pledged by the solemn word of one of the highest government officials. What was said 24 years ago is still very true, even more so. The discrepancy between promise and actuality can not longer be tolerated. What is the state of affairs with regard to other shipping using Canadian ports to move Canadian goods? Here, Mr. Speaker, are a few glaring examples.

No one example better illustrates the situation than the case of the Canadian Pacific Railway. Having grown enormously rich over the years at the expense of our natural resources, this international company is now busily engaged in swelling its corporate treasury to the detriment of the vast majority of the Canadian people. How does this work in the case of ships? In the late 1960's, the CPR set up a dummy tax haven, a 100 per cent controlled subsidiary, called CPR Bermuda Limited. Why did the CPR go to this trouble? The answer is simple. There was a lot of dough in it for them, since in Bermuda the maximum annual corporation tax is a paltry $560. In order to take the maximum advantage of this fact and to demonstrate their dollar patriotism, CPR Bermuda Limited constructed in the past five years a merchant fleet of 871,000 dead weight tonnage and has on order an additional 360,000 dead weight tonnage.

• (1710)

Here are the details of this "CPR Bermuda Merchant Marine": *Lord Mt. Stephen,* a 71,000 dead weight tonnage tanker, on charter to Shell Oil and British Petroleum; *Lord Strathcona,* a 71,000 dead weight tonnage tanker, on charter to Shell Oil and British Petroleum; *R.B. Angus,* a 13,122 dead weight tonnage bulk carrier, to take lead concentrates and lumber to Japan; *Pacific Logger,* a 16,000 dead weight tonnage log and lumber carrier, on long term contract for service between the Pacific coast and Japan; *T. Akasaka,* a 58,000 dead weight tonnage bulk carrier, to carry ores and particularly coal from Australia to Japan; *W.C. Van Horne,* a 58,000 dead weight tonnage bulk carrier, to carry coal to Japan; *Port Hawkesbury,* a 250,000 dead weight tonnage supertanker, on long term charter to Gulf Oil Limited; and *T.G. Shaughnessy,* a 250,000 dead weight tonnage supertanker. None of these ships were built in Canada. Not one flies the Canadian flag. None employs Canadian sailors. Most carry Canadian raw materials for the benefit of foreign manufacturing industries, and the profits from all this activity are tax free in Canada.

The largest forest products complex in the world, namely MacMillan, Bloedel and Powell River, has followed a similar practice in a smaller way in the province of British Columbia. This company has had three large ships built in Japan using subsidies and write-offs, so that the cost to the company is minimal. The ships have been named after the chief executives of the company, for example, the *H.R. MacMillan,* named after the past president, the *J.V. Clyne,* also named after a past president, and the *N.R. Crump.* I hope I do not have to explain who he is. These ships are all registered in Bermuda and the company pays minimal taxes to that country, some $560 per year according to my information. I am also reliably informed that there are no Canadians hired on any of these ships and that, in fact, all the crews are of foreign extraction, paying their taxes to a foreign country and spending their wages outside of Canada. This, to my mind, is despicable and a disgrace and these companies have the gall to fly Canadian flags from the poles on top of their office buildings.

It seems to me that I recall statements made by the Prime Minister (Mr. Trudeau) in the last election to the effect that he would seriously consider a Canadian merchant marine if there was no need to subsidize it. You know, Mr. Speaker, some people in this country have a funny idea of priorities. It is proper to subsidize, through the DREE program, large multinational companies which do not need the subsidies, but it is not proper for the Canadian government to build a merchant navy owned by the Canadian people if subsidies are necessary. I should like to point out that to my knowledge every country in the world which has a merchant navy subsidizes it, including even landlocked countries such as little Switzerland.

I propose to this government that it build a federal government sponsored and financed Canadian merchant marine, built in new, technologically advanced shipbuilding complexes on both coasts. Such a national investment would mean thousands of jobs for our skilled shipyard

workers and thousands more in other industries; the development of modern technology in heavy industry such as steel, the electrical industry, machinery, and the industrial use of computers; control of the disposition of our foreign trade, which is 25 per cent of our gross national product. Canada would then be in a position to become the vital link in an Asian-European land bridge. It would also mean the development of Canadian raw materials, such as coal, iron ore and copper in Canada, and the extension of secondary industry. It would mean the end of the huge drain in our international balance of payments, which totals $313 million in the 1965-67 period, because of our deficit in the ocean shipping account. It would mean permanent tax revenues, business for ship suppliers and merchants, and much less unemployment insurance expense. It would also mean increased personal income and corporation taxes in Canada. Truly, we cannot afford not to have our own merchant marine.

Now, I would like to raise the problems created by the lifting of the ceiling on interest rates in this country and the fantastic interest rates that finance companies are allowed to charge, a rate of 2 per cent per month on the unpaid balance. In round figures, the Canadian people owe $15 billion in consumer debt—this does not include mortgages on houses—upon which they are paying an average rate of 16 per cent, mostly to foreign owned finance companies which pay very low income taxes to the federal coffers. This means that the working people and the poor are losing $1 billion per year from their purchasing power, most of which is leaving this country in profits and dividends.

I specifically mention the working people and the poor because, in the main, they are the ones who have to buy on credit. The businessman, most of the time, has the cash to purchase consumer goods. He also has a wholesale card in his pocket and saves from 30 per cent to 50 per cent when buying from the wholesaler, and usually saves the sales tax. So once again, the workers and the poor are being ripped-off with the tacit acquiescence of this government. I would strongly urge that the government seriously consider rolling back interest rates to those charged by credit unions in this country.

There is another way that employment can be created and pollution controlled at the same time. I would like to give one small example. Those hon. members from the west coast know that there is a great fear that the Fraser River is on the way to total pollution, created, in the main, from the dumping of raw or primary treated sewage by the many cities and communities lining its banks. Some eight or nine years ago I wrote to the department of the interior of the United States for a report on the pollution and clean-up of the Willamette River in the state of Oregon. I learned that the river is less than one quarter the size of the Fraser and it cost some $400 million to reclaim it. You can imagine how much it will cost the taxpayers if we are stupid enough to allow it and the Strait of Georgia to become polluted. The cost will run to billions of dollars.

The latest figures I have seen on the cost of building secondary treatment plants on the Fraser River is $88 million, and sadly everyone says that that money cannot be raised. I suggest to the government that some of the corporate rip-off funds be given to the municipalities as grants to assist them in saving that river and its valuable salmon runs, instead of waiting until it is polluted and then having to spend billions to reclaim it. This situation is probably true in other areas of this country.

I would like now to talk briefly about pension plans and how they could be used to create employment. There are, I understand, some $11 billion in funded pension plans in Canada and some $4 billion in non-funded plans. Most of these plans are beyond the control of the workers who are putting their money into them. These plans are either controlled by insurance companies or by the employers who arbitrarily set them up. I know that lately some unions have been able to negotiate trustee set-ups to administer their pension plans, but these plans only cover a small percentage of unionized workers. We all know that only one third of the Canadian work force belongs to unions in this country, so very few of them have this kind of protection.

The worst offenders in this respect are the CPR and the CNR. These two companies have absolute control of their employees' pension plans and callously and intentionally invest the moneys in low return areas. My understanding is that the return on investment for both these plans runs from 2½ per cent to 3½ per cent a year. The companies are very happy with this set up because they do not put up their share of an employee's contribution until he reaches retirement age. They have been able to use this money for their own interests during all the employees working years and only have to pay retroactively an amount equal to their share, plus what that amount would have earned during the work life of the employee. You can readily see that it is to the advantage of these two companies to keep the return on investment as low as they possibly can.

The CNR is a publicly owned corporation, and it is a shame on succeeding governments of this country that this situation is allowed to persist. This government can set an example by ordering the CNR to allow the employees, through a trustee set-up, to have some say in the investment policy to be followed in respect of their money. Just think of the result, Mr. Speaker, if these pension funds were made available at only 6 per cent so that workers could borrow the money to purchase or build houses. Think of what this could accomplish. First, there would be an upsurge in housing construction in Canada, creating thousands upon thousands of jobs, not just in the construction of these houses but in the manufacture of all the component parts of the house. Second, it would double the return to the pension fund, thereby making it possible to pay higher pensions, which, in itself, would increase the purchasing power of the retired workers and would also allow for a reduction in their retirement age covered by the plan. This in turn would create more vacancies which could be filled by the young people who are presently drifting around this country disillusioned and frustrated, trying to find work.

The same principle could and should be applied to all pension plans in the country so that the contributors to the plans could receive some of the benefits accruing from the investment of their moneys instead of the monster corporations and foreign-owned insurance companies reaping them all.

• (1720)

There are many other issues that I could raise, including improved facilities for bulk loading in the port of Vancouver to stop the drain of shipping and handling of goods now flowing to the ports of Seattle and Portland. But, Mr. Speaker, I have taken enough of the time of the House on this occasion. I just hope that the government will seriously consider some of the recommendations that I, and other members of the New Democratic Party, have made to bring unemployment down to an acceptable level. I want to assure the Minister of Finance that an acceptable level is not 5.5 per cent, not even 5.2 per cent, but a much lower figure than that.

Mr. S. Victor Railton (Welland): Mr. Speaker, this is my official maiden speech, although I did give a short opinion on the subject of capital punishment some weeks ago. I would still like to congratulate you and your colleagues on your impartiality, and on the distinction which you all bring to the sittings of this House.

Today, we heard the new member of the official opposition who represents Don Valley (Mr. Gillies). I notice that he did not express his opinions in this House until the budget speech had been read. I think hon. members should make a note of that. The leadoff speeches for the Progressive Conservatives, the NDP and the Socreds have also been given. Regarding the first, we heard only criticism, this in spite of the fact that they claimed that our Minister of Finance (Mr. Turner) had stolen their ideas. It is obvious that that is not the case. They did not come even half way to meet our proposition, and they had no real method proposed for working out their scheme.

The NDP leadoff speaker supported us very well, but of course he claimed that we had stolen many NDP ideas. This may be so, but that seems to be the function of a party that is doomed to remain in the minority and which admittedly has left wing ideas. So far as the Socreds were concerned, we were blasted all the way. Their main cry was for the introduction of their peculiar economic philosophy, which would require the printing of funny money to put it into practice. So, although we must always impute the highest of moral qualities to other parties, we can see that the attacks of the Official Opposition are simply an attempt to confuse the electorate, and hopefully to bring down the government, in this way getting their chance to force an election. This is very obvious. They seem so desperate that it is becoming crystal clear that their chance of forming a government is getting slimmer by the hour.

The members of the NDP must be given credit for idealism. They are, in addition, a well disciplined party with an eye to the future. They have temporarily submerged their socialistic anchor, but to be credible they have taken to the marriage bed with a gun, threatening that this may be their last try to make a marriage of convenience work.

To me, the budget is the best one produced by any government, whether majority or minority. The reduction of tax is really 12 per cent. It is definitely a poor man's budget. It is unprecedented in Canada's experience to give a $5,000 a year man a 47 per cent reduction in his income tax, and an $8,000 a year man a 15 per cent reduction in his tax. The sales tax is family oriented. The lightening of duties on fruits and vegetables is a big blow to high food prices. It is also, as the Minister of Finance stated, a friendly gesture toward our largest trading partner, and now it gives us some reserve for negotiations on all tariffs, and still will not hurt our producers.

My constituency of Welland is right near the Niagara frontier. It is agricultural in some portions, but very well industrialized also. It contains heavy and light industry, with large firms, Canadian owned, such as STELCO and Atlas, and also foreign owned firms such as INCO and Union Carbide.

We also have many medium and small industrial projects in the area. Recently I asked these firms about their reaction to Canada's tax program and to the government's budgetary direction. They have been unanimously in favour of our government's policy to date. They also show statistically that the tax reduction was one of the big factors in keeping unemployment in the area down to a 4 per cent or 5 per cent figure. We have American subsidiaries in our Welland-Niagara area. They employ a great many people. We should realize that we could easily lose all these plants if we use tax discrimination against them. Neither the Welland constituency as a whole not the labour unions in the area want any change in our tax policy. I spoke to several of the unions as recently as Monday last, and I say this House would do well to realize that organized labour in the Niagara peninsula is strong and has had excellent treatment. In addition, it is very co-operative with management and government.

I would like to make a plea for closer ties vis-à-vis Canada and the United States, if only on a friendly basis. In the Welland area many Americans own summer cottages. We have grown to like each other. Every slap in the face in our press hurts them. It must be evident to all hon. members that Americans came to our aid in two world wars. They have policed the world when it was in imminent danger of atomic warfare. Surely, any rebuke or rebuff from us, either verbally or financially, must be a very gentle one.

When speaking of our border with the United States along the Niagara River, I would like to emphasize that we have had in actual fact 100 years of peace. The war of 1812 and the Fenian raids are past. Incidentally, I would like to tell you, Mr. Speaker, that I still have my grandfather's homemade powder horn which he made before getting on the train to go down to fight the Fenians. He got there too late to fire a shot. Now, Mr. Speaker, Americans and Canadians pass each other in both directions over great international bridges at Queenston and Fort Erie. Visitors from the United States are happy to enjoy our beaches and northern lakes, while we press south to the great cities of New York, Cleveland, Detroit and Chicago, or head for the southern states and Mexico. What a wonderful continent we have, and what a marvellous heritage we have in Canada.

Just recently a dinner was held in this House supporting multiculturalism. I was unable to be present but I would like to draw the attention of hon. members to the terrific melting pot we have in the Welland riding. In the city of Welland we have 5,000 or more French Canadians. They take very prominent places in the life of the city and in

our municipal councils. This is only one race. We have close to 10,000 other people of various origins, Italians, Hungarians, Poles, Latvians, Croats, Estonians, Ukrainians, and representatives of all other middle European countries. They have mixed well with the old German, Dutch and British stock. We have an extremely interesting panorama of languages and cultures. I think it would do any member of the House a great deal of good to visit this area and see how well the principles of bilingualism and multiculturalism work in my constituency.

The area is remarkably prosperous. We have an agricultural economy of no mean proportions, with mixed farming of all kinds. We also have a great deal of vegetable farming, and we have the tender fruit areas. We are trying to retain the grand old orchards and vineyards in the area between the escarpment and Lake Ontario, and the Tender Fruit Association, known to all hon. members, is doing its best to bring the plight of the fruit and vegetable farmer to the attention of the government. We have a wine industry which is second to none in Canada, and which is becoming recognized throughout the world.

Because of our proximity to Lake Erie, a great many people were very worried about the high lake levels and the lack of provision for either public works, subsidies, or insurance to protect against the recent storm catastrophe. However, I have been able to assure these people that we are trying to do something to solve these difficulties.

One of the great public works in my area is the Welland ship canal. This is the fourth one that has been built during the last 200 years. The most recent addition is the bypass which straightens the canal and takes it out of the city of Welland. It now runs straight from Port Colborne to Port Robinson and allows much faster shipping movement. Formerly there were many traffic delays. There were irate citizens in both Welland and Port Colborne waiting for bridges which, in previous years, had to be raised and lowered every few minutes in an attempt to let the ships pass through the canal.

• (1730)

The Welland Canal is part of the great international seaway that takes shipping right up to Thunder Bay and Chicago. It is one of our greatest routes for the shipment of our wheat and ores. It is a tremendous freighting facility not only for internal trade but also for ships coming from every corner of the world. This seaway runs 2,000 miles into the heart of North America.

Building the bypass to avoid the city of Welland has brought troubles in its wake. Though it has provided two tunnels, at great expense, for our automobiles and our rail traffic and supplied a very fine new dock, and though it is going to open on time—thanks to all our efforts—next April, it has left the old canal, which is now abandoned, right in the centre of the city of Welland. The old canal does not flow. It is going to be a static ditch because of the causeway which carries heavy freight lines across the old canal after emerging from the tunnel under the new bypass. This means there is a great likelihood that the old canal will become polluted and unsightly.

So it is the job now of myself and the council of the city of Welland to make sure that the government sees clearly the plight in which the new bypass has left us and the city of Port Colborne. For this reason I have been making representations to the government and the St. Lawrence Seaway Authority, along with delegations from the local municipalities and the region, to settle this matter. The fate of unused or abandoned canals in Canada has never been particularly pretty. One of the most recent problems in this regard involved the canal at Cornwall, which concerns Mr. Speaker. After ten years of hard work which involved His Honour, the citizens of the area and the government, a solution was found. I think a solution in our case will be more difficult to come by. I have talked about our local situation, Mr. Speaker. I think all of us should look beyond the localities we represent even though we may come from such lovely spots as Welland, in the Niagara peninsula, which is really a continuation of the golden horseshoe running along Lake Ontario from Oakville to Burlington.

When we look at the world situation, we know that we must trade with the U.S.A. Seventy per cent of our exports go there right now. About 12 per cent go to Europe. There is a smaller percentage going to Japan and the undeveloped nations of the world in Africa and Asia. There is so far very little trade going to China and Russia, but let us not forget that it was our own Liberal government and its leader which initiated the rapprochement between the west and these two great countries.

It will be very difficult for us to export manufactured goods to that remarkable economy of Japan. It will be almost as difficult to find suitable goods to export to the European community. However, the people in our area as well as those in the rest of Canada, hope that if we implement all the parts of this budget there will be a great opportunity for us to continue trade with the United States, Europe and Japan and to find new markets in emerging countries as well as in the two great nations which formerly hid behind the iron curtain.

As a new member, Mr. Speaker, I feel privileged to be taking part in this lively and historic parliament. Frequently the action gets a bit rough. However, what good is a man who will not fight for something? We seem to be successful in channelling this basic human instinct into making this minority government work. All members of this House are obviously good Canadians, so I am confident that our national future is in good hands.

Recently, an hon. member opposite drew a good analogy about the short span of human life on this planet. He said that a length of rope stretching from Lake Ontario to the Speaker's chair represented the total span of life on earth. He showed that the very short, final end of the rope was the length of man's time in the evolutionary scale. For a few minutes I was worried that his rope might have a noose on the end which he might tighten around the necks of the government supporters.

This picture can be transferred from the past to the future. At some time not too far into the future our knowledge of astronomy and space technology will pierce the secrets of space, time and even immortality. In my mind there is no place in Canadian society for resigned acceptance of eventual human decadence. So, Mr. Speaker, even the trivia of party politics and the present budget debate are small but necessary evolutionary steps in the upward progress of mankind.

The Budget—Mr. Blenkarn

Mr. Don Blenkarn (Peel South): Mr. Speaker, the budget speech we listened to the other night will do absolutely nothing to correct what I consider to be one of the most serious problems affecting young, newly married Canadians who want to raise a family. Hon. members on the other side suggest that the budget will deal with unemployment and inflation. They suggest that there are adequate proposals in the budget to handle those problems. For the few minutes allotted to me may I direct the attention of this House to the serious problem of housing, the cost of housing in our large urban centres, in particular in and around metropolitan Toronto.

When I raised this matter in the House the other day, the Minister of Finance (Mr. Turner) suggested that he had said nothing about housing in the budget and that Bills C-133 and C-135 would be helpful. Anyone who has read those bills will realize that they will do absolutely "zip" to solve the problem: they are just tinker bills. One bill creates an unworkable mortgage exchange, no doubt dreamed up by a foggy bureaucrat somewhere, and the other attempts, with a lot of financial salve, to do something about urban development; in other words, something about low-income housing. But it will not do anything that has not already been tried.

It became evident throughout the election campaign that municipal authorities, provincial authorities, people in apartments, people all over the country, including developers, had isolated the problem which has to do with lack of serviced land in and around the cities. The government has proposed nothing since the election, either in the budget or in any bills on the order paper, that will deal with this problem.

Municipalities encompassing growth areas, and the provinces, are clearly short of money. Because they are short of money they cannot build rinks, community centres, sidewalks, sewers, water mains, rapid transit and similar facilities; therefore, they are not able to approve plans of subdivisions presently filed, registered and ready to go. To be sure, under the Central Mortgage and Housing legislation provisions there is an arrangement whereby municipalities will be lent 75 per cent of the cost of constructing sewers. That provision is to help with the construction of sewer mains. But that kind of loan affects the debenture credit of a municipality; as a result, the provisions of the act in this respect are totally useless.

Developers such as the McLaughlin company, the Erin Mills company, the Markborough company and hundreds of others, have subdivision plans which are ready to be put into operation. They are ready to do something about this problem. And what has this government suggested as a solution? Land banking. We have all sorts of land banked around the metropolitan centres of this country, ready to go and ready to be developed—and this government has done nothing about it. It has done nothing about the $16,000 it costs for a half or semi-lot, or about the $18,000 or $20,000 it costs for a single-family house lot. Has this government done anything about the fact that, because we are only bringing onto the market less than one-third of all residential lots required, by next year the price of residential lots in Toronto will rise to about $24,000? No, Mr. Speaker, the government has not done a thing. It has no program. Right now in the metropolitan

[Mr. Railton.]

Toronto area, unless you happen to be privileged or wealthy, with money in the bank, you cannot afford a new house. Only 4 per cent of the citizens of that area can afford to buy a new home.

Something must be done. The government has suggested that $100 million a year should be used for land banking. They should be making grants to municipalities. They should be turning over to municipalities some of the money they have for programs that will service land and get land on the market. When I asked the minister about this during today's question period, he had no answer. He said maybe we will have some land available soon.

• (1740)

Let us talk about his land banking scheme for a moment. The minister will have land available. He is going to build new cities. Maybe in two years he will acquire the land. Maybe after five, six or seven years, when he organizes things, he will service some of that land. I suggest it will be at least ten years, and perhaps longer than that. It may take the 20 years that Malvern took before any of this land in his famous land bank gets on the road so far as development is concerned. This is the record of the government in dealing with this problem.

The social damage caused by this government in its housing program is probably the greatest it has ever caused. During the election campaign, I went into apartment buildings. I want to speak about one of them. This apartment building had on it the sign of the present Minister of Manpower and Immigration (Mr. Andras). It contained 360 suites, fronted two four-lane highways, was faced with red brick, sterile, with a playground which was a fenced-off part of an asphalt parking lot. You would not even put animals in a zoo in those playground facilities. The kids have to ride their bikes in crowded apartment corridors. That is the policy of this government with regard to low-income housing. We have not heard a thing from this government about a backyard for kids to play in, a park or facilities that will make life better for those who are in the less fortunate category of society. We have not heard anything about bringing down the cost of housing.

We should now be talking about the economic cost of housing and not just the social cost. The social costs are serious enough, but we must also talk about the economic costs. The other day I spoke to a man who came into my office and said he needed some help. He could afford to pay a man $130 a week; however, he could not get the man he wanted because he wanted to live in a decent house and drive a decent car, and therefore could not start at that wage level. Even though he would eventually earn $250 a week or more, the man said he could not live in the community with that kind of wage. Here is a man trying to build a business, get ahead and get other people involved in work. The whole problem boils down to inflationary high rents and high mortgages in our metropolitan areas.

I want to say a few words about one of the geatest national disgraces this government continues to allow. I refer to the 11 per cent sales tax on building materials—11 per cent on every brick, every piece of plumbing pipe,

every concrete block and every sheet of lathing. We do not now charge tax on food, and apparently this government says we do not even have to pay sales tax on the mix for a cocktail party; but we charge tax on building materials.

The party to my left is going to support a government that believes shelter costs should be taxed. Can they think of anything worse than that? This is a tax on growth areas. It is a regressive tax. It is principally collected from areas of Canada where growth rate and housing problems are most severe. This tax is maximized in areas where costs are already overbearing the price of a house. We need aggressive changes and suggestions. If we are going to tax buidling materials, some of the tax should be rebated to the municipalities or the purchasers of houses so they will at least have a little bit of equity. We did not receive such a proposal, or anything like it, from this government.

The area I come from is sometimes called the golden horseshoe. I suggest to the House that the government has used this area as its golden goose. This area is a source of tremendous tax revenues for this government. Any farmer knows that if you want to get eggs from a goose, you have to feed it. The government's attitude to this growth area, with its tax on building materials, is to take, take, take. It is about time that somewhere along the line the Minister of Finance did a little giving.

The minister must realize that if we are going to attack unemployment, the construction industry can supply more employment than perhaps any other industry. This government's program on employment has been unemployment insurance, LIP, Opportunities for Youth, and so on. However, none of the programs presented by this government have been to build anything that is useful and will get people organized, such as community centres. The other day I received a call from a lady in Malton. She asked if she could get a grant to organize a community centre. I told her that the federal government had pumped $40,000 into her community in the last year, but not a dime for building a facility that would have any permanent value. The programs this government produces do not have any permanent value.

If we are going to build Canada, it is time we looked ahead, took the kind of aggressive action suggested by the hon. member for Don Valley (Mr. Gillies) and attacked the social problems of the city, the problems of housing and the cost of housing. I speak on this matter with feeling. I speak on it because I have an element of self-interest in it. As the cost of residential houses keeps rising, and the only alternative of this government seems to be bigger and bigger high rise apartments with more subsidies, I can see the environment in which my own children will grow up. I had a back yard. I had a place to grow, a place to be. Through not having a concrete housing policy and not attacking the problem of making land available, my children will not be able to have a home. That, Mr. Speaker is my concern. That gives me a personal interest. Perhaps I should not be bringing personality into a debate such as this, but I am sure that is the personal interest of every member of this House.

We must get with it. We must demand from this government a concrete proposal for making available land for housing. The problem has been identified. It is time this government took aggressive action instead of just relying on old programs that have not worked.

Some hon. Members: Hear, hear!

• (1750)

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I should like to start by explaining certain points, among them the reasons behind the sub-amendment moved by my colleague, the hon. member for Champlain (Mr. Matte), who blamed the government for failing to take the steps needed to reduce the national debt and to set up a policy for financing provincial governments that does not lead Canadians at all levels of society and in all regions into constant and progressive debt.

The Minister of Finance (Mr. Turner) stated openly in his budget speech on Monday evening that the financial deficit in 1973-74 will be around $975 million, while the non-budgetary needs will amount to $1.25 billion. The overall requirements are estimated at about $2 billion, which is roughly equivalent to those of the current financial year.

At page 18 of the booklet "How your tax dollar is spent 1973-74", there is a table of past, present and future expenditures in connection with the national debt, i.e. what it costs the Canadian taxpayers every year to pay the interest on the national debt.

Here are the figures given in the booklet to which I have referred:

	(millions of $)
1964-65	$1,051
1965-66	1,111
1966-67	1,191
1967-68	1,301
1968-69	1,480
1969-70	1,717
1970-71	1,823
1971-72	2,010
1972-73	2,175
1973-74	2,581

It is alleged that the national debt is not a bad thing that it is current practice in all countries of the world to get indebted and pay interest to government bond holders because this, they say, keeps the money flowing and above all, these bonds are in the hands of Canadian citizens who profit by them.

Mr. Speaker, until recently the Creditistes were practically the only ones to criticize such a way of thinking and to refuse to consider as normal the indebtedness of the federal government, provinces and municipalities.

In the *Labour Gazette* of December, 1972, published by the Department of Labour, there is an article written by Mr. Richard Deaton and entitled "Crisis in Taxes".

Incidentally, Mr. Deaton is the director of the Canadian Union of Public Employees and holds a diploma in economics and industrial relations from Wisconsin University. On page 653 of the *Labour Gazette*, he describes in revealing terms that, from 1950 to 1970, provincial and municipal expenses have been higher than their revenues, whereas the federal government revenues have been higher than its expenses.

In fact, from 1950 to 1970, these revenues totalled about $155 billion against outlays of approximately $125 billion. Provincial coffers took in about $65 billion, but expenditures soared to approximately $80 billion, which represents a total deficit of $15 billion. As for municipalities, their revenues amounted to almost $45 billion, while expenditures were about $65 billion, or a deficit of some $20 billion since 1950.

This is how Mr. Deaton explains the problem and here are the conclusions he draws from the article:

> This table shows that at both municipal and provincial levels, total expenditures incurred between 1950 and 1970 exceed total revenues. Only at the federal level is the situation the reverse. Succeeding deficits only increase the debt of administrations and finally result in tax increases. If the "crisis" thus defined only affects municipalities and provinces, it is supported mainly by the federal government which, in part, stands surety for municipal and provincial administrations by consolidating debts and making transfer payments.
>
> The Department of Urban Affairs formally stated: Municipalities have more and more trouble to finance their ever increasing budget. The expenditures of most urban areas exceed their revenue. They borrow or make drastic cuts in public services.
>
> They find themselves in a vicious circle. Each time the property tax goes up, businessmen and "middle class" landlords move to the suburbs, and in order to keep on providing municipal services despite this shift in the tax basis, cities increase even more their taxes . . .

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

The Acting Speaker (Mr. Boulanger): It being six o'clock, I do now leave the Chair until eight o'clock.

At 6 o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Gauthier: Mr. Speaker, when the House adjourned, I was reading an excerpt from the publication which deals with deficit spending at various levels of government. The quotation goes on:

> Provincial and municipal administrations mainly have blanced their accounts through deficits and by creating debt servicing. From 1950 to 1970, this has only caused the situation to worsen. Thus, the surpluses accumulated during this period, at the three levels of government reached $3.5 billion, while the deficit reached $6.6 billion.
>
> Now with this deficit policy, governments borrow and the debt is growing. From 1950 to 1968, the indirect and direct debt of the federal government went up by 36 per cent; the debt of provincial governments, by 505 per cent, and the debt of municipalities, by 511 per cent. The economists . . . keep saying: "The national debt? We owe it only to ourselves". They are missing the point: in fact, the interest on the debt uses up income we badly need for other things.
>
> At present, the cost of servicing the debt alone is the third largest item in public expenditure;

—and when the article was published, we were in second place, but we are now lucky enough to be in third. I continue to quote:

> —this money goes mainly to the banks, which are the large buyers of bonds issued by the State in order to cover its deficits.

[Mr. Gauthier (Roberval).]

In this connection, Mr. Speaker, I should like to stress the truth of Mr. Eaton's statements to the effect that the interest that we pay on the public debt goes mainly to the banks, which are the largest buyers of government bonds.

• (2010)

In the budget papers for 1971, table 14, page 56, shows an interesting situation about the distribution of this debt. The table indicates that in 1960, the banks were holding $1,381 million in Treasury bills and that this amount increased to $3,366 million in 1970, namely a $1,985 million increase in favour of the banks.

On the other hand, in 1960, $549 million in Treasury bills were in the hands of the general public, while this amount was down to $218 million in 1970, namely a $331 million drop in Treasury bills held by all Canadians. If you consider the bond market, you find the same tendency.

In 1960, the banks held only $4,421 million in bonds. This amount increased by $3,146 billion in 1970 and reached $7,769 million. On the other hand, in 1970, the general public was holding only $6,484 million in savings bonds, namely a $753 million slump in ten years. It is true that the public which held $3 billion in savings bonds is now holding $7 billion. However, the banks which were holding only $5,802 million of the public debt, are now holding $10,935 million, namely a $5,133 million increase. This means that in ten years, the banks have doubled their assets in savings bonds and are now holding over 40 per cent of the debt. Thus, of the $2 billion in interest that the Canadian taxpayers will pay this year, the banks will cash in over $800 million, which represents about $2,500,000 in daily profits made out of nothing by the Canadian bankers.

The minister himself admits it on page 56 of the budget papers. During the last decade, of the $7,900 billion collected through the issuing of government bonds, the banking system, namely the Bank of Canada and the chartered banks, absorbed all Canada bonds issued as well as a reduction of more than $1 billion of the securities held by other investors.

That is what the minister said. This means that the banking system benefits from the billions paid each year by Canadian taxpayers for the payment of the debt.

Now, Mr. Speaker, how would a Social Credit government finance this public debt? Here is a means available to the government to increase the standard of living of all Canadians without taking anything from anybody, without bringing the economy to a standstill, without bringing about inflation or deflation: it would be to finance public capital by credit advances without interest issued by the Bank of Canada.

One can see immediately that this kind of measure would result in reducing the taxes that the government levies in order to pay the interests on the public debt or its borrowings, and would increase the amounts available to consumers to obtain the goods which would meet their needs.

At this point in the discussion, Mr. Speaker, I would say that although the Creditistes do not get much support for their ideas on the introduction of a national dividend, for

instance, they do get some in favour of creating new interest-free credits for financing public capital.

In his book entitled *Demain c'est l'an 2000* (The Year 2000—Tomorrow), Mr. Gaston Bardet, a professor of applied economics at the University of Brussels, after having studied in depth the banking system, and in the light of the studies conducted in Great Britain by the MacMillan commission and those carried out in Canada in 1939 by the Committee on Banking and Commerce of the House of Commons, came to the following conclusions:

> There are therefore two possible methods of financing which are diametrically opposed: one is based on savings, on excess money, the other on anticipating. In the first instance, with regard to private production, control is automatic and depends on the offer of existing capital. In the second instance, it depends on the demand for the most assured primary needs. Thus bank financing is really indicated for the construction of property equipment for the benefit of the entire country. When there is no danger of overproduction, demand really determines the supply. Such are the requirements for housing, roads, bridges, hospitals, schools, forestry, which this time become the regulators of anticipated script money.
>
> It is a matter of consumer loans and no longer one of production. Interest is no longer involved. The country and the community cannot be usurers.

Another economist has considered the problem of government financing and has drawn the conclusions discovered by the Créditistes a long time ago, namely the financing of public capital through new interest free credit.

This principle is stated in *The Challenge of Abundance* by Mr. Robert Theobald, a book which can be found in the Parliament Library. Mr. Theobald writes as follows:

> A government can use three different methods to obtain the funds it requires to meet its obligations. First, it can tax its citizens and institutions, thus gaining possession of their money. Second, it can borrow money from people and institutions and pay interest on the amount it borrows. Third, it can simply create money and use resulting funds to make its purchases . . .
>
> The one point on which everybody agreed before 1936 was that the government should never simply create funds. The prohibition against creating funds was based on the assumption that the demand for goods would always be equal to supply as long as government did not interfere with the economy. Keynes destroyed the validity of this assumption when he showed that there was no certainty that the demand for goods would always be equal to the available supply in the rich countries . . .
>
> There are other methods that could be used to close any gap between supply and demand. It would be possible to decrease the level of supply without greatly affecting demand by cutting hours of work and leaving wages unchanged. It would be possible to raise the desire for goods by making people feel that more products were necessary for the good life and a decent standard of living. The government could simply take up the slack between actual and potential production by building new schools, by demolishing slum housing and building new accommodation, and by controlling pollution. Because there would be unused resources in the economy, the government would not need to raise this money by taxation or by borrowing, the money could simply be created. The additional funds would not cause inflation, for there is—by definition—no shortage of goods.

• (2020)

This, Mr. Speaker, is the testimony of an American economist, Mr. Robert Theobald, who thinks that it is possible to make money more democratic and to use new interest-free funds for the development and social equipment of the country. If this not the right time to do what Mr. Keynes urged so strongly, namely, to "make financially possible what is physically feasible", and I quote:

> As a first step, a national financing corporation should be set up in order to provide the funds necessary for the creation of assets for the benefit of society. Thus, jobs would be provided as long resources would last. In a free society, in peacetime, an excess labour force cannot be directed to different occupations, but with education, rehabilitation, a good salary, proper housing, it can certainly be attracted to other occupations, keeping in mind that the GNP can be increased annually.
>
> Never before has our ability to produce, transport, communicate been so great, however, the government's admonitions to tighten our belts inevitably result in restrictions imposed upon producers in various ways. History will show if taxation was too heavy or too complicated. This is why we suggest that for what is called non-profitable capital goods, a national financing corporation must be set up to meet those needs. This would require very specific terms of reference in order to avoid any conflict with the various financial organizations serving the private sector of the economy which is profit-making—The national financing corporation which would be one of the most important factors in government policies would provide a large part of the money or credits now collected through taxation. Even at the high rates we have at present, taxation is unable to use inactive resources to build a sophisticated road system for example. Moreover it adds an enormous burden to the cost society must pay in interests.

Mr. Speaker, last Friday the hon. Minister of Indian Affairs and Northern Development (Mr. Chrétien) said to the House that he would like to be able to finance the building of a Canadian pipeline in the Mackenzie valley but that "he was not a Creditiste and he did not know how to print money".

If the minister does not know how money and credit originate, let him consult his banker who, if he is at all clever and honest, will tell him how the banking system creates credit out of nothing. And if his banker does not know, I will send him a copy of the explanatory brochure published by the Royal Bank of Canada so that he will learn that all that is physically desirable must be made financially possible, and that with a financial system that is true to facts, economic problems would not exist when there is no problem of production.

As the marquis de Serra has written in "Economic chaos and the coming revolution"—

An hon. Member: He is a bastard!

Mr. Gauthier (Roberval): Yes, but he did write some pretty good sentences. Sometimes, bastards do write something good. It is the dawn of art to express in terms of units called dollars the development of materials, natural resources and technological methods, and it is again the dawn of art to create purely monetary means, among which credit, to facilitate the exchange of various services which will carry out the plans.

Mr. Speaker, if I still have a few minutes, I would like to deal with another very interesting subject. I would have liked to have more time to deal with it thoroughly, but I only wish to touch on it lightly because we read in the budget headlines that its major objective is to reduce unemployment.

In brief, the Minister of Finance is at war with unemployment. He stated that his prime objective was to fight unemployment. But what are his tangible proposals? Nothing very serious, Mr. Speaker, because certainly the

crumbs he gave in his budget will not go very far in solving the problem.

What I think was needed was a reform which would have produced massive shifts toward a more realistic guaranteed income such as, for example, pensions at 60. This would have had a direct effect on unemployment, allowing more than 400,000 unemployed to receive a family salary while at the same time effecting savings for the Treasury. Indeed, if you consider that sometimes it costs both levels of government up to $400 or $500 a month to keep a family going on social welfare—drugs, shelter, clothing and food—when it would cost only a maximum of $325 to pay a pension to a married couple of 60; by thus replacing pensioners between the ages of 60 and 65 by unemployed the government would save while at the same time perhaps reducing the number of unemployed which stands at more than 400,000.

Mr. Isabelle: The provinces are against that.

Mr. Gauthier (Roberval): Secondly, if the government had granted, for example, with the provinces' assent, since the member for Hull shouts at me: the provinces, the provinces—

Mr. Isabelle: The provinces are unwilling.

Mr. Gauthier (Roberval): The provinces are unwilling and I think that the government is rather embarrassed because it follows a particular direction. But I admit that the provinces are not open to this problem. However, it can be suggested to them and this will form a new subject for study. In a second move, the government should have granted, for example, a salary to the mother who wants to stay at home but must work to tie both ends of the family budget. As a matter of fact, I have noted, following a personal inquiry, that 50 per cent of married women who work would be very happy to stay home again if they would be ensured of a family salary. If we could bring back in their homes the women who wish to do so, we would allow 200,000 unemployed to have profitable jobs, reducing accordingly the number of unemployed, and if one begins by eliminating 600,000 unemployed, the national economy would thus be relieved.

• (2030)

Thirdly, the implementation of the Opportunities for Youth Program should be done in a more responsible way, in order, for instance, to guarantee an income to students who at the present time rely on scholarships only and are often disappointed because these scholarships go most of the time to those who do not need them, but have wonderful political connections. In that field, we, of the province of Quebec, do not find too much fault with the federal government; however, we can criticize it since we have to foot 50 per cent of the bill.

Mr. Isabelle: And we also.

Mr. Gauthier (Roberval): But from here, the federal government cannot see everything that is going on in the province of Quebec. In fact, in our constituencies, for instance, we come up against the patronage being dispensed in Quebec.

[Mr. Gauthier (Roberval).]

As concerns the local initiatives program, one day it will really have to serve the unemployed and not only enable some privileged people to double their salary, or still, enable two or three devoted organizers and supporters of a political party to share among themselves the whole amount of the project, since it is felt that in some cases, the program has resulted in the creation of only 15 or 20 new jobs, and this I can prove.

I would still have many suggestions to put forward, but my time is running short and I should like to leave it to the government to consider these practical proposals, because I have noticed that government members are wont to say over and over again that the opposition never proposes any remedial action.

We, of the Social Credit Party, always strive for objectivity in bringing forward concrete and clear solutions, expressed plainly, in order that the government may at last understand. However, since there will always be people who do not want to hear and who do not want to see, I am convinced that some government members will repeat, after hearing this very clear outline, that we will have proposed nothing concrete. However, I am certain that the people of Canada, upon reading the official record of my remarks, will all understand.

Mr. Fernand Leblanc (Laurier): Mr. Speaker, together with all the Canadian people, I wish to extend my most sincere congratulations to the hon. Minister of Finance (Mr. Turner) for the budget he brought forward in this House, the primary purpose of which is to stop unemployment.

As I do not have too much time, I shall deal straight away with the matter I am concerned about, that of private retirement-savings plans in view of the difficulties experienced by Canadians 45 years of age and over when looking for a new job when, unfortunately, circumstances require it.

Now that people think of retiring at an earlier age, an appropriate planning of such a significant period in one's life is even more important. It seems to me that no worker will be able to consider his retirement to be secure as long as he is not sure to have a plan under which on the one hand pensions are universally portable, and which is based on the other hand upon a formula which enables him to remain a number of years out of the labour market, without being penalized.

Nowadays, one should always be in a position to prepare for a fair retirement, even though one remains a few years without work, for the present unemployment rate lays a new requirement on us. We must also be able to do so, if circumstances invite or compel us to leave our employment to accept another one, and therefore, a transferable pension plan has become necessary.

It is only since 1965 that provinces, and Ontario first of all, began to be concerned about part of this problem and to legislate accordingly in 1965, the federal government did the same for employees, businesses and activities under its jurisdiction, and which were not affected by provincial legislation.

It is remarkable that tax privileges granted by the federal government to registered retirement savings plans

prompted many employers to take advantage of them to register their own private plans.

I would like to draw the attention of the House to the fact that the federal government can still find other ways of approaching the problem and thus contribute to bring about certain changes in the position taken by the working world on this matter.

It is our responsibility to innovate in this sector and to try to identify as much as possible the problem because unemployment, manpower mobility and the lowering of the pension age are now a primary concern for the worker without forgetting that retirement plans represent an asset of some $12 million.

Since the pension age tends to be lowered, with the years, long-term planning of his pension becomes an important matter for the employee.

One of the major problems facing the employee who wishes to quit his job, as well as the one who is dismissed is that of the loss incurred because of the cancellation of the first pension plan.

In most cases, the employee is not even entitled to recover the contribution paid to his pansion fund if he has not yet reached the stage where, under the terms of the collective agreement, the pension money can be reimbursed to him on leaving his employer. Since union action has therefore resulted in dismissal according to seniority, when staff has been reduced by a particular company, the first ones to be fired are always those who do not yet have the right to recover their contributions to the pension fund because they have not worked long enough for the company. Therefore, the plan is basically unfair in terms of this practice and it invalidates the opinion according to which this is being done in order to discourage the newscomers to leave the company of their own accord.

In order that pension credits become perfectly and universally portable from one job to the other, all private retirement schemes would have to meet some basic conditions.

As suggested in the *Financial Post* of November 4, 1972, we would also have to consider the possibility of establishing a central agency that would hold these credits on behalf of all firms, which would make it easier to plan the operation of schemes.

Furthermore, this idea of a central agency has already led to the setting up of union retirement funds in which a unionized employee contributing to such a fund can go from one employer to another without changing his pension plan, at least as long as he continues to belong to the same union. Here again, pensions are not universally transferable in this case although this system shows a definite improvement over the retirement plan of some companies. And for the non-unionized, as well as non-unionizable executives, the problem could not be solved this way. So this is a partial solution, and an imperfect one, even for unionized labour which can benefit from it.

However, the formula of union funds can serve as a basic model for the setting up of a central agency which would ensure universality of the plan.

If we want to have in Canada workers ready to move from one area to another according to the pace of the economy, ready to undergo retraining to learn a new trade while there is still time for them to do so, ready to work in a different field than the one they became used to initially, we must seriously consider setting up transferable retirement plans which will give them the security they will be giving up by leaving either the local area, or their initial trade, or the field they became used to.

One must remember that before constituting an incentive to move constantly from one company to another, the universally transferable plan would first represent a form of security for the employee who could finally plan his retirement. Since on the average the retirement age constantly goes down this planning becomes more and more important from the point of view of the employee.

The employer has no right, as it is often done today, to make his the funds by treating them as company property. Those funds belong exclusively to the employees who have earned their salaries on which the contributions were levied and for that reason, they must not be mistaken for company property.

Mr. Speaker, the best way to prevent this from happening would be to appoint a trustee who would hold the moneys and be empowered to invest them.

Retiring at an early age is costly because the prematurely retired person is losing not only with regards to public pension plans but also with regards to private pension plans. This is so, as explained by Mr. Donald Rumball in the *Financial Post* of last July 1st, and I quote:

• (2040)

[*English*]

The annual increase in the pension stops because he is no longer employed and no more contributions are being made by or for him.

He loses the interest that would have continued to accrue because the money must be used to start paying his pension.

The buying power of the assets held for him is diluted, because more pension payments will be made to him as a result of his having the extra years of retirement.

[*Translation*]

Those factors make it important for employees to accumulate maximum pension if they wish to enjoy a relatively easy retirement at a reasonable age, in spite of the continuing rise in the cost of living and the increased deductions which generally result from the decision to ancitipate retirement.

The federal income tax provisions concerning registered retirement and savings plans have encouraged many employers who were anxious to take advantage of those privileges to change their private plans to make them consistent with the standards established by the law; the employees have also been favoured by those changes.

The introduction of the Canada Pension Plan also had its impact on private retirement plans whether or not they were integrated into it.

Even if for constitutional reasons, the federal government cannot directly legislate in this respect, it can have significant influence on the standards prevailing in this field through federal legislation aimed at urging employers as well as employees to act in whatever direction they think is best.

The legislative power that the federal government may exercise is limited by the Constitution, but it certainly can suggest that the provinces adopt a policy consistent with certain measures being considered.

The federal government can certainly find a way to exert appropriate pressure in this field, whether it prefers to act through a penalizing tax measure, a tax exemption, the creation of a national pension plan fund that would administer or "supervise" the administration of private, unregistered pension funds anxious to benefit from any privilege bestowed by federal law, by systematically "educating" employee groups on the demands they could profitably make when negociating the conditions of their private pension plans, by amending laws under its jurisdiction, such as the Canada Labour Code or specific laws governing financial institutions under its control, or in any other way.

It seems safe for the moment to suppose that suggestions from the federal government would be well received in the provinces.

The provincial legislation governing private pension plans has set clearly insufficient minimum conditions, effective only in provinces where it is in force, and it does not offer any suitable solution to the non-transferable character of most private plans.

We should consider dealing with the unemployment problem under all its aspects and try to cope with all its disadvantages; in short, we should do more than fight against its direct effects, that is by creating employment.

If it is true that we have attempted up to now to cope with it by creating employment and by reducing as much as possible the period of unemployment, nobody has considered for example, at least to my knowledge, systematically legislating so that the period of unintentional unemployment will not dramatically extend the period which a worker must spend on the labour market to provide for adequate retirement. For want of being able to fight unemployment, it is at least time we go about "organizing" it. The protection of workers and unemployed implies that we are interested in their condition when they reach retirement age and they prepare that retirement today. It is certainly not normal that workers who acquired a vast experience over the years have difficulty in finding a job precisely because of their age since potential employers would have more contributions to pay in to the retirement fund in order to hire them at that age.

It is also true that retirement was not insured before but that people put money aside for that purpose. A single glance at the assets retirement funds constitute and we understand readily how important it is to take into account this financial contribution which grows and grows and which can represent an important source of investment funds.

It is probable that the provinces will go on legislating uniformly on the question and that negotiations engaged with the provinces would give excellent results; they would make it possible to elaborate in this area federal and provincial laws which are compatible and liable to direct the trade market and to encourage it to react in the desired direction.

[Mr. Leblanc (Laurier).]

I think naturally of a possible intensification of federal-provincial relations in this area. I suggest this to the Minister of Finance, to the Minister of National Health and Welfare (Mr. Lalonde), to the Minister of Labour (Mr. Munro) and to the right hon. Prime Minister (Mr. Trudeau), so that individually or together, they become interested in discussing this very important matter during the next federal-provincial conferences.

Let us cast a new glance on the modern problem involving the future and welfare of the unemployed, of workers and their family. In my opinion, such an attitude would comply perfectly with the wishes of the Minister of Finance and would also meet the views of all thoses members whose ambition it is to make sure that our people enjoy a standard of living increasingly in keeping with the needs of our times.

[*English*]

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, on rising to speak in this debate I am conscious of the heavy responsibility incumbent upon every member of this House. The people of Canada are waiting and will judge us by our actions. For years they have been tired of a government which has stumbled from crisis to crisis, allowing hundreds of thousands of jobless Canadians to grow weary and cynical as month after month both unemployment and prices continue to rise, giving a combination of depression and inflation unparallelled in our history.

So now, finally it must be admitted that the government has made a partial deathbed repentance. I for one am happy that some mention was made of the removal of the capital gains tax on the family farm when it is passed on to a son or daughter after a farmer dies. I welcome the removal of the federal sales tax on children's footwear and clothing, and I am glad that some benefits are given to the senior citizens and veterans of our country.

My constituency, named Wetaskiwin after the largest trading and commercial centre therein, was so called due to the Cree Indians' name for the region, the Peace Hills. Wetaskiwin itself has a population of 6,000 and depends on farming and light industry for its existence. We have a population diverse in its origins, which perhaps comes as close as possible to pinning down that sometimes elusive Canadian identity—people of various backgrounds working together to better their own well-being and the interests of the community.

• (2050)

Wetaskiwin has a number of problems which are of concern to cities. Perhaps the major concern in my city is created by the Canadian Pacific Railway tracks which run through the centre of town. The result is a grave hazard to the lives of our people; the fire station is located on one side of town, and if a train is standing on the crossing, if a slow freight is passing through or if railway cars are being changed, our fire department is effectively cut off from attending any emergency which might arise in the other part of town. Applications have been made to the CTC for immediate action to be taken, possibly for the relocation of tracks. I was happy the Speech from the Throne mentioned that moneys are to be provided for the

relocation of rail tracks. I hope this provision will be included in bills that come forward after the budget debate.

I am fortunate to be in close contact with five Indian reservations in my constituency. I believe that often the native peoples tend to become too isolated from the mainstream of Canadian life and are encouraged to remain apart from the rest of us by the multiplicity of government programs. Surely we would prefer it if they felt like Canadians, the same as we all do.

Some hon. Members: Hear, hear!

Mr. Schellenberger: At the same time, the government should recognize the special problems imposed on communities by their proximities to reserves. For example, the facilities of Wetaskiwin municipal hospital are used to a greater extent every year by residents of the nearby Hobbema reserve. The administration of the hospital, seeking relief from soaring costs and trying to avoid the necessity of more taxes being levied on municipal residents, seems caught between the federal and municipal authorities in the search for funds to further the use of the hospital by native people. It would seem to me, Mr. Speaker, that treaty Indians are the responsibility of the federal government and that the two ministers concerned should get together soon and find a solution to this problem which is duplicated in other parts of Canada. At the moment, as usual, the local taxpayer is caught in the squeeze.

Now I want to turn to matters of agriculture. Most of the farms in my constituency are of the mixed variety, each of about 300 acres. The average age of farmers is 50. The net income of these farmers is a source of continuing concern to me. We know that farm income dropped by 34 per cent in the last five years. Farmers seem to have gained in the last year; because prices have risen for beef and grain, which is good for farmers. At the same time, costs of farming have risen. Input costs for farmers have risen by 75 per cent in the last decade. That is why so many farmers are having trouble making ends meet at the end of the year. Galloping food costs have affected farmers, as they have affected everybody else.

Farmers, as I have pointed out before, have less variety to choose from when shopping and there is less competition among stores in rural areas. Consumers tend to blame farmers for rising food costs. For example, the price of eggs zoomed upward last month. We should remember that the profits are not going to farmers but to the distributors and supermarket cartels, as I see it, because the farmer receives only 11 per cent of every dollar spent on food.

The continuing decrease in the number of census farms is one of the changes in Alberta agriculture which has gone almost unnoticed in the past two years. Figures show that in 1972 there were 67,702 farms in Alberta compared with 84,000 in 1951. This means we have suffered a decrease of nearly 1,000 farms per year. I believe the chief factor in this decline has been the ever-increasing amount of capital necessary to begin farming. In 1951 the capital figure was $21,000, in 1961 it remained a reasonable $37,000 and today it is estimated that one needs $80,000. As an initial outlay of this magnitude is needed, many people, especially young people, who would like to begin farming are unable to do so. Consequently, farms are swallowed up by large corporate farmers or allowed to go to seed.

The provisions of the budget allow farms to pass to a son or daughter without the imposition of capital gains tax on the death of the farmer. How much more useful it would be, Mr. Speaker, if these farms were allowed to be passed to a son or son-in-law during the farmer's life—when he retires, for example. Such a provision, I submit, might effectively halt the decline in the number of census farms to which I have referred.

The statistics that bother me most are those showing that the average age of farmers has continued to increase, from 45 two decades ago to over 49 today. We are losing young people; they go to urban areas as soon as they can simply because they cannot see their way clear to making a decent living on their father's farm. There still is a capital gains tax on farm land and machinery. This ought to be abolished. I believe it is a mistake to take away any part of the retirement fund of a farmer, a fund for which he has saved many years in building up equity in his establishment. In this way, again, we are discriminating against young persons who want to establish themselves in agriculture. Natural phenomena are also important in farming. It is time the government undertook seriously its responsibilities in leadership by presenting a well defined insurance or stabiliZation program to cover farms which are hit hard by acts of God.

I have spoken before in this House on dairy matters, a subject on which my predecessor, Harry Moore, who was known for his interest in the subject and for his long service to his constituency, spent much time and energy. Suffice it to say that our dairy farmers look to the government to find new markets to replace those we have lost as a result of the expansion of the European Economic Community and our failure to obtain special concessions, such as New Zealand did, for butter.

At a time when young people make up a greater than ever percentage of the work force we must, as the work week declines to 35 hours, be concerned about recreation. As Canada is increasingly urbanized and as promotion of tourism increases, many more people will find themselves in an inelastic space—more in the fields, more in the parks, more on the mountains and more on the lakes and waters of our country. Recreation has become an industry supporting many whose jobs ultimately depend on natural resources which facilitate recreation. If we destroy or limit these resources, we will destroy or limit job opportunities. As tourism becomes more competitive, so does environmental management increase in importance. We can hardly expect tourists to beat a path to our country if they will find only crowded beaches, overused parks, logged-off or subdivided mountains and villages sprawled over with people.

Our expenditures, as individuals, on recreation need to be balanced by corresponding public expenditures. I was disappointed that the budget made no provision whatever for this matter. In my constituency there are the ability and the resources for establishing, privately and publicly, more employment and facilities in the field of recreation. Help is needed, however, and I would like to see that help

given both in terms of guidance and of finance. Any plan of action should include first, a decision as to who has responsibility for the recreation; second, effective tri-level organization for development; third, adequate planning studies as the basis of a development program; and fourth, citizen participation in development of recreational land use.

I now want to say a few words about the Local Initiatives Program. I think most hon. members would agree that there is room for improvement in this program. At the same time, I want to pay special tribute to Mr. Gairns and Mr. Meehan of the special information group. They have been unfailingly helpful and courteous to me. I think many of us, Mr. Speaker, would like to exercise greater input into these projects. We should like to know more of the real reasons for rejection. Some reasons, such as "Question ability of management" or "Doubt feasibility of project," are awfully vague for a Member of Parliament to forward to his constituents, to whom he must somehow explain the workings of bureaucracy and the mentality of civil servants. I was particularly distressed at the rejection of the Spruce Grove swimming pool and arena project and the Winfield recreation centre, as similar projects elsewhere were accepted. I also wonder why co-op projects were rejected out of hand, such as the Ste. Anne project in Onoway.

• (2100)

I also wish to talk about incentives to small businesses of which there are many in my constituency. I have seen them suffer over the past few years. Incentives to small business are one area this government has neglected, Mr. Speaker. We see that business failures rose dramatically, by 61 per cent, in 1971. It is obviously the small businessman who suffers most. We need the program my leader has advocated: to establish a Canadian investment incentive credit, available to any Canadian who makes a direct investment in the equity of a Canadian-owned small business. A credit such as this, to a maximum of $5,000 a year, might cost $300 million during its first year of operation but, as my leader pointed out, this could not begin to equal the more than $1 billion poured into the unemployment insurance fund to allow the government to pursue its heartless, directionless, incompetent fiscal policies and thus sustain a 7 per cent employment rate.

The family farm, about which I spoke a few minutes ago, would also benefit from this scheme; incentive credits would be available for new investment in such an operation. Small business encourages individual initiative and this is something which is stifled by the government's current reliance on big government, big business and big unions.

In conclusion, Mr. Speaker, I want to speak of my concern over the government's continuing intrusion into every level of society and life. Boards, committees and regulations seem to be the rule rather than the exception. Despite some tax cuts, the government's total tax take continues to soar. I believe the individual should have more freedom, especially when deciding how to spend his income. We need more freedom and less regulation; fewer laws, and not more boards. I hope that when this party comes to power and meets its new appointment with destiny, which not even the hon. member for York South (Mr. Lewis) cannot much longer delay, it will help Canadians to free themselves from the bureaucracy which now entangles us and discover again the meaning of personal initiative and development. To this cause I pledge myself.

[Mr. Schellenberger.]

Some hon. Members: Hear, hear!

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, in the four years I have been here I have listened to five budget debates. This is the first budget which I find myself, a little reluctantly, able to support. Possibly this is because there are a significant number of items in it that were put forward by individual members of the three opposition parties, as well as by the opposition parties generally on numerous occasions in the past four years, all of which the government scoffed at and refused to listen to or pay attention. They have finally been paid some attention as a result of what many citizens said to the government with "X's" on their ballots last October 30.

The pension increases are welcome. It is the minimum that could be done without the Minister of Finance (Mr. Turner) blushing in shame. However, I warn him—and I think this is felt by members on all sides—that it is still not enough by any means. The government can be sure that we will continue to fight for further increases until the old age pension is increased to $150 per month or the GIS and OAS combined are a minimum of $220. At least by moving up to $100 it puts the Liberals $7 a month ahead of the amount to which the Tories committed themselves.

That in itself is an excellent reason for preferring to support this Liberal budget rather than a possible Conservative one. If one looks at what has been happening with increases, not only in the cost of living but in the standard of living since the 1950s, it will be seen that the increase should be to $110 in order to keep up. The $40 basic pension of 1952, to which should be added the price increases and cost of living increases since then, totals $63.60. If you add to that the increase in the gross national product, in real terms, of 72 per cent, the old age pension should be $110 per month. The government will have to move within a year to make that further improvement in the old age pension.

Another suggestion that is receiving support, even from members on the government side, is that the government should move rapidly to reduce the eligibility age for the old age pension from 65 to 60. If this cannot be done in one move, it should be done on a year to year basis for five years, as was done when the eligibility age was lowered from 70 to 65.

The increase in the war veterans allowance is also welcome. Every member of this House handles dozens of veterans' cases a year, dealing with the Department of Veterans Affairs. This increase will not only alleviate the financial well-being of veterans but will also reduce some of the mail with which Members of Parliament have to deal.

I welcome the remarks of the hon. member for Wetaskiwin (Mr. Schellenberger) regarding capital gains as they apply to family farms. Although I am grateful for this concession, I find it amusing because this particular matter was contained in an amendment moved by my colleague, the former hon. member for Regina East, a

year ago when we were discussing the tax bill. The government said it could not be done. It refused to even listen to it. It is amazing what they can do. We welcome that change in the budget. May I repeat what others, including the hon. member for Wetaskiwin, have said: the trouble is you have to die to get it. That is some improvement for the successor, the son or daughter who will continue to operate the farm, but we again submit that this provision should be available during the lifetime of the farmer. We all know that a farmer in his fifties or sixties who becomes disabled because of a heart attack, or for some other reason, has to retire early and turn the farm over to his son. That farm should be exempt from capital gains tax.

The New Democratic Party is not interested in capital gains on small, family operated farms and small business. We are after the ones that count, the big fellows.

Some hon. Members: Hear, hear!

Mr. Benjamin: I submit that the Minister of Finance should extend this provision to apply not only after the death of a farmer but during his lifetime, and that it be further extended to the small, family-owned and operated business. Any enterprise whose assets run up into millions of dollars should be subject to capital gains tax at any time.

• (2110)

Reductions in sales tax and excise tax are fine, though some of the tariff reductions are so insignificant as to be almost meaningless. But they are welcome. They are timely. They were asked for last year, the year before that and the year before that. Finally, the Minister of Finance was converted on this item as well.

There is another item for which the government of Saskatchewan deserves full credit for its power of persuasion. I refer to the proposal to take into account the costs of education when determining equalization payments to the provinces. This idea was put forward by the provincial treasurer of the province of Saskatchewan and I am happy to note that the government and the Minister of Finance have adopted it. This means another $26.5 million for the province of Saskatchewan. It is a further incentive to me to support the budget.

While all of us welcome whatever cuts have been made in tariffs and sales and excise taxes, along with the increases in pensions, all of this will go for naught if people at the manufacturing, wholesaling and retailing levels do not pass the reductions on to consumers. If landlords are allowed to raise rents unconscionably, thereby absorbing some or all of the increase in pensions, the intention behind the budget will go for naught.

An hon. Member: Speak to the provinces.

Mr. Benjamin: I have already spoken to some of my friends in Saskatchewan and I urge the Minister of Consumer and Corporate Affairs (Mr. Gray), the Minister of State for Urban Affairs (Mr. Basford) and the Minister of Finance to do the same. I should like them to make representations to all the provincial governments urging them to impose a rent freeze immediately so as to protect all persons aged 65 years and over living in rented accommodation. If an attempt was then made to raise their rents, all these people would need to do would be to pick up the telephone and call somebody in Regina or Ottawa. Here is an area in which the federal government should provide leadership. It should persuade the provinces to take action to ensure that the benefits in this budget are passed on to the consumers.

I note that one or two hon. members in the official opposition have called for the removal of the sales tax on building materials. We agree that this should be done. The difficulty about this—and it attaches to the other reductions I have mentioned—is seeing that the benefit is passed on to the public. We all remember the bitter experience which followed the removal of the 11 per cent sales tax on drugs. It was absorbed by the producers and retailers and the consumers received no benefit at all. Unless there is effective monitoring of prices charged by manufacturers and retailers, the reduction in sales tax would be meaningless; the government might just as well have left it on and redistributed the revenue through further increases in the old age pension. Hon. gentlemen to my right may wonder why I do not propose this by way of an amendment. But if they are right in what they have been saying, members of the New Democratic Party have no need to do so; I would only have to whisper into the ear of the Minister of Finance and he would do these things.

Some hon. Members: Oh, oh!

Mr. Benjamin: I would only have to roll back the blankets and he would be only too willing to agree.

Mr. Turner (Ottawa-Carleton): Not a nice thing to say.

Mr. Benjamin: I want to make one final proposal which would do a great deal to solve two problems which face this country, namely, unemployment and pollution. I have raised this subject ever since I first came here. What we need is a national policy under the leadership of a national government with some imagination, a policy which said: over the next five years, every town and city with a population of more than 5,000 will have an adequate tertiary sewage treatment plant. As things are, cities alone, even with the help of provinces, cannot handle this themselves; the costs are too massive. The federal government must provide the leadership and the major portion of the funds.

Think about it, Mr. Speaker. What would a program of this kind do in helping to solve the problems of unemployment and pollution? While there is some help available at the present time, it is entirely inadequate. On this basis, the problem will be dragged out for another 50 years before it is dealt with in a satisfactory way. Imagine the amount of useful employment which would be created for tens of thousands of people in the planning and construction of sewage treatment facilities. Imagine the work which would be involved in the expansion of existing plants with the manufacture of additional equipment needed. I hope the Minister of Finance will think about it, if the government really means business when it says it is determined to tackle pollution and, at the same time, to reduce unemployment.

Some provinces, some municipalities, might drag their feet but I submit they would not do so for very long before the wrath of their respective electorates descended upon them. Here is a goal which the country would support. Canadians generally would back the effort and the investment which would be required and the country would profit, too, from the creation of tens of thousands of jobs which are so urgently needed. At the same time, such a project would do more to halt pollution than any other single endeavour.

An hon. Member: Who would pay for it? The taxpayers.

Mr. Benjamin: I submit it would cost about four or five billion dollars. The money is there. We have to use it.

• (2120)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I want to say—

Mr. Baldwin: So you are going to read your speech, are you? Did John write that?

Mr. Whelan: John Diefenbaker? You would be surprised how often he calls me. There was news in the budget for farmers, and most of it was very good news.

Some hon. Members: Oh, oh!

Mr. Whelan: Gains for farmers far outweigh any losses that may have to be borne. First of all, like all other taxpayers, farmers will benefit from the 5 per cent cut in income tax. I want to point out that tax reductions are much greater than 5 per cent for people who make less than $10,000 a year income. When we put the 5 per cent tax reduction together with the increase in exemptions, we come up with a 9 per cent tax cut for people with an income of $10,000, and 18 per cent tax cut for people with an income of $7,000 and a 47 per cent tax cut for people who have an income of $5,000.

Some hon. Members: Hear, hear!

Mr. Whelan: Under this administration, in view of the way we are improving the income of farmers, there will not be that many farmers—

Mr. Madill: You are right, there won't.

Mr. Whelan: —who would have benefited in former years because they will be earning more money than that.

Some hon. Members: Oh, oh!

Mr. Whelan: This is a budget for little people. They have benefited a great deal from the budget, more than others. Secondly, farmers will benefit from the changes made in the capital gains tax as it applies to transfers of farms from a father to the mother or child. This is a major concession, one that I am very happy to see in the budget. I have had an extraordinary number of requests from farmers to have this change made in our tax legislation and I am glad that the Minister of Finance (Mr. Turner) was able to make the change at this time. There are a lot of farmers in Canada who are at the age where transfers will be taking place within the next generation. We will need a lot of young farmers in Canada, so I am very happy the farmers are getting this tax break in the budget.

While we are talking of farmers, Mr. Speaker, there are probably more people over the age of 65 who are still productive in agriculture, their way of life, than in any other way of life in this country.

Some hon. Members: Oh, oh!

Mr. Whelan: I hope some of the noisy members on the other side are on the consumers affairs committee—

Mr. Deputy Speaker: Order, please. I hope it will not be necessary for hon. members to respond to everything that the Minister of Agriculture says. I know he is generating considerable excitement by his speech and perhaps if there were more order in the House he might excite me with it, but not too much of it is getting through to the Chair. I would therefore ask hon. members for their co-operation.

Mr. Whelan: As I was saying, Mr. Speaker, I hope hon. members on the committee examining food costs will remember just how productive these people are and how long they remain productive. I am happy to see that the budget aims at preserving the family farm. The tax concession does not apply to the corporate giants but to farm families who pass on their farm from one generation to the next.

I think the change is important enough that farmers should consult a lawyer—and even for a farmer this is a concession—or an accountant if they are planning a transfer of their farm to their son, son-in-law, daughter or whoever it may be. There are several methods of transferring a farm from father to son or daughter including gifts spread over a number of years. A good accountant can tell them how this can best be done. The change announced in the budget changes the rules of the ball game, to the benefit of the family farm, and I want every farmer to get the most he can out of these concessions that are rightfully his.

The third change involved livestock herds. Under the old system, farmers who chose to pay their taxes on an income basis had to count any increase in their herd as income and pay tax on it. They could not deduct any losses in the herd. Under the change announced in the minister's budget, any increase or loss in a herd can be counted as a change in inventory. This means that taxes on gains can be delayed until the herd is actually sold, or that a loss can be deducted from inventory. I think that is very important.

Fourthly, the budget offers a faster rate of depreciation on silos and on facilities to store fruits and vegetables under controlled temperatures. The change increases the rate of capital cost allowance to 20 per cent. That is of tremendous benefit to them.

Fifthly, there is some gain for farmers who buy quotas. Under the previous system these quotas had no value on valuation day, and if and when they were sold the total sale price was treated as a capital gain and subject to taxation. Under the change the Minister of Finance announced, farmers who buy quotas will be able to

deduct the purchase price in calculating the amount that is taxable on the sale of quotas. The same rule applies to any licences that farmers purchase or sell.

Sixthly, the dropping of the 12 per cent tax on items described as "near food" will help promote the increased consumption of these foods. This may be more important to some farmers than they now realize. For example, I know of one creamery in southwestern Ontario which developed a low-calorie dairy spread similar to butter. Because it was defined as a diet food, the 12 per cent tax applied. That will no longer be the case, and hopefully that creamery will be able to increase its sales thereby increasing the market for milk.

There is one point in the budget that I know concerns a lot of farmers, and that is the temporary reduction in tariffs on imports of certain foods. First of all, it is my belief that the changes will have little significant impact on farm prices. In addition, these changes are temporary and if difficulties arise for specific commodities I shall not hesitate to recommend appropriate changes.

I think these changes will have little or no significant impact on the returns of Canadian farmers because they fall into general categories. First, they are on items that are either non-competitive or mariginally competitive with Canadian production either because of their nature or because of seasonal availability in Canada. That is, they are commodities that enter the country at a time when they are not produced in Canada. Secondly, other changes simply adjust tariff rates where there was a difference between the British preferential rate and the most-favoured-nation rate. In these cases the change brings the most-favoured-nation rate down to a par with the British preferential rate, which remains the same as it was.

Mr. Baldwin: Explain.

Mr. Whelan: The hon. member for Peace River (Mr. Baldwin) wants a little explanation, so I will make one. I will use as an example canned peaches. Before the change, the British preferential rate was 1¾ cents a pound, the most-favoured-nation rate was 2½ cents a pound, and the agreed rate for Australia was one-half cent a pound. In 1971 we imported about $9.2 million worth, of which $7 million worth was from most-favoured-nation countries, largely the United States, $1.4 million worth was from Australia and $800,000 worth was from other British preferential rate nations. As with apricots, the new arrangement is that these stay the same but subject to the maximum of 12½ per cent. For 1971, the most-favoured-nation rate represented 16 per cent, the British preferential rate was 15 per cent and the Australian rate 2 per cent ad valorem. Assuming prices remain the same, this would mean a reduction of 3½ per cent which would amount to a reduction of slightly under half a cent per pound.

• (2130)

In the case of imports from most-favoured-nation countries, the reduction would be slightly over one-quarter cent per pound. There would be no change in imports from Australia. We import about 76.7 per cent of total consumption of peaches in Canada. I could give you other examples, Mr. Speaker, but I will not at this time.

An hon. Member: You did not tell us about Australia.

Mr. Whelan: We did not change the situation with Australia. It stays the same as it has been for years.

Mr. Baldwin: It is like a boomerang.

Mr. Turner (Ottawa-Carleton): That's better than having a kangaroo.

Mr. Whelan: There were a few cases where the tariffs were so low they represented more of a nuisance than anything else. As I said before, I do not think the change will have a significant impact on farm prices; however, I am prepared to recommend appropriate changes in cases where difficulties arise in respect of specific commodities. I should like to add that farmers will benefit from particular tariff reductions on some items. There are a number of reductions that will include imports of items that farmers use in their business. It is a very long list but it includes, for example—

Some hon. Members: Hear, hear!

Mr. Whelan: I will not give the whole list.

Some hon. Members: Hear, hear!

Mr. Whelan: I know you do not want to hear all the good things because those are the things you do not like.

An hon. Member: We are interested in what the farmers make, not what they pay.

Mr. Whelan: You do not like the good things, but I am going to tell you some of them anyway. This is a long list which includes, for example, a 5 per cent reduction of tariffs on antibiotics, hormones, medications and vitamins.

An hon. Member: We are going to need lots of them.

Mr. Whelan: These are all used in animal and poultry production on the farm. There is also a 5 per cent reduction on tariffs for baskets, and a 5 per cent cut in tariffs—

Some hon. Members: Oh, oh!

Mr. Whelan: Let me remind hon. members that we use hundreds of thousands of baskets in this country, so that is not a small thing to many people.

An hon. Member: What about artificial insemination?

Mr. Whelan: There is a 5 per cent reduction in tariffs on a whole group of hardware items such as electric fixtures and appliances, vices, saws, hooks and eyes—

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The hon. minister has a strong voice and a sunny disposition and perhaps his tolerance point is much higher than most, but the Chair finds it extremely difficult to follow his speech. I do not think that everything he says should draw comment from every corner of the House. I would ask that more of his speech be allowed delivery without encouragement. He is doing very well.

Mr. Baldwin: I agree with you.

Some hon. Members: Oh, oh!

Mr. Whelan: Mr. Speaker, these interjections do not bother me one bit. I am an old union man and I have attended the wildest farm and union meetings you can think of. These people here are quite tame.

As I said, there is a reduction on hardware items such as hammers, crowbars, screwdrivers, and so on, of 2½ per cent to 17 per cent—

An hon. Member: What about wheelbarrows?

Mr. Whelan: —on trickle-irrigation systems and sprinkle or trickle-watering systems used on the farm, in the greenhouse, and a 2½ per cent reduction in the tariffs on air cooled internal combustion engines—

An hon. Member: What about manure spreaders?

Mr. Whelan: —and parts for these engines. These will all be of benefit.

Mr. Speaker, I could go on and give that group over there a lot more information if I thought it would do any good, but I am of the opinion that it may be like the old saying—no, I won't say it.

An hon. Member: Don't put your foot in your mouth.

Mr. Whelan: The point I am making is that tariff reductions cut both ways. They may hurt a bit in respect of some food items, but I do not think they will hurt even as much as normal price fluctuations with which we live all the time, and they will help reduce the cost of some inputs.

Above all, I want to emphasize that the tariff cuts on food imports do not—I repeat, do not—apply during our growing season. We have retained our present tariff structure on these items. For example, we keep a 10-week tariff for rhubarb, a 44-week tariff for onions, a 12-week tariff on green peas and a 22-week tariff on special things like cucumbers, and so on, down the list. So we will still protect these producers, as we always have, during the growing season.

An hon. Member: The farmer is not going to hold his breath waiting for you.

Mr. Whelan: Our producers will continue to receive tariff protection during the in-season of the year and we will continue to work closely with the Canadian Horticultural Council in applying these tariffs. For the information of hon. members, I might add that I met with some of these people today and will meet with some of them tomorrow to consider some of the things I have mentioned tonight, as well as other things about which they are not too unhappy, I can tell you. They know this Minister of Agriculture is not going to sell them down the river as hon. members opposite would like to do.

An hon. Member: The Minister of Finance sold them down the river.

Mr. Baldwin: Where is Benson?

[Mr. Deputy Speaker.]

An hon. Member: He is up the creek.

Mr. Whelan: I want to take a few minutes to deal specifically with sugar beets because they represent a special case under the budget the Minister of Finance announced. There is a rather complicated set of tariffs applying to sugar imports but, in general, there is a reduction amounting to 30 cents per 100 pounds of raw sugar.

An hon. Member: How sweet it is!

Mr. Whelan: I have obtained authority from the cabinet to use our Agricultural Stabilization Act and the Agricultural Stabilization Board to offset any—I repeat, any—impact this change in sugar tariffs will have on the income of Canadian sugar beet producers. My authority to offset the impact of the reduced tariff applies even if the price of sugar beets stays above the support level.

I visited most of the farm leaders across Canada before the House started this session and I learned what they wanted and what they thought of our proposals.

An hon. Member: You should have taken Turner with you.

Mr. Whelan: I might say that we have everything in this budget they wanted, and more. I do not think that some of them felt they would get this much.

We have talked about the family farm. It is easy for many people to talk about a family farm, people who really have no feeling in this regard. I think one has to be raised on a family farm to really understand what it means and to have the feeling of having produced crops. One must be in this position to know what it is to create things. I have been criticized before for saying I feel that farmers are the salt of the earth and closer to God because they create things.

Some hon. Members: Oh, oh!

Mr. Whelan: God will not do everything by Himself and the farmers cannot do everything, so they must work together.

Some hon. Members: Oh, oh!

Mr. Whelan: It would not hurt if some of my friends across the way were associated a little closer with one or the other.

Mr. Alexander: Yes, reverend.

Mr. Whelan: I say that in respect of the farming industry today we can be thankful we have the farmers who are here, some of the most productive people in the world. Not long ago we had a delegation from another country. Members of that delegation said they did not understand how the farmers in Canada could be so productive. They said they did not understand how the government could keep them as productive as they were. It is mainly because they are still in a free country and a free society where they can do what they wish. They can create what they want to create because the incentive is still there.

• (2140)

When one thinks of the ten different provincial agricultural programs that we have across this nation, which are sometimes as different as they are between one country and another, it is very difficult to ask the Minister of Agriculture to be an equalizer. Sometimes I am told I should have been a westerner. If I were, I would be carrying two equalizers to do the things people want done. In summary, I say that I am confident that the changes announced in the budget offer major gains to farmers. When I was in Edmonton talking to the Unifarm people, one of the papers wrote on its front page, "He talks and thinks like a westerner".

Some hon. Members: Hear, hear!

Mr. Whelan: But, Mr. Speaker, what they were really saying was that no matter what part of Canada farmers come from, they talk and think about the same things. With the changes announced in the budget which offer major gains to farmers, particularly in regard to capital gains tax on the transfer of family farms from father to son or daughter, and in the tax on quotas and licences as well as the tax change to allow livestock producers to count gains or losses as a change in inventory, I am sure there will be prosperity in the agricultural economy for the coming year.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order. It being 9:45 p.m. it is my duty, pursuant to section 6 of Standing Order 60, to interrupt these proceedings and forthwith put the question on the subamendment now before the House.

Those in favour of the amendment to the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the amendment to the amendment (Mr. Matte) which was negatived on the following division:

• (2150)

[*Division No. 11*]

YEAS

Messrs.

Allard	Dionne	Laprise
Beaudoin	Fortin	La Salle
Boisvert	Gauthier (Roberval)	Latulippe
Caouette (Charlevoix)	Godin	Matte
		Rondeau—13.

NAYS

Messrs.

Alexander	Allmand	Andre
Alkenbrack	Andras	Arrol
Atkey	Goyer	MacInnis (Cape Breton-East Richmond)
Baker	Grafftey	MacInnis (Mrs.)
Baldwin	Gray	Mackasey
Balfour	Grier	MacKay
Barnett	Guay (St. Boniface)	MacLean
Basford	Guay (Lévis)	Macquarrie
Bawden	Guilbault	Madill
Beattie (Hamilton Mountain)	Haidasz	Marceau
	Hales	Marchand (Langelier)
Beatty (Wellington-Grey-Dufferin-Waterloo)	Haliburton	Marchand (Kamloops-Cariboo)
	Hamilton (Qu'Appelle-Moose Mountain)	Marshall
Béchard		Masniuk
Bégin (Miss)	Hamilton (Swift Current-Maple Creek)	Mather
Bell		Mazankowski
Benjamin	Harding	McCain
Blais	Hargrave	McGrath
Blaker	Harney	McKenzie
Blenkarn	Hees	McKinley
Blouin	Hellyer	McKinnon
Boulanger	Herbert	McRae
Breau	Higson	Mitges
Brewin	Hollands	Morgan
Broadbent	Holmes	Morin (Mrs.)
Buchanan	Hopkins	Muir
Caccia	Horner (Battleford-Kindersley)	Munro (Esquimalt-Saanich)
Cafik		
Campbell	Howard	Munro (Hamilton East)
Caron	Howie	Murta
Carter	Hueglin	Neale (Vancouver East)
Chrétien	Hurlburt	
Clark (Rocky Mountain)	Hymmen	Neil (Moose Jaw)
	Isabelle	Nelson
Clarke (Vancouver Quadra)	Jamieson	Nesbitt
	Jarvis	Nesdoly
Clermont	Jerome	Nielsen
Coates	Kempling	Nystrom
Comtois	Knight	Oberle
Corbin	Knowles (Winnipeg North Centre)	O'Connor
Corriveau		Olaussen
Cossitt	Knowles (Norfolk-Haldimand)	Olivier
Côté		O'Sullivan
Crouse	Korchinski	Ouellet
Cullen	Kuntz	Paproski
Cyr	Lachance	Patterson
Danforth	Lalonde	Pelletier (Hochelaga)
Danson	Lambert (Edmonton West)	
Darling	Lang	Pelletier (Sherbrooke)
Davis	Langlois	Penner
De Bané	Laniel	Peters
Demers	Lawrence	Portelance
Dick	Leblanc (Laurier)	Poulin
Dinsdale	LeBlanc (Westmorland-Kent)	Prud'homme
Douglas		Railton
Drury	Lefebvre	Reid
Dubé	Leggatt	Reilly
Dupont	Lessard	Reynolds
Dupras	Lewis	Richardson
Duquet	L'Heureux	Ritchie
Ellis	Loiselle	Roche
Epp	Lundrigan	Rodriguez
Ethier	MacDonald (Cardigan)	Rompkey
Faulkner		Rooney
Firth	MacDonald (Egmont)	Rose
Fleming	Macdonald (Rosedale)	Rowland
Forrestall	MacDonald (Miss) (Kingston and The Islands)	Roy (Timmins)
Foster		Roy (Laval)
Fox	MacEachen	Saltsman
Frank	MacGuigan	Sauvé (Mrs.)
Fraser		
Gauthier (Ottawa East)		
Gendron		
Gilbert		
Gillespie		
Gillies		
Gleave		

Division

Messrs:

Schellenberger
Schumacher
Scott
Sharp
Skoreyko
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stackhouse
Stanbury
Stanfield
Stevens
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Symes
Taylor
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Towers
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wagner
Walker
Watson
Whelan
Whicher
Whittaker
Wise
Woolliams
Yanakis
Yewchuk—236.

• (2210)

Mr. Deputy Speaker: I declare the subamendment lost. It being after ten o'clock, this House stands adjourned until eleven o'clock tomorrow morning.

At 10:14 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, February 23, 1973

The House met at 11 a.m.

[*Translation*]

PRIVILEGE

MR. WAGNER—PARTICIPATION OF EXTERNAL AFFAIRS MINISTER IN VIET NAM PEACE CONFERENCE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I rise on a question of privilege although I have doubts about the choice of procedure; however, I appeal to your kind understanding.

[*English*]

As hon. members may be aware, the Secretary of State for External Affairs departs today to participate in the international conference in Paris pursuant to the peace treaty signed by the belligerent parties in Viet Nam.

I am sure all hon. members will wish to join me in expressing to the minister our united understanding of the difficult and important task that he will face along with the other members of the international conference. While, in a partisan way, the minister may have disagreements with other members of the House, there is no question that he speaks and works for all Canadians when he joins the search for a lasting peace in Paris.

[*Translation*]

Mr. Speaker, my colleagues and myself wish him good luck; we can assure him we will keep an eye on him but we cannot guarantee that upon his return he will sit in the same place in the House.

[*English*]

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member's doubts were well founded when he suggested he had some reservations as to the procedure. He will recognize, I am sure, that this is not a question of privilege. I indicated that to him when he gave me notice as required by the Standing Orders. I would hope we would not begin a practice under which statements would be made by other than by ministers as provided by the rules.

[*Translation*]

ROUTINE PROCEEDINGS

VETERANS AFFAIRS

First report, in both official languages, of Standing Committee on Veterans Affairs.—Mr. Dupras.

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

* * *

COMMUNICATIONS

TABLING OF LETTER FROM MINISTER TO QUEBEC COUNTERPART

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, under Standing Order 14(2), I wish to table, in the two official languages, copy of my letter to the Quebec minister of communications concerning the general regulations published by the Quebec Public Service Board.

* * *

[*English*]

CANADA PENSION PLAN

AMENDMENT TO ENABLE HOUSEWIVES TO MAKE CONTRIBUTION AND COLLECT BENEFITS

Mr. Max Saltsman (Waterloo) moved for leave to introduce Bill C-149, to amend the Canada Pension Plan (housewives' contributions and benefits).

Some hon. Members: Explain.

Mr. Saltsman: Mr. Speaker, the purpose of this bill is to enable housewives to make contributions to and collect benefits from the Canada Pension Plan. Since many housewives spend part of their careers working in industry as well as working at home, they should be permitted to continue their contributions to the Canada Pension Plan while at home to ensure them a full pension at retiring age. The bill recognizes that work performed at home is equally as important as work performed in industry and provides housewives with the same pension opportunities.

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

* * *

• (1110)

DISCOVERY DAY BILL

PROVISION OF STATUTORY HOLIDAY ON LAST FRIDAY IN FEBRUARY

Mr. Sinclair Stevens (York-Simcoe) moved for leave to introduce Bill C-150, respecting Discovery Day.

Some hon. Members: Explain.

Mr. Stevens: Mr. Speaker, the purpose of this bill is to establish Canada's tenth statutory holiday which, falling on this Friday every February, will be the only holiday break in our long winter season. The holiday will afford Canadians an opportunity to pay tribute not only to our pioneers of the past 500 years but to reawaken interest in discovery both present and future. Both Newfoundland and the Yukon have such a holiday. This bill lets the rest of Canada catch up.

Mr. Speaker: Is the hon. member for Yukon rising on a question of privilege?

Mr. Nielsen: Yes, Mr. Speaker. We have had to put up with the larcenist conduct of Edmonton with respect to the theft of our Klondike days, and while we are flattered by the hon. member's bill I would not want to promise him support for the theft of our own provincial holiday in the Yukon.

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

* * *

CANADA PENSION PLAN

AMENDMENT RESPECTING APPEALS TO PENSION APPEALS BOARD

Mr. Robert C. Coates (Cumberland-Colchester North) moved for leave to introduce Bill C-151, to amend the Canada Pension Plan Act.

Some hon. Members: Explain.

Mr. Coates: Mr. Speaker, the purpose of this bill is to remove the Scrooge-like approach of the Minister of National Health and Welfare (Mr. Lalonde), who has been using his right personally to appeal against favourable decisions by the review committee for applicants who have applied for a disability pension under the Canada Pension Plan and unleash the full force of his department against applicants who are disabled, who have had their disability recognized and a pension awarded by a review committee and who, as a result of the minister's personal action in his own name, must not only wait many additional months for a decision on their claims but must face top medical and legal experts from the federal bureaucracy without so much as the benefit of legal counsel. This amendment will eliminate the meanest possible action any federal politician can take against an individual Canadian.

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

[Mr. Stevens.]

ORAL QUESTION PERIOD

GRAIN

POSSIBLE DECREASE IN FUTURE SALES OF WHEAT TO PEKING—SUGGESTED PURCHASE OF RICE FROM CHINA

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is addressed to the minister in charge of the Canadian Wheat Board. In view of the statement made by the Australian minister in charge of development after his visit to Peking that in future wheat deals Peking would favour Australia over Canada, has the minister made any plans for a pilgrimage of penance to Peking to explain why he introduced the Lift Program in 1970 to take western farmers out of wheat production?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I will have to take that question as notice on behalf of the minister and have him report back.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, would the Minister of Agriculture also take notice of this supplementary question to the minister? Will the minister explore the possibilities of having a government to government deal between Canada and China under which we will buy rice from China instead of buying all our rice from the United States as a way of solving the difficulties that apparently are arising between Canada and China?

Mr. Whelan: I will bring that suggestion to the minister's attention, Mr. Speaker.

* * *

PUBLIC WORKS

PER CAPITA EXPENDITURE DISTRIBUTION ON A PROVINCIAL BASIS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Public Works. It deals with the 1973-74 expenditures for that department as found in the estimates. In view of the per capita expenditure in the province of British Columbia of $1.56 and the per capita expenditure in the province of Ontario of $9 exclusive of expenditures on the national capital, do these expenditures vary inversely with the distance from Bay Street and Ottawa?

Mr. Speaker: Order, please.

* * *

INSURANCE

BRITISH COLUMBIA LEGISLATION—POSSIBLE CONTRAVENTION OF BILL OF RIGHTS AND RESTRAINT ON INTERPROVINCIAL TRADE

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I should like to direct a question to the Minister of Justice with regard to the introduction last Friday, February 16, of the Automobile Insurance Act of British Columbia and the

Insurance Corporation of British Columbia Act. I should like to know whether the confiscatory features of the bill are in any respect in contravention of the Canadian Bill of Rights and, further, whether or not the Automobile Insurance Act represents a restraint on interprovincial trade by requiring all vehicles operating in the province to use the Insurance Corporation of British Columbia as the sole carrier for insurance?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the Minister of Justice had to be away today. I will take the question as notice and bring it to his attention.

Mr. Baldwin: Is he on a slow boat to China?

[*Translation*]

REQUEST FOR STATEMENT BY MINISTER ON BRITISH COLUMBIA LEGISLATION

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

As soon as the minister is acquainted with the act passed in British Columbia, does he propose to make a statement about the detrimental effect of that legislation on the other provinces.

Mr. Speaker: I would point out to the hon. member that there may be some doubt about the first part of his question. For the rest, I see no procedural difficulty with regard to his supplementary question.

* * *

[*English*]

MANPOWER

SUFFICIENCY OF BUDGET STIMULUS TO PRIVATE ENTERPRISE TO CREATE ENOUGH JOBS TO REDUCE UNEMPLOYMENT SIGNIFICANTLY

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct my question to the minister responsible for manpower and the local initiatives program. My question is prompted by the fact that almost two-thirds of those who have applied have not been successful. In light of the fact LIP has been used as a stimulus to employment and as 92,000 people are now placed in a precarious position because of government indecision with regard to scrapping, revising or renewing LIP, will the minister advise the House whether the budget recently introduced by the Minister of Finance is a sufficient stimulus to the private sector to appreciably create jobs in sufficient numbers to reduce unemployment significantly this year?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I certainly hope so.

Mr. Alexander: In view of the indecision of the government in reaching conclusions, in light of the answer just given by the minister, and particularly in view of the indication by the Minister of Finance that some 300,000 jobs will be created, can the minister now advise what the forecast is for unemployment this year?

Mr. Stanfield: Don't all jump up at once.

• (1120)

Mr. Alexander: I know the ministers are not interested in the questions asked by members on this side, but perhaps I could direct the question to the Minister of Finance who I assume has had some discussion with the Minister of Manpower and Immigration. In view of the fact he has indicated that some 300,000 jobs will be created this year and, keeping this in mind, that he must have some forecast concerning what the unemployment figure will be this year, will the minister advise the House just what the figure will be?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it depends on a lot of assumptions which I should like to go through with the hon. member when we have time to discuss them.

* * *

UNEMPLOYMENT INSURANCE

REQUEST FOR ESTIMATE OF AMOUNT OF MONEY REQUIRED FOR GOVERNMENT TO MEET OBLIGATION THIS YEAR

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I am driven to ask this question as a supplementary because of what has been said and because of the fact that the estimates failed to make any mention of the amount required for unemployment insurance benefits if unemployment exceeds 4 per cent. Would the Minister of Manpower and Immigration now remedy this defect and advise the House concerning the government's estimate of the amount that will be required to meet the statutory obligation of the government when unemployment exceeds 4 per cent?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the way the act operates, as the hon. member knows better than many others, is that the government's share will be applicable to unemployment insurance benefit costs in excess of 4 per cent, but that figure will not be known until the end of March in the following year after the calendar year in which they are incurred. That is the time when they become appropriations and appear in the main estimates.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—CONSULTATION WITH PROVINCES ON CONTINUING OF PROJECTS RUNNING OUT OF FUNDS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration a question. In view of the fact that many worth-while and essential services provided by and started under LIP will be without funding as of the end of May, may I ask the minister whether he intends to consult with the provinces to see which of these essential services now carried

on under the LIP program can be continued by federal-provincial participation.

Hon. Robert K. Andras (Minister of Manpower and Immigration): That is the intention, Mr. Speaker.

POSSIBILITY OF LEGISLATION TO COMBINE LOCAL INITIATIVES, OPPORTUNITIES FOR YOUTH AND OTHER GRANT PROGRAMS

Mr. Erik Nielsen (Yukon): Mr. Speaker, in view of press reports regarding the local initiatives program, instead of continuing these programs without the benefit of legislation is it the intention of the government to bring in a bill which would have the effect of combining the local initiatives, opportunities for youth, and other grant programs similar thereto?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, no such intention has been finally determined but if it is no doubt it will be announced in due course in the House.

LOCAL INITIATIVES PROGRAM—COMPLETE ALLOCATION OF FUNDS—ALLEGED REJECTION OF PROJECTS IN REMOTE AREAS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a supplementary for the minister. Have all the funds appropriated for the local initiatives program been used up? If they have not, why are letters being sent from the office indicating that projects are being rejected for that reason?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, with the exception of a very few thousand dollars which are more in the nature of administrative tidy-up, all of the $165 million has been allocated. It has not been used up in the sense that it has been expended but it has been committed to projects, some 5,800, I believe.

Mr. Korchinski: Was all of the appropriation used up by the middle of December, since it appears that some projects, particularly in remote areas of the country, have been rejected because of their remoteness rather than for other reasons?

Mr. Andras: Mr. Speaker, I know of no projects that were rejected on that basis. If the hon. member has some facts I will be delighted to examine them and advise him.

Mr. Speaker: Order. The Chair will recognize the Leader of the Opposition on supplementaries and will then recognize the hon. member for Oshawa-Whitby and return to the supplementaries that hon. members wish to ask on this subject.

[Mr. McGrath.]

UNEMPLOYMENT INSURANCE

ESTIMATE OF CASH ADVANCES TO BE REQUIRED IN FISCAL YEAR ENDING MARCH 31, 1974

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance and is supplementary to that posed by the hon. member for Peace River. I should like to ask the Minister of Finance whether he has an estimate of the cash requirements necessary to finance the unemployment insurance advances estimated to be required during the fiscal year ending March 31, 1974? I ask that question, Mr. Speaker, because the minister has given us an estimate of the cash requirements and therefore must have made an estimate of the cash requirement needed to finance unemployment insurance advances.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will try to put that answer in a form that will satisfy the hon. gentleman. The difficulty is in the switch, in accounting terms, from a commitment on a non-budgetary basis to a budgetary basis over the years, which makes my answer difficult to explain in accounting terms.

Some hon. Members: Oh, oh!

Mr. Hees: Not difficult but impossible.

Mr. Speaker: The hon. member for Selkirk. I apologize to the hon. member. We will come to him, but at present the Leader of the Opposition rises on a supplementary question.

Mr. Stanfield: Mr. Speaker, I should like to ask the Minister of Finance why, when he has given the House an estimate of the cash requirements of the government for the fiscal year of which I spoke, he is unable to give the House his estimate of the cash requirements to finance unemployment insurance advances?

Mr. Turner (Ottawa-Carleton): In simple terms, the cash requirements of the government will include the unemployment insurance advances.

Some hon. Members: How much?

* * *

HEALTH

MANITOBA PROPOSAL TO EXTEND HOSPITAL INSURANCE TO COVER PERSONAL AND NURSING HOME CARE

Mr. Doug Rowland (Selkirk): Mr. Speaker, I should like to ask the Minister of National Health and Welfare the following question. In view of the announcement in the Manitoba Speech from the Throne that the province will extend hospital insurance to cover the personal care homes and nursing home care, has the minister arranged a formal cost-sharing program with the province of Manitoba, would such a program, if arranged, cover patients other than those requiring extended care, and is consideration being given by the federal government to amending the federal hospital insurance legislation along these lines?

• (1130)

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I believe the hon. member has misinterpreted the contents of the Speech from the Throne concerning our health program plans. We have suggested to the provinces a new system of financing that would give them complete freedom in allocating health funds; this would obviously enable the provinces to cover the aspects touched on in his question.

We have already submitted this plan to the provinces, and we are awaiting their response. If agreement is reached, there will be nothing to prevent any province, Manitoba included, from covering the expenses in question.

[*English*]

Mr. Rowland: Mr. Speaker, the minister has misinterpreted my question. I was not addressing myself to the statements with respect to hospital insurance contained in the federal Speech from the Throne but rather to those in the Manitoba Speech from the Throne. Would he address himself to that question? What arrangements have been made for cost-sharing in the Manitoba program?

Mr. Lalonde: I apologize to the hon. member if I misinterpreted his question regarding the specific proposal that is contained in the Manitoba Speech from the Throne. The policy of the federal government is to press for an agreement on the proposals that were put forward to the provinces at the end of February which would give them the necessary flexibility. There is no intention at present to amend the Hospital Insurance and Diagnostic Services Act.

Mr. Rowland: Is the federal government giving consideration to providing compensation to provinces such as Manitoba that decide to provide services on a universal basis and will thus lose the cost-sharing benefits of the Canada Assistance Plan which would apply to programs which are more social assistance oriented? For example, is the federal government considering transferring funds equivalent to those which Manitoba would have received under the Canada Assistance Plan for nursing care and personal care to the amounts paid to Manitoba for hospital care?

[*Translation*]

Mr. Lalonde: Mr. Speaker, I have had the opportunity to discuss this question with the premier of Manitoba and some of his officials; obviously, the matter is still under examination, but I must stress again that precedence is given to study of the new financing formula, which would apply in all cases the hon. member has mentioned.

* * *

UNEMPLOYMENT INSURANCE

MONTREAL—VOLUNTARY WITHDRAWAL FROM WORK BY COMMISSION EMPLOYEES—PAYMENT OF BENEFITS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration who is in charge of unemployment insurance.

Is he aware of the fact that yesterday about one hundred employees of the Unemployment Insurance Commission left their jobs voluntarily in Montreal, and if so, does he expect to pay unemployment insurance benefits to those employees?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the incident has just been brought to my attention and I have asked for a full report.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—AUDITING OF PROJECTS

Mr. A. D. Hales (Wellington): Mr. Speaker, my supplementary to the previous question is also directed to the Minister of Manpower and Immigration and concerns the local initiatives program. I would like to ask him if it is his intention to have all of these LIP programs undergo a government audit and, if so, will it be for the full amount or just for those over a certain amount?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we have a monitoring system for LIP projects. I think that about 10 per cent or 15 per cent of those below $75,000 will be monitored on a prearranged basis, and those in excess of $75,000 will receive attention to a greater degree. Auditing will take place in regard to all of them to one degree or another. We will have to have reports on all of them because we have to account for the funds.

Mr. Hales: May I ask what the minister means by monitoring those under $75,000?

Mr. Andras: The monitoring is to see that the objectives of the particular project applications are being carried out. They will be visited by field staff from the manpower offices. The auditing process is more of an accounting procedure involving examination of the books to determine the disposition of the funds.

Mr. Baldwin: Who audits the monitors?

Mr. Speaker: Order, please. I will recognize the hon. member for Wellington again but the House has heard a large number of supplementaries on this subject and there are a number of other members who want to ask questions. I will recognize the hon. member for Wellington and the hon. member for Hastings on further supplementaries, and then see the hon. member for Vancouver South.

Mr. Hales: Mr. Speaker, I would like to ask the minister whether or not the accounts are going to be audited from the first dollar up?

Mr. Andras: Mr. Speaker, I will get a precise answer for the hon. member. My understanding is that they will all be

audited in the accounting sense but the monitoring will be spot monitoring.

* * *

FINANCE

EFFECT OF BUDGET TARIFF CUTS ON JOBS

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is supplementary to a much earlier question and I direct it to the Minister of Finance. Since the minister has indicated that the prime consideration in his budget is the provision of jobs, and since the removal of tariffs on concentrated juices alone will cost at least 30 jobs in my area, can the minister indicate what he intends to do to compensate for these jobs, as well as to provide new jobs?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the tariff cuts were made after a thorough review of the repercussions on the Canadian economy and particularly on Canadian jobs. I would be interested to see the case that the hon. member has in mind.

* * *

ENERGY

PROPOSED WEST COAST OIL TANKER ROUTE—MEETINGS OF CANADA-UNITED STATES COMMITTEE TO DISCUSS CONTROL—SUBMISSION OF PLAN

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Energy, Mines and Resources. In light of the right hon. Prime Minister's statement on Friday last that a joint United States-Canada committee was established last spring to discuss joint control over the proposed west coast oil tanker route from Alaska, and in view of the right hon. Prime Minister's suggestion that the Minister of Energy, Mines and Resources answer questions relating to that committee, can the parliamentary secretary tell the House whether the committee has in fact met and, if so, has the committee submitted any plan for joint control to the respective governments of Canada and the United States?

Hon. Herb Gray (Acting Minister of Energy, Mines and Resources): Mr. Speaker, as the acting minister I would be happy to draw this question to the attention of the minister who is unable to be in the House today. With respect to the second part of his question, I have a feeling that this may be something of which the Minister of the Environment may want to take note.

Mr. Fraser: Mr. Speaker, with respect, I do not think the question is a difficult one, and in view of the minister's suggestion I will now put it to the Minister of the Environment. Can he advise the House whether that committee has in fact met and, if so, has the committee submitted any plan for joint control to the governments of Canada and the United States?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I met with Mr. Russel Train, who is the presidential adviser on the environment to President Nixon, last fall, and there is to be another meeting shortly. However, it is not a meeting of a committee. It is a meeting between the Minister of the Environment for Canada and the President's adviser on the environment in the United States. I really do not think that this is the committee to which the hon. member is addressing his question.

Mr. Fraser: Mr. Speaker, on Friday last the right hon. Prime Minister indicated that a committee had been set up to study joint control of the Alaska tanker route down the west coast of British Columbia. My question, to any minister or any parliamentary secretary who can answer it, is: has that committee met?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will attempt to get a reply for the hon. member. My answer was to the effect that I had discussed this with President Nixon and suggested that the International Joint Commission be brought into action to study and monitor that type of thing. I was then informed by somebody in the government—I must say I cannot say who exactly but I will look into that—that there was a preference on the American side not to do it through the IJC but through an ad hoc committee, and it was to that committee I was referring. I will attempt to see to what minister, if not the Minister of the Environment, it reports on its meetings.

Mr. Stanfield: It is a phantom.

PROPOSED WEST COAST OIL TANKER ROUTE—FURTHER PROTESTS BY GOVERNMENT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question along the same lines is directed to the Minister of the Environment. In light of the statement by the Prime Minister to the Premier of British Columbia that the federal government has already registered its disapproval of the movement of oil down the British Columbia coast, does the government plan any further protests or any actions of its own on this matter? If not, to take any further action at this time? Perhaps the Minister of the Environment or the Secretary of State for External Affairs might reply.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I personally, and the government, have registered very strong opposition to the movement of tankers through the narrow waters of the Strait of Juan de Fuca and related waters. We are still very strongly of this view. We continue to reiterate this view in all our contacts with the United States government.

As the Prime Minister indicated in his previous answer, we would have liked the IJC to become involved. The Americans were opposed to this, and it was on that basis that the Ministers of Environment of Canada and the United States have met and will meet again to see whether something can be done to reduce the dangers of any oil spills if the United States, notwithstanding our objections, insists on this route.

Mr. Munro (Esquimalt-Saanich): In light of the fact that the Cherry Point tanker terminal would pose an immense

threat to the B.C. coast—I have a most personal interest in this through watching these tankers sail by my window when I am at home—with almost no threat to the United States environment, as a minimum has the government insisted that the United States government choose a terminal site farther down the U.S. coast and, if not, will the government take this position now?

Mr. Sharp: Our preference would be, and this is the point we have made to the United States government, that tankers should not go to Cherry Point. Whether they should go to another point farther down the United States coast is a matter for the United States itself to decide. Our interest is in preventing the pollution of those waters which, as the hon. gentleman said, would have a very deleterious effect on the beautiful environment of British Columbia.

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AIR TRANSPORT

INTENTION OF DEFENCE DEPARTMENT RESPECTING RESUMPTION OF SEARCH FOR LOST BEECH AIRCRAFT

Mr. Peter Reilly (Ottawa West): Mr. Speaker, my question is directed to the Minister of National Defence. It bears on the disappearance of an aircraft some two weeks ago, while on a flight between Montreal and Val d'Or, with four persons on board. I have discussed this question in a preliminary fashion with the minister. In view of the fact that additional investigation has shown that 15 people have reported spotting or hearing an aircraft north of the search area, and in view of the fact that the search by search and rescue has been called off at least for the present, will the minister now, in view of this additional information which I understand he has, order the search resumed for these four people?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, last week, when the hon. member was not in the House, I gave a full report on this search. I have said that if there are new clues, new evidence, we would resume the search in full force.

[*Later:*]

Mr. Reilly: Mr. Speaker, I rise on a point of order. I asked a question and I wanted to rise on a supplementary. It seems that this privilege is accorded to everybody in this chamber; however, I was passed over—

Some hon. Members: Oh, oh!

Mr. Reilly: I do not wish to be dilatory—

Mr. Speaker: Order, please. The hon. member can ask a supplementary but I do not think it is proper for him to make the comments he is making now.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member may seek the floor on a supplementary and I am quite prepared to allow him to do this without such preliminary comments. He may ask the supplementary now.

Mr. Reilly: Thank you, Mr. Speaker. I asked the Minister of National Defence whether in the light of what I believe to be new information he would now order the resumption of the search and, with great respect, I do not believe he gave an answer. I repeat the question now: Does the minister have the information to which I referred and on the basis of that information will he now order resumption of the search for these four Canadian citizens who at this moment may be starving or freezing to death in the Canadian north?

Mr. Richardson: Mr. Speaker, I said that if we had sufficient evidence of new clues to resume the search we would do so. I have not got information of that kind, but I am certain that if my officers do have that information the search will be already under way.

INVESTIGATION INTO LOSS OF BEECH AIRCRAFT IN NORTHWEST TERRITORIES LAST FALL

Mr. Erik Nielsen (Yukon): I have a supplementary question, Mr. Speaker. Last week I asked the Solicitor General and the Minister of Transport questions with respect to the loss of a twin Beech aircraft in the Northwest Territories and the completion of the investigations, in one case by Department of Transport officials and in the other case by the RCMP. I wonder if each minister has an answer now?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the RCMP investigation has been completed but the inquest has not been completed. The inquest was postponed until next Monday, February 26, and it will be continued at that time in Yellowknife. When the inquest is completed a full report will be made.

• (1140)

Mr. Nielsen: Have the Minister of Transport's officials completed their investigation and, if so, with what results?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, officials of my department are in contact with the RCMP and officials of the Solicitor General. It is all the same inquiry.

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FLOODS

HIGH WATER LEVEL IN LAKE HURON—SUGGESTED USE OF ARMED FORCES PERSONNEL TO INVESTIGATE SHORE EROSION AND ASSIST IN CONSTRUCTION OF PROTECTIVE DEVICES

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, my question to the Minister of the Environment is supplementary to a question asked yesterday by the hon. member for Toronto-Lakeshore. Will the minister discuss with the Minister of National Defence the possibility of determining if Canadian forces personnel, primarily engineers, might be used to investigate shore erosion on Lake Huron, as opposed to flooding on Lakes Erie and Ontario, which is caused by the high water levels with a view to making recommendations about how the shoreline might be pre-

served and also whether assistance might be given to land owners by the Department of National Defence in the form of constructing groynes and other protective devices?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I am certain that our engineers will be happy to work with officials of the Department of National Defence and the staff of the Department of Public Works in this connection.

HIGH WATER LEVELS IN GREAT LAKES—FINANCIAL ASSISTANCE FOR MEASURES TO PREVENT DAMAGE BEFORE IT OCCURS

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I have a supplementary question for the Minister of the Environment. We all understand that there are arrangements with the provinces to look after flood damage when it has happened, but would the minister take into account any representations that may be made by the province for funds from the federal government for preventive measures to be taken before flood damage occurs, thus reducing public expenditure?

Hon. Jack Davis (Minister of the Environment): Yes, definitely, Mr. Speaker. There are programs of that kind already in operation in a number of provinces and we would welcome discussions with the government of Ontario.

Mr. Cafik: If these programs exist with other provinces, can the minister indicate what the formula is for cost-sharing in respect of such preventive measures?

Mr. Davis: Mr. Speaker, the formulas have varied from place to place. They depend on the extent of federal responsibility in the area and the extent of provincial and local responsibility.

Mr. Speaker: I suggest, with respect, to hon. members that we should limit the number of supplementaries at this point and not allow too many subjects to become debate rather than simple questions.

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EXTERNAL AFFAIRS

PROPOSED FLOODING OF SKAGIT RIVER VALLEY—UNITED STATES RESPONSE TO REQUEST FOR DISCUSSION—REQUEST FOR TABLING OF NOTE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and deals with flooding in a different context. On February 6 the minister told us that the government of Canada had written to the government of the United States requesting discussions regarding the proposed flooding of the Skagit Valley by Seattle City Light. Has he received an answer and, if so, what was the nature of the reply?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker. We sent a message requesting such discussions to the American authorities on January 9 but we have not yet had a reply.

Mr. Rose: If I may be permitted a supplementary, Mr. Speaker, I should like to ask the minister whether the government's note to the United States requesting these discussions included an explicit statement to the United States that the government of British Columbia has decided not to allow the flooding to proceed? Would he also be kind enough to table the note to the United States?

Mr. Sharp: Mr. Speaker, it is not customary to reveal such notes unless with the agreement of the other government, but I would ask the hon. member whether it is true that the British Columbia government has made a definite decision that it will not permit the flooding?

Mr. Speaker: Order, please. I hope that the minister is not now suggesting that we should get into a practice whereby ministers will ask questions of members opposite.

An hon. Member: They sure need to.

Mr. Lawrence: They would get better answers.

Mr. Rose: Mr. Speaker, it is my understanding that the government of British Columbia has advised the minister informally that it has decided not to proceed with this agreement. May I repeat my question? Did the minister's letter to the United States government contain explicit information on this point, that the British Columbia government had decided not to proceed? We have heard from the Minister of the Environment. He said in the House that he had—

Mr. Speaker: Order, please. The hon. member has asked the question. He should not now make a speech.

Mr. Sharp: Mr. Speaker, I do not have the note with me to enable me to answer the question directly but I shall take notice of it. However, I agree with the Minister of the Environment that the flooding of the Skagit Valley is a dead issue.

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INCOME TAX

PROPOSED ACCELERATED DEPRECIATION ALLOWANCES FOR CORPORATIONS—METHOD OF IMPLEMENTATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question is for the Minister of Finance. In light of statements made on television by his honourable friend from York South last night, will the minister give an undertaking to the House that his proposals with regard to fast write-offs for corporations will be only brought in by legislation or, if by order in council, they will have attached an affirmative resolution under Section 28 of the Statutory Regulations Act so that the House can give assent before they become law?

An hon. Member: Or otherwise.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am glad to have the hon. member's point of view.

Some hon. Members: Oh, oh!

An hon. Member: David, give him permission.

Mr. Baldwin: I have a supplementary question for the Prime Minister. When the hon. member for York South intimated last night that it would be adequate to have discussion after the event, was he stating official coalition government policy?

* * *

AGRICULTURE

IMPACT ON FARM INCOME OF TARIFF REDUCTIONS

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is addressed to the Minister of Agriculture and arises out of a remark he made in his speech last night when he indicated that the temporary reduction in tariffs on agricultural products would have little significant impact on farm prices. In answer to a question from the hon. member for Carleton-Charlotte on Thursday last he indicated that he was in the throes of estimating the effect on agricultural income. Would the minister undertake to table his findings on the impact on farm income of the reduction in tariffs?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I shall shortly be appearing before the agricultural committee on the estimates and at that time I will be glad to do this. Our findings are not complete, but if it is the wish of the House to have this type of information may I say I have already promised to give it to many hon. members anyway.

* * *

TRADE

REPRESENTATIONS TO ARGENTINA TO LIFT BAN ON EXPORT OF HIDES

Mr. William C. Frank (Middlesex): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. As the government is concerned about prices in this country, can the minister tell the House if the government has been in contact with the government of Argentina concerning the possibility of lifting that country's embargo on export of hides which is having serious implications on the cost of footwear in Canada?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I shall be pleased to make inquiries and convey the information to the hon. member.

ACTION TO CREATE NEW AND EXPAND PRESENT MARKETS FOR DAIRY PRODUCTS

Mr. John Wise (Elgin): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce. Can the minister assure the House and the dairy farmers of Canada that he and his department are doing everything possible to create new and expand present export markets for dairy products?

• (1150)

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we, of course, as a matter of policy are always trying to expand markets for all types of Canadian products. In this connection, I think the House will be pleased to know that, of a requirement for some 25 million pounds of milk powder, 19 million pounds were sold by Canada to the United States recently.

REPRESENTATIONS AGAINST REDUCTION OF TARIFFS ON AGRICULTURAL PRODUCTS

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. The minister has said that the does not want to hurt Canadian agriculture. Did he take into account the fact that the Canadian Horticultural Council and the Canadian Federation of Agriculture have been requesting the government not to make any further reductions in tariffs on agricultural products?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, with a colleague like I have there is no way I would be able to hurt agriculture, not with the present Minister of Agriculture.

* * *

FINANCE

TAX REDUCTIONS ON CHILDREN'S CLOTHING AND CERTAIN FOODSTUFFS—MONITORING OF PRICES TO ENSURE THAT CONSUMERS GET SAVINGS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Finance. In view of the fact the budget has cut federal taxes on children's clothing and certain foodstuffs, is it the minister's intention to monitor the prices of these items to ensure that the savings are indeed passed on to the consumers?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we will be watching these items. The initial reaction has been very encouraging right across the country.

Mr. Symes: Can the minister tell the House what action the government will take with firms that do not comply by lowering prices?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, if firms do not lower prices when other firms do they will just lose the business.

Some hon. Members: Oh, oh!

Oral Questions

POST OFFICE

PUBLICITY PROMOTING NEW POSTAL CODE

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. It arises from the publicity promoting the new postal code, using enlightening messages such as "Keep two pairs of plus fours". In view of this profligate expenditure of public funds, will the Postmaster General inform the House what sensible ideas he has to make the code more acceptable to the Canadian public?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I must say that the introduction of the postal code is progressing as expected, according to a timetable that was established a year ago. The comments we have received are, contrary to what the hon. member says, very favourable and I hope all Canadians who wish to benefit from a more adequate postal service can use this code to great advantage.

[*English*]

Mr. Dinsdale: Can the Postmaster General assure the House that the expenditure of over half a million dollars indicated in a return that was tabled the other day will not be expanded, because I think that one of the most important responsibilities of a member is to scrutinize carefully unusual waste of public funds?

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Ouellet: Mr. Speaker, the increase in the department's expenditures is largely attributable to salary increases and to the improvement of postal services in the different post offices across the country.

[*English*]

[*Later:*]

NEW POSTAL CODE—PROVISION OF PRINTED STICKERS TO PUBLIC

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a supplementary question to the Postmaster General. In view of the growing deficit in the Post Office and the reluctance of the Canadian public to use the new complex postal code, is the government planning to provide preprinted code stickers to the public?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, on the contrary the deficit has decreased over the past two years.

Mr. Speaker: I apologize to the hon. member for Richmond. I think that he wanted to ask a supplementary and I therefore recognize him.

[*English*]

[*Later:*]

Mr. McKenzie: Mr. Speaker, I did not receive an answer to my question to the Postmaster General. I will address it to him again. Is the government planning to provide printed code stickers to the public in order to make the operation work?

[Mr. Turner (Ottawa-Carleton).]

[*Translation*]

Mr. Ouellet: Mr. Speaker, I will find out what can be done following the hon. member's representations.

* * *

AGRICULTURE

MEASURES TO COMBAT SHORTAGE OF VETERINARIANS—REPRESENTATIONS TO ENLARGE FACILITIES OF ST. HYACINTHE SCHOOL

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to put a question to the Minister of Agriculture.

In view of the fact that the minister told the House, on Wednesday last, that because of the shortage of veterinarians in Canada, he felt it necessary to send a recruiting team to Europe, could he tell us whether, through his department, he offered to co-operate with the Quebec government with a view to expanding the veterinary school in St. Hyacinthe to train more veterinarians?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker this has been under consideration for some time with all the veterinary schools. A paper is being prepared. I hope to be able to submit it to the government shortly.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I should like to put a question to the Minister of Agriculture.

Can he tell us whether representations have been made last year or two years ago to enlarge the veterinary school in St. Hyacinthe with federal funds?

[*English*]

Mr. Whelan: Mr. Speaker, representations were made by the province of Quebec concerning this veterinary college at St. Hyacinthe, the same as they have been by practically every other school in Canada that teaches this subject.

MEANING OF BUDGET PROVISIONS RESPECTING SALE, PURCHASE AND HOLDING OF MILK MARKETING QUOTAS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, some members on this side were accused by the Minister of Finance on Tuesday of not understanding his department's system. I hasten to plead guilty to this charge and I ask the Minister of Agriculture if he will give now, or undertake to do so forthwith, a clear, definitive and explanatory statement, preferably in "Whelanese" which I do understand, as to the precise meaning of the provisions in Monday's budget regarding the taxation and/or depreciation involved in the sale, purchase and holding of milk marketing quotas?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I can send the hon. member a complete document about this. In short, it means that under the present law proceeds from the sale of quota rights are all treated as income. The budget now proposes that any recovery of original cost will not be taxed.

EFFECT OF TARIFF REDUCTIONS ON ESTABLISHMENT OF SUGAR BEET INDUSTRY IN SOUTHWESTERN ONTARIO

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is for the Minister of Agriculture. In his speech last night the minister assured us that he had received cabinet approval to use the stabilization act to give assistance to the sugarbeet growers in Canada should it be necessary because of the tariff reductions. Can the minister advise whether the tariff reductions will wipe out any chance of a sugarbeet industry in southwestern Ontario, or does he have cabinet approval for assistance to establish such an industry?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as far as I am concerned it does not wipe out the opportunity of establishing a sugarbeet industry in southwestern Ontario.

Mr. McKinley: Mr. Speaker, it looks very much like the Minister of Agriculture has been scuttled by the cabinet the same as the former minister.

Mr. Speaker: Order, please.

* * *

INCOME TAX

REQUEST FOR RE-ESTABLISHMENT OF OFFICE IN BRANTFORD

Mr. Derek Blackburn (Brant): Mr. Speaker, I wish to direct my question to the Minister of National Revenue. Because income tax forms are much more complicated this year than last, will the minister re-establish a tax office with tax counsellors in the city of Brantford, a city of 61,000 people, instead of forcing taxpayers with tax problems to go either to private tax consultants or telephone Hamilton?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I can look into the hon. member's representation. However, I read in the London *Free Press* a few days ago that "the new income tax form is a breeze".

Mr. Blackburn: A supplementary question.

Mr. Speaker: Order, please. I suggest to the hon. member for Brant and other hon. members that a question of this type should normally be placed on the order paper or discussed at the time of adjournment. We are coming close to calling orders of the day. I believe there are a few supplementaries being sought.

• (1200)

NATIONAL PARKS

AVAILABILITY OF RESIDENTIAL LOTS IN JASPER, BANFF AND WATERTON PARKS

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is addressed to the Minister of State for Urban Affairs. In view of his statement in parliament that "it is the fundamental right of Canadians, regardless of where they live, to enjoy adequate shelter at reasonable cost", may I ask whether this principle will be applied to residents in Canada's national parks?

Hon. Ron Basford (Minister of State for Urban Affairs): Responsibility for national parks belongs to my colleague, the Minister of Indian Affairs and Northern Development, and I suggest the question ought to be addressed to him. He is responsible for housing there.

Mr. Clark (Rocky Mountain): Inasmuch as that minister is conveniently absent today, may I direct the question to his parliamentary secretary and ask that he not only answer that question within the next week but that he also indicate within the next week when and how many residential lots will be made available in Jasper, Banff and Waterton Park townsites?

Mr. Speaker: Order, please. That question ought to be placed on the order paper. I see that a number of hon. members are seeking the floor to ask supplementaries, but there is important business to transact and perhaps they will not mind waiting until Monday to ask their questions. Orders of the day.

Mr. Hales: I rise on a point of order, Mr. Speaker, having to do with the responsibilities of the Secretary of State. On February 16 he tabled his annual report for the year ended March 31, 1972, according to *Votes and Proceedings*, at page 124. Since it is customary for these reports to be distributed to all Members of Parliament, I should like to bring to his attention the fact that the report has not been distributed to members or to senators.

I might add that I have checked with the distribution office and learned that the reports have not arrived there. Neither has the distribution office received the annual reports for the year 1971. I bring this to the attention not only of the Secretary of State but of all ministers because it is most essential at this point that annual reports be made available to hon. members. The estimates have now been tabled and will be referred to committees, and these reports are necessary if there is to be effective discussion of estimates in the committees.

Mr. Faulkner: Perhaps I might respond briefly to that point of order. If the facts are as the hon. member says they are, and I have no reason to disbelieve him, his complaint is legitimate and I will take steps to correct it.

Mr. Lalonde: Mr. Speaker, the other day the hon. member for High Park-Humber Valley called attention to the delay in submitting the report on amateur sport and physical fitness. May I say on a point of order, Mr. Speaker, that I regret that the hon. member was correct. The report was delayed in translation. I have given instruc-

tions that this work be given top priority and I expect to be able to table it in the next few days.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that I have received the following communication:

Government House,
23 February, 1973

I have the honour to inform you that the Honourable Wishart F. Spence, O.B.E., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 23rd of February, 1973, at 12.45 p.m. for the purpose of giving Royal Assent to a Bill.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary to the Governor General

Mr. Baldwin: On a point of order, Mr. Speaker. I should like to file a caveat following what I said last session with regard to this question of Royal Assent. I bring it up now, reserving the right to speak on it later. I do not propose to take up the time of the House by dealing with it further at this point.

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Thursday, February 22, consideration of the motion of Hon. John N. Turner (Minister of Finance) that this House approves in general the budgetary policy of the government, and the amendment of Mr. Lambert (Edmonton West) (p. 1526).

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. I trust the Leader of the Opposition will give me a few moments for it.

My point of order relates to the fact that almost always when the Minister of Finance makes his annual budget presentation he tables, two or three days earlier, a document known as budget papers. These budget papers are then attached to *Hansard* on the day of the speech, also to *Votes and Proceedings* on a day somewhere in that same week. But thus far, although the budget was presented on Monday, there has been no such tabling of budget papers. I am wondering whether at some time, soon, the Minister of Finance will table such a document so that it can be part of the record.

[Mr. Lalonde.]

Mr. Turner (Ottawa-Carleton): Perhaps I might speak briefly to that point of order. Last year we began publication of the Economic Review on an annual basis in April prior to the budget introduced on May 8. I said at that time it would continue to be an annual review, presented separately from the budget. The Economic Review will again be presented in April this year.

As to the so-called budget papers, the difficulty this year is that the budget was brought down earlier than usual. The budget papers cannot be assembled until after the close of the fiscal year, March 31. Those papers will be assembled as quickly as possible and be presented to the House.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I must begin by apologizing for my voice which may not be as crystal clear as it usually is. I trust, however, that hon. members will nevertheless be able to understand me.

I want to say, too, at the outset, that I understand the somewhat unique position of the Minister of Finance with respect to the budget he presented to the House on Monday night. After all, in order to keep himself and his friends in power he did not have to satisfy the country; he did not need to meet the critical demands of the country or to attack the problems of inflation and unemployment. All he had to do was to please hon. members in the New Democratic Party—something he has obviously succeeded in doing. But I must say to him he could have done so even if he had come here last Monday and promised to increase the old age pension just by a nickel or a dime.

Some hon. Members: Oh, oh!

Mr. Stanfield: Now that the minister knows how easy it is to placate his allies, I wish it were possible for him to go back to the drawing board and begin again to draw up a budget designed to achieve some degree of order in the economy of Canada, to create some buoyancy and strength to remedy the brutally high rate of unemployment which exists in this country. Those who sit to my left say, as an excuse for their support of this budget, that it proves how potent their position is and how their bargaining power can be used. Well, if this budget is an example of the potency of their bargaining power, they have as much influence as a eunuch in a harem.

Some hon. Members: Oh, oh!

Mr. Stanfield: The leader of the New Democratic Party says the government has been humbled. Even if this were true, I would say this to him, as I would say to the Canadian people: What this country needs is not necessarily a humbled government but an effective government, an honest government, a government that can be trusted. How can you trust a government that within the short space of a few months has accepted so much of what it previously rejected, and in turn has rejected so much of what just a few months ago it so readily accepted? Confidence and trust are one of the basic questions that we have to face in considering this budget.

• (1210)

I do not object for a moment to the government's borrowing ideas and suggestions from other parties, including my own; that is perfectly proper. Provided the ideas are sound and helpful to the country, this is acceptable. But what is not acceptable and what will not be accepted by the Canadian people is for the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Turner) now to seek approval in the House for policies that they condemned categorically, and in the strongest possible terms, only a few months ago.

Last May in the course of the budget debate I proposed an adjuster to the income tax system to compensate for inflation. For some reason or other best known to himself, the Minister of Finance immediately high-tailed down to my own home town of Truro and there said the following about my proposal: "It would be unique in all the world. The scheme would add immense complexities to the income tax system and the individual taxpayer would face continued uncertainty". He went on to say: "Federal-provincial fiscal arrangements would become chaotic," and that my proposal would "steadily undermine the ability of the federal government to meet the growing demands upon it to provide new and expanded services to Canadians".

On Monday, the same Minister of Finance stood up in this House and said with respect to the same suggestion, as reported at page 1435 of *Hansard*:

> I suggest that this new system will be recognized everywhere as a bold and sensitive response to a rather fundamental tax problem. With the introduction of this change, Canada will join a very select group of countries which have eliminated the hidden revenues accruing to governments through the effect of inflation on a progressive tax system.

I would be very happy to use my good offices to arrange a return engagement in Truro for my hon. friend the minister if he wishes to go down there and explain his change of position.

What has happened in the meantime, Mr. Speaker? Did the minister believe what he said in Truro?

Some hon. Members: No.

Mr. Stanfield: Did he believe what he said in the House Monday night?

Some hon. Members: No.

Mr. Stanfield: Does the minister believe anything on this subject?

Some hon. Members: No.

Mr. Stanfield: Prior to and during the election campaign I proposed tax cuts, including income tax cuts, to help reduce the effects of inflation and to stimulate the economy. I also proposed an increase in old age pensions which, with the formula I was using, would have produced substantially the same results that the minister proposed on Monday night in this House—about $100 a month. I was attacked by the Prime Minister and particularly by the Minister of Finance in the most emphatic language.

This is what the minister said on October 19 in Calgary.

Mr. Woolliams: My riding.

Mr. Stanfield: He said: "I suggest to you that the promise to sharply reduce taxes, while at the same time substantially increasing federal spending, is not only evidence of political bankruptcy, but it is a prescription for putting Canada in bankruptcy as well". Yet on Monday night this same discredited Minister of Finance stood up in this House and introduced tax cuts which he said are equal to a tax cut across the board of 12 to 13 per cent. He also supported increases in expenditures amounting to approximately 16 per cent.

What happened between October and February? How is it that a proposal that was a prescription for bankruptcy in October becomes highly meritorious in February? Did the minister believe what he said in Calgary in October?

Some hon. Members: No.

Mr. Stanfield: Did he believe what he put forward here on Monday night?

Some hon. Members: No.

Mr. Stanfield: Is there anything in which the Minister of Finance and the Prime Minister of this country really believe?

Some hon. Members: Power.

Mr. Stanfield: They cannot even put forward in an honest way what it is they are proposing. They are incapable of putting things forward in a straightforward way, even when they are doing something that in many respects is very commendable.

In May last the Minister of Finance forgot to mention to the House that income tax rates would go up by 3 per cent on January 1. Let me tell him that I was prepared to regard that as an oversight, although I do not know that a minister of finance should overlook things like that. But on Monday night he presented as a 5 per cent tax cut what is really a 2 per cent tax cut with a floor of $100. So even when the minister puts forward something that, in itself, is quite decent, he seems to be incapable of putting it forward in a straightforward, honest manner. How can one have any confidence in this government?

In approaching the budget we must deal with it as a whole package, a package that has been loudly acclaimed by hon. members opposite and by what I think we can refer to as the rump to my left. It seems to me fundamental that this country would anticipate a budget which would have withstood the test of three crucial examinations. First, what the budget would do to reduce unemployment, which most members of this House agree has achieved a level that is a national shame and disgrace. We on this side of the House, as well as the people of Canada will wait to hear from the supporters of this budget—and I include all its supporters—the documentary evidence behind these proposals that gives the assurance that this budget will matter a tinker's damn in relieving the national scandal of unemployment.

The second test of this budget is the measure of the government's resolve to do something effective about inflation. Again, the members of this House will wait to

hear from those who support the budget. Perhaps they will tell us whether there really is a morsel of comfort or relief on the horizon resulting from the budget with regard to the continually rising cost of the necessities of life in Canada.

The third test of this budget concerns the future of our country and its mastery over its own affairs, its economy and the development of its own resources. In this budget there is not one morsel of new initiative or crumb of encouragement with regard to this very vital matter. I had been led to believe that this was a serious consideration with many members of this House. So this budget was not designed to remove unemployment, nor to contain inflation, nor to strengthen Canadian economic independence. This budget is not an expansionary budget, much less a visionary one. Those who support this budget, Sir, are doomed to live with it because the time will come, sooner or later, when those who support it today will have to explain tomorrow why unemployment is still a lingering curse in this country.

• (1220)

Some hon. Members: Hear, hear!

Mr. Stanfield: They will have to explain why inflation is still devouring the savings, pensions and budgets of those who live on modest incomes. Those who support this budget will have to explain, as they proclaim their concern for Canadian economic independence, how it was they voted for this budget without a whimper of protest or even a whine of concern.

Some hon. Members: Hear, hear!

Mr. Hees: You better get the convention on soon, John.

Some hon. Members: Oh, oh!

Mr. Stanfield: We have in this budget unilateral, and I emphasize that, unilateral tariff reductions concerning manufacturing in this country. Also we have a program by which any company may establish its own investment program and, provided the investments are unrelated to the company's enterprise, it may qualify for the minimum corporate tax rate.

All this, Sir, is proffered without any consideration being given to the sensible requirements that investment should be in Canadian equities and in the Canadian economy. It is astonishing that throughout this broad range of proposed policy there is not even a wink, a blink or a nod to the need to stimulate investment in Canada.

I am not condemning the minister's lack of concern in this matter, I can only pity it, but I do condemn the sorry silence of some in this House who have spent hours of rhetoric on the issue and who are now silent and satisfied with a policy which will increase the difficulties of Canadian industry and Canadian workers; a policy which provides a quid to other countries without a reciprocal quo to us; a policy which fails to seek any commensurate advantage at a time when we are presumably co-operating with the U.S. about trading relations.

One must ask what sort of policy this is for Canada. We must ask if it is the policy of the government and of its supporters to sell more refrigerators, for example, or whether it is the policy of the government to create—

Mr. Guay (St. Boniface): No, underwear.

Mr. Stanfield: No, it is the policy of the government to steal my underwear, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Hees: Any more cracks, Joe?

Some hon. Members: Oh, oh!

An hon. Member: Try another question, Joe. You are a great help, keep going.

Mr. Stanfield: Mr. Speaker, I appreciate the enthusiasm of my colleagues but I have limited time and much to say. Is it the policy of the government and its supporters to sell more refrigerators, for example, or is it the policy of the government to create more jobs in Canada? Is it the policy of the government to stimulate demand or is it the policy of the government to stimulate more demand for imports? I remember a minister saying last May that there was no use creating more consumer demand in this country because it was all being spent on imports. Now, it seems this government has turned it around again and is encouraging this process.

I had hoped the minister would have done something for Canadian business and for Canadian workers. Instead, with deliberation and determination, he has done something against Canadian business and Canadian employees. We had hoped the budget might have contained more incentive programs for small business, but there is nothing but a vague kind of promise from the minister in that regard. We know that the minister has already pronounced himself as opposed to the incentives that I had proposed, but I am comforted by the fact that he has changed his mind before and he may do so again.

Some hon. Members: Hear, hear!

Mr. Stanfield: The government must realize how vital small business is to the economy of our country. It must realize the difficulties of small business in Canada today, even if it only takes the trouble to read its own statistics on the number of business failures, particularly small business.

I cannot emphasize too strongly the fact that this budget falls far short of the nation's need for a new era of expansion and productivity. True, the government at long last has given in to the need for increased basic old age pensions. At long last the family farm has been partially rescued from confiscation by taxation, temporarily at least. At long last the government has given in to the realistic need for reduced personal income taxes, although in spite of the reductions the minister has proposed he is still going to collect 15 per cent more tax in the form of personal income tax than he collected during 1972. That shows what was really meant by tax reform when this government put it forward.

The government has even adopted our proposal to make some equitable adjustment in respect of inflation, an adjustment which for a change will favour the taxpayer.

One does not have to be in this House very long before realizing that these have been grudging government concessions to commonsense and reason as well as a confession of the government's own bankruptcy of policy. Perhaps the only proposal in the budget which originates from the front benches opposite is the move to restore the 10-cent candy bar.

Some hon. Members: Oh, oh!

Mr. Stanfield: What the country needed and had a right to expect was a budget that would signal an end to this long period of economic confusion and stagnation in which unemployment and inflation have been the constant preoccupation of the nation's concerns.

I can only conclude from reading the budget that the government intends to go along with present conditions in the hope that it will survive long enough and hold office long enough for something to turn up. In that spirit, or lack of it, the country will continue to mark time. A half a million or more Canadians will remain idle and the opportunities for growth and development will pass as the days pass, unrealized and unfulfilled. The government is in a posture of fixed inertia with regard to inflation. A few months ago the Prime Minister (Mr. Trudeau) admitted that he was puzzled by some of the economic phenomena in the country. Then he was puzzled; now, he seems to be paralyzed.

If inflation was a matter of prime concern to the government four years ago, why is there no decisive action proposed in respect of it? The answer is plain. The answer is that the government of Canada does not choose to fight inflation, it has chosen rather to live with it. I suspect the same is true with regard to unemployment. There is nothing in this budget to summon this country to confront and overcome the lingering national disgrace of over half a million idle Canadians looking for work. All we have is a modest, round figure of 300,000 new jobs, a figure hastily summoned from the imagination of the minister and almost immediately forgotten. We are talking about a fundamental matter of credibility. This government has lost its credibility in a way that is beyond recovery. If this budget had to be categorized in a library, the only appropriate section to put it in would be fiction.

Some hon. Members: Hear, hear!

• (1230)

Mr. Stanfield: It is fiction for the Minister of Finance to say that this is an expansionary budget that will generate the jobs needed to substantially cut into unemployment. He talks about the amount of cash required and yet he cannot tell this House how much cash will be required to meet the responsibilities in respect of unemployment insurance. It is fiction for the minister to talk about contingency plans to deal with some level of inflation that never gets defined. It is fiction for the minister to talk about disciplining the expansion of government. He expects Canadians to believe that he intends to cut the fat. But where is the evidence of his sincerity on that matter? There is none. He has given no effective demonstration to the people of this country that would give them any more reason to trust him than they had to trust his predecessor.

The minister surely must recognize that he, too, now has a record of wrong forecasts, inadequate measures and unimpressive results. And he has, in his short time in that office now, also established some kind of record for incredible switching of position. I am not talking about a switch of ministerial position but rather a switch of position taken by the minister. He has made his own fine words in the budget presentation worthless in themselves. In his budget the minister perpetuates a dismal record. The only obvious and undisputed expansion he will achieve will be a further expansion of the credibility gap he has created.

Some hon. Members: Hear, hear!

Mr. Stanfield: Since the government embarked on its disastrous slowdown policy in 1969, I have been saying that the trade-off approach to unemployment and inflation was unacceptable in today's society. It is almost beyond belief that the government would have applied this harmful policy on the basis of a wrong diagnosis of the kind of inflation that was upon us. But that is exactly what happened and that is what the people of this country are still paying for in terms of lost economic potential that can never be recovered, in terms of lost opportunity, in terms of disorder in prices, in terms of human misery, in terms of lost confidence and for so many Canadians, lost hope.

In rejecting the trade-off approach, I have consistently said that the emphasis must be put on adequately stimulating the economy to deal with unemployment. I have consistently said that inflation must be dealt with by means other than slowdown, and I have said that in the event of a serious and widespread inflation psychology developing in the country there would be no alternative but to deal with it through the introduction of a program of temporary price and income controls. The key to determining when such a point of seriousness has been reached has always, in my judgment, been a matter of assessing the state of any expectation spiral among Canadians, because it is this expectation spiral that determines the course of the wage-price spiral.

What it all boils down to is this. In assessing the appropriate time to introduce such a program as we would have brought before parliament, it is not simply the level of prices or price increases that is the fundamental consideration. What must be assessed is the level of inflationary expectations in people's minds, and a major influence on those expectations is the level of trust that people are capable of extending—trust that their government is dealing with them openly and trust that their government is going in a direction that will produce results. The budget presented by the Minister of Finance on Monday evening conveys no sense of direction. It is a politically motivated grab-bag and will be viewed as such. In assessing the state of mind in the country now with regard to inflationary expectations, it is helpful to read the views expressed by editorialists and commentators concerning how rapidly inflation will erode any benefit which may have been conferred by way of tax reduction.

Our assessment of the mood of expectation in the country leads us to the conviction that what is needed in a budget approach at this time, and what we would have

put before parliament, is the package that was outlined yesterday by my colleague, the hon. member for Don Valley (Mr. Gillies).

Some hon. Members: Hear, hear!

Mr. Stanfield: The package is comprised of two significant thrusts, and I cannot emphasize too strongly that we are talking about these two thrusts operating simultaneously as a unit. We would not have put them forward in such a way that either one of them could have been considered as optional. They are not in any way independent or separable. We would have introduced them in budget form as a package to operate simultaneously to respond to the two simultaneous problems facing Canadians at this time—persistent high levels of unemployment and price escalations that have reached serious proportions in terms of generating an over-all inflation psychology. We believe it is time, indeed long past time, for strong action against unemployment. The thrust which we would have presented to attack unemployment would have been unquestionably more effective than the ad hoc measures which were presented in the budget of the Minister of Finance. The plan to promote Canadian investment in Canadian small business—the plan which I put forward during the election campaign—would have been a fundamental part of this package.

Other expansionary measures which were outlined yesterday by the hon. member for Don Valley would have added to the job thrust so that parliament could have dealt with a budget truly expansionary in a dollar sense, and, more important, truly expansionary in terms of actions and programs specifically designed to directly stimulate creation of the number of jobs required to reduce unemployment quickly and substantially in our country.

Some hon. Members: Hear, hear!

Mr. Stanfield: No one can question the need to fight unemployment. We believe it is also time for strong action against inflation because we believe that expectation levels are seriously high and, on the other hand, the credibility and trust appraisals of this government are seriously low. We believe that such action must be effectively combined with strong action to stimulate job creation. We believe that Canadians would accept and support such a two-thrust budget package at this time. We believe that Canadians would endure the discomfort and inconvenience of a freeze and temporary controls program if they felt that dramatic results could be achieved in reducing unemployment as well as in restoring order to the price side of the economy. In the package we would have presented, the time span involved would have been in the order of 18 months to two years with goals ' pelled out in relation to unemployment and inflation. If we had received approval of our package in this House the nation would have the benefit of a well-defined game plan based upon generating opportunity and restoring order in a decisive way, a way which we still believe should be the Canadian way.

But the fact is that in this budget there is no program of national development, no new initiative or fresh inspiration, no delineation of priorities for government action in the seventies, no objectives for the nation to strive towards, no goals to seek and no national purpose to achieve. This is a government not only bankrupt in policy but bereft of leadership. The government and this budget have this in common: both are timid, both lack the courage of conviction and the strength to persevere. There are those in the House who have obviously persuaded themselves that this budget will effect substantial improvements in the Canadian economy and in the lives of the Canadian people. We in this party are not among them. We are convinced that this budget is grossly inadequate, and because of that belief and because we think the government is completely untrustworthy and we have no confidence at all in their statements as to what they are going to do, what they are for or against—we do not know that they believe in anything—because of the gross inadequacy of the budget, we propose to vote against it and to vote against the authors of that budget.

• (1240)

Some hon. Members: Hear, hear!

Mr. Stanfield: After all, we have our own judgment which has been vindicated by events in the recent past, especially with regard to the economic policy. Those who now support the government, will of course do so because they believe that within the lifetime of the effective application of this budget the Canadian economy will respond and be immeasurably improved. We do not believe that, Sir, and as the events unfold, we should be able to see quite clearly who has been right and who has been wrong.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, in the few minutes I have before we are called to the other place may I say, first, that I listened to the hon. member for Edmonton West (Mr. Lambert) on Wednesday who spoke as one financial critic for the Conservative party. Unfortunately, I could not listen to the hon. member for Don Valley (Mr. Gillies) yesterday but I read his speech this morning. I find I have a difficulty, sir, which I had hoped the Leader of the Opposition (Mr. Stanfield) would clear up for me. My difficulty is to know which of those two gentlemen was speaking for the Conservative party.

Some hon. Members: Both.

Mr. Lewis: If the suggestion of the hon. members to my right was that they were both speaking for the party, may I suggest to them that there was absolutely no relationship between the reactionary nonsense which the hon. member for Edmonton West spoke on Wednesday and the almost sensible suggestions which the hon. member for Don Valley made yesterday. I mention that at the start, Mr. Speaker, because the Leader of the Opposition was eloquent today in his condemnation of everybody concerned, and emphasized in particular the fact that the government opposite was not to be trusted. I agree with him entirely.

Some hon. Members: Oh, oh!

Mr. Lewis: I have not changed my mind about the performance of this government since 1968 one bit, and I

have not seen, in the presentation of the Minister of Finance (Mr. Turner), any indication that there are problems with which they should deal in a much larger way. I agree with the Leader of the Opposition—

Some hon. Members: Hear, hear!

Mr. Lewis: —but I say that to ask the House and the people of Canada to have confidence in this outdated party to my right is an act of extreme presumption and arrogance that I do not intend to fall for.

If you want an indication of the kind of modern thinking of which even the hon. member for Don Valley is capable, let me remind hon. members that the great example he gave to the House, the great example which he quoted in support of acceptance of his policies, was that of the policies of the United States and of the Republican President Nixon, despite the failure of that country to deal with poverty, with racial equality or with anything else that has to do with human welfare and human decency. The hon. member for Don Valley says that if the United States could do it, then we should be able to do it in this country. This is an indication of the kind of thinking in which he indulges. If this party had had an alternative government to the one that is across the aisle, one that could be trusted to act in the interests of the Canadian people, it would not have taken us one day—

Some hon. Members: Oh, oh!

Mr. Lawrence: You are not being cheered from behind, you know that. Even they don't believe you.

Mr. Lewis: I expected these catcalls from the Conservatives because I have learned over the years that catcalls is their major weapon in the House and in the country. I emphasize that the history of the Conservative government between 1958 and 1962, the history of the party and the way in which it speaks in the House, the twins looking in opposite directions, the twins Lambert and Gillies with their backs together and looking in opposite directions—

Mr. Nowlan: But you are going in opposite directions.

Mr. Lewis: —indicates that no one in this country can believe that the Conservative party could do the kind of thing that the Leader of the Opposition says he would do when he is in power.

Some hon. Members: Try us. Give us a chance.

Mr. Lewis: Hon. members in the Conservative party say: try us. When I cut my finger with a knife, I do not keep on cutting my finger with the same knife.

An hon. Member: It's better than cutting your throat.

Mr. Lewis: Hon. members say: try us. This country has tried the Conservative party. It is not only the failures of the Liberal party—to which I shall come later in my remarks—that account for the present difficult position of Canada, for the high unemployment and the inflationary spiral. It is also the economy that was built at the time of the Diefenbaker government in this country—

• (1250)

Some hon. Members: Shame!

Some hon. Members: Hear, hear!

Mr. Nowlan: It was John A. Macdonald.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Lewis: —because, Mr. Speaker, these economic developments do not take place in a year, or two, or three. They are economic developments that grow over a period of time, indeed over generations. And if the Leader of the Opposition now puts on the mantle of Canadian economic independence, by gad—

Some hon. Members: Hear, hear!

Mr. Lewis: —by gad, Mr. Speaker, and he accuses the Minister of Finance of not being forthright and honest with this House, then I suggest to him that as leader of a party with 19 members from Alberta, every one of whom supports the rape of Canadian resources by foreign corporations—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Bell: Explain!

Mr. Lewis: —then I suggest to him that he is not honest. He is not honest with this House, Mr. Speaker. Even when the government takes a timid step, probably too late, to control the export of our resources in order to preserve them for the needs of Canada in the future, what do you find? You find the Conservative premier of Alberta objecting to that step—

Some hon. Members: Shame!

Mr. Lewis: —and wanting his oil corporation friends to continue exporting Canada's resources and raw materials.

Conservative hon. members can howl and scream, but what they are really doing is twisting in their seats because they know that what I say is correct.

Mr. Speaker: I apologize to the hon. member for York South but the hon. member for Rocky Mountain rises on a question of privilege.

Mr. Clark (Rocky Mountain): Mr. Speaker, as one of the 19 members from Alberta I simply want to take exception to the remark of the hon. member for York South, and to make it clear that I am not personally in favour of rape, even of that kind of which he is such a complacent partner.

Some hon. Members: Oh, oh!

Mr. Lewis: Mr. Speaker, if the hon. member weren't a new member of this House I might be a little less kind, but the fact is that he did not deny, nor can anyone, that those members from Alberta are entirely in favour of contin-

uing to leave those resources in the control of the foreign owned corporations. They have not attempted at any time to stop the rape of those resources by these foreign controlled corporations. They simply cannot deny that the Conservative government of Alberta, even with the timid step that the Minister of Energy, Mines and Resources has taken to control exports, is howling and screaming because that government does not want any control over the foreign owned corporations that now have the resources of Alberta in their hands.

All I am saying to this House is what I have said on behalf of my party all through since October 30. I do not have confidence in the government opposite, and its performance does not permit me to have that confidence.

Some hon. Members: Hear, hear!

Mr. Lawrence: You voted confidence in them.

Mr. Lewis: But neither do my colleagues and I have the slightest confidence in the dinosaur oriented and dinosaur controlled Conservative party of this country.

Some hon. Members: Hear, hear!

Mr. Paproski: What about Brontosaurus Rex?

Mr. Speaker: May we have order please?

Mr. Lewis: Hon. members tell me they prefer the brontosaurus to the dinosaur. So far as I am concerned they can have their choice. In fact, they can hyphenate the two words, and the result would still apply to their policies and theories. These hon. gentlemen, who now say we should do such and such for this country, are merely showing their anxiety to get across the aisle and take the place of the government. And the only reason that the Leader of the Opposition, who is usually so mild and kind a person, such a nice guy—

Some hon. Members: Hear, hear!

Mr. Grafftey: A real human person.

Mr. Lewis: —the only reason this nice guy from Halifax has become vicious in the last few days—

Some hon. Members: Oh, oh!

Mr. Alexander: You are not your best today, David.

Mr. Lewis: —the only reason he has become vicious is that he is absolutely destroyed by the frustration that he feels each day sitting in this House. And I say to him that it is not head of government that he ought to become; he ought to visit a psychiatrist and get rid of the frustration. Then, he will return to the kindness and the softness which were the familiar characteristics of him.

Some hon. Members: Shame!

Mr. Lewis: And if I am being unkind to the hon. Leader of the Opposition, it is quite deliberate. He deserves it for the way in which he has behaved throughout the opening of this session of parliament.

[Mr. Lewis.]

Mr. Hees: I hear you can't get a psychiatrist to take you on, David.

Mr. Lewis: Mr. Speaker, I am really very flattered by the reaction of the Conservatives. Their sensitivity and thin skin are showing. They like to applaud their own outdated appellations that they throw across the floor, but when they are told some things that are true and that are necessary for the people to hear, they scream, yell and cat-call. It is rather complimentary, Mr. Speaker. I am delighted to know that whatever shafts I was throwing hit their mark. That is always a pleasure to know.

Mr. Lawrence: There is a better word for it than "shaft".

Mr. Lewis: Mr. Speaker, we have decided to support this budget.

Mr. Alexander: Surprise, surprise!

Mr. Lewis: We have decided to support this budget, not because—

Mr. Bell: Someone is knocking on the door, David. They are coming to take you away.

Mr. Lewis: May I call it one o'clock, Mr. Speaker.

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, it is the desire of the Honourable the Deputy of His Excellency the Governor General that this Honourable House attend him immediately in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

• (1310)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1973—Chapter No. 3.

Mr. Speaker: It being after one o'clock, I do now leave the chair.

At 1:13 p.m. the House took recess.

AFTER RECESS

The House met at 2 p.m.

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Hon. John N. Turner (Minister of Finance) that this House approve in general the budgetary policy of the government, and the amendment of Mr. Lambert (Edmonton West) (p. 1526).

Mr. Lewis: Mr. Speaker, it is, of course, obvious and true that the budget which the Minister of Finance presented on Monday night showed that he had changed his position on a good many items, that he had accepted what he had rejected a year ago, or last May, and what he had rejected throughout the federal election campaign. It is precisely this fact which would lead responsible people, people who are willing to carry out their duty to make this parliament function, to support this budget and welcome the fact that in response to criticism the hon. gentleman had changed his views. It is obvious why he changed his views. He changed his views because he is now a member of a minority government teetering on an edge. And he changed his views because in this parliament he and the government must be responsive to the views of others; they cannot arrogantly continue to act in any way they think is right in total disregard of other opinion.

Some hon. Members: Hear, hear!

Mr. Lewis: This is why those views were changed.

I would be more inclined to believe in the sincerity of the concern for the unemployed which is professed by some of the spokesmen for the Conservative party if every time they used such expressions I did not remember their vote on the amendment to the Unemployment Insurance Act and their attitude toward the estimates. But in connection with the Unemployment Insurance Act, particularly, had their vote prevailed, the unemployed would not now be receiving the benefits to which they are presently, by law and in humanity, entitled.

Some hon. Members: Shame.

Mr. Lewis: The fact is that on October 30 the people of Canada did not accept either of the traditional parties in this House to be the government of Canada in a majority sense. They rejected the way in which the Liberal government had carried on its work for the four and a half years before that date, and they rejected the Conservative party also. I say to my friends in the Conservative party what I said to a reporter during the election campaign—I think it was reported in *Time* Magazine: that if the Conservative party had any program and any leadership to offer, so anti-Trudeau were the people of Canada that the Conservatives could have swept the polls. This was the feeling which was evident throughout Canada. And in this situation, the people having created a dilemma for themselves. I think it is right that this parliament should function and should get the best possible results out of the government that happens to be in power. The government had to listen. That is why it has accepted what formerly it had

rejected. That is why the old age pension has been increased to $100.

Mr. Gillies: Big deal.

Mr. Lewis: The hon. member says "Big deal". Let me tell him that based on the promises which the Conservative party made during the election campaign and the promises which the Leader of the Opposition (Mr. Stanfield) made during the debate on the May budget last year, all the calculations I could possibly make add up to an amount less than $100. In fact, when the Leader of the Opposition spoke to old age pensioners in Vancouver last year and they asked him whether he would agree to make the pension $150, he said: "No, I will not. The likelihood is that I think the pension ought to be $90."

Mr. Gillies: He said, let's look at it.

Mr. Lewis: Now, they have an old age pension of $100. My colleagues and I are not satisfied with it.

An hon. Member: Nor are we.

Mr. Lewis: Certainly, the Conservatives are not satisfied with it. But if they had been in power, pensioners would have had to be satisfied with $90. Members to my right now say they are dissatisfied with $100. I repeat, that we in this party believe the increase should have been greater, but I want to say this to members of this House and to the people of Canada: I have reason to know, not merely to believe, that the old age pension would not have been $100 if the NDP had not insisted that it could not be less than $100. I suggest that that is a service to the elderly people of this country, a service I am proud that my party has rendered.

• (1410)

There is a basic pension of $100 a month, but what is just as important is that there is a combination of pension and supplement of $170 for a single person and $325 for a married couple. These, too are not adequate to give them the kind of dignity and comfort that they ought to have, but it is a great improvement on their previous situation. Because of what happened on October 30, this has been included in the budget. These proposals will come before us in a bill, once again I say because of the attitude taken in this parliament by the New Democratic Party. This alone justifies the responsible position that the members of this party have taken.

There is also a personal income tax cut in the budget. It is true that 5 per cent is only 2 per cent more than the former 3 per cent cut, but certain members of this House demanded that an income tax cut must be made on a progressive basis. I have said consistently that there should be an income tax cut for people in the middle and lower income groups and no cut at all for those in the higher income groups. At all events, in reply to the demands that have been made we now have one of the most progressive income tax cuts this parliament has ever seen, and I am proud that my colleagues and I are partly responsible for that.

When my Conservative friends beat their breasts and say that they will do these things for us, as the hon.

member for Northumberland-Durham (Mr. Lawrence) has done, I am reminded of another being, though not the kind I have in mind.

Mr. Lawrence: They have more hair on their chests than I have.

Mr. Lewis: When these Conservatives beat their breasts and say that they will do better, I recall what was said by the hon. member for Edmonton West (Mr. Lambert) when he was the only financial critic for the Conservative party—now there are two; there are twins in that capacity. When the Income Tax Act was changed a little more than it usually is, the hon. member for Edmonton West on June 22, 1971, as reported at page 7222 of *Hansard'* said this. This is one of the great saviours of Canada that we are supposed to bow down to. He said this:

> —some people think that you can have equity between taxpayers. That is impossible in this country and anyone who suggests otherwise is not aware of our financial and economic requirements. It is absolute nonsense to talk about equity between taxpayers or within the income tax system.

That was the declaration of the hon. member for Edmonton West, the financial critic of the Conservative party. Let me tell the members of that party that I believe it is possible to have equity in the tax system, and I have no confidence in people who say that it is not possible to do so.

As a result of the October 30 election, the government has now increased basic exemptions. My colleagues and I oppose the idea of exemptions because we think it is not a good way to get equity in the tax system, as the Carter commission report showed and as logic indicates. Whenever exemptions are increased by $100, you give more to the higher income earners then you do to people with lower incomes. A person whose effective income tax rate is only 17 to 20 per cent gets out of an increase in the exemption of $100 only $17 to $20 benefit. On the other hand, a person whose effective rate of tax is 40 or 50 per cent derives from a $100 increase in the exemption $40 or $50 benefit. Therefore, that is not a fair way of making allowance for the basic needs of families, on which the theoretical concept of an exemption is based. What is required, as we have been saying for many years, is a tax credit, rather than this kind of increase in the exemption. However, there has been a recognition that income tax on individuals must be eased for those at the bottom. Although we would have preferred a tax credit arrangement—something that we are going to argue for—I have no doubt this change was made as a result of the October 30 election.

We have also had some tariff cuts. The cuts are not very wide but they are important. They are particularly important to western Canada. I was amused today when I heard the Leader of the Official Opposition (Mr. Stanfield) opposing even these minimal tariff cuts. Every time you scratch a Conservative at a particular moment, the basic protectionism of the Conservative party spurts out. We welcome these tariff cuts, unilateral as they are, and we think that if the government plays its cards well in negotiations with the States on trade matters they will be of value.

We also welcome the reduction in sales tax. Perhaps the hon. member for Don Valley (Mr. Gillies) is right and there should have been a decrease or elimination of the sales tax on all clothing. However, every time that kind of suggestion is made I think of certain clothing off which I would not take sales tax. For example, many of the members of this chamber are going to wear black ties tomorrow night at the gallery dinner, and I am darned if I am particularly anxious to take sales tax off the tuxedo. In other words, to be effective and decently done, these cuts have to be selective so that those who need assistance are assisted, rather than the cuts being global, as has been suggested.

The same is true when members of the Conservative party start screaming about removing sales tax on all building materials. That sounds good and these members think that they have a political item here. But if that were done, it would be the biggest bonanza in Canada for the gouging developers of this country.

Mr. Gillies: It would help the construction workers.

Mr. Lewis: You can deal with this problem in a decent and progressive way, a way you cannot expect the Conservatives to suggest. It can be done by rebating to the person who buys a house costing less than a certain sum—I am talking of the middle income and lower income home purchaser—the tax on the building materials that went into the construction of his house.

Mr. Gillies: That would be a bureaucratic nightmare.

Mr. Lewis: That is what we would have done.

Mr. Lawrence: It would be very difficult to administer.

Mr. Lewis: The hon. member for Northumberland-Durham, who has been a member of a provincial cabinet, says it would be difficult to administer, but his provincial government had no difficulty at all in administering many things. It had even less difficulty in misadministering them.

Mr. Lawrence: The expense would be enormous.

Mr. Lewis: There is also in the budget a very important modification in the equalization formula which means that an additional $200 million will be spent on the seven "have-not" provinces. This is a very important step to take for the Atlantic provinces, Quebec and the prairie provinces of Manitoba and Saskatchewan. That, too, is in the budget as a result of the October 30 election. Although some provinces had demanded it at various conferences, only now has their demand been recognized. We have all these things in the budget which make us believe it is our duty, in light of the position we took at the opening of the session, to support the budget we have before us. It is of course true, Mr. Speaker, that the advisers of the Department of Finance have not shown much imagination. It is of course true that this budget should have been the subject of more imagination than has been shown. It is true that this budget is not sufficiently expansionary, and it is true that it is easier to move mountains than to move the mandarins in the Department of Finance.

• (1420)

An hon. Member: Right on.

Mr. Hees: Why don't you move an amendment?

An hon. Member: Put your vote where your mouth is.

Mr. Lewis: I have a suspicion that most of the colleagues of the Minister of Finance in cabinet know that is true. I cannot condemn sufficiently the Prime Minister (Mr. Trudeau) and members of his Cabinet for not having seen, since they are ready to admit the failure of their policies to date, that they should have had the gumption and imagination to take a much bolder step in the expansionary program presented to this parliament instead of placing limitations upon themselves.

An hon. Member: Otherwise, they should have resigned.

Mr. Lewis: I have never had any illusions about this, and I do not think this budget will reduce unemployment at as fast a pace, if it reduces it at all, as it should. It is a pity and a crime really that the government, once having decided to take some expansionary steps regarding the economy, and once having decided to pour more money into the economy, did not have sufficient guts and imagination to pour at least another billion dollars into the economy, as it could and should have done. I said that before my hon. friends to the right, who keep up these catcalls, the very night of the budget. There are areas where this course should have been followed. One such step would have been to increase the revenues of the provinces which must have more to carry out their responsibilities. They are now hobbled by a lack of revenues to carry out their constitutional functions. Another step would have been to increase the old age pensions by $10, $15 or $20 more, or at least to increase the supplement by some sizeable amount. The government should have made an even larger personal income tax cut, and set a minimum reduction of $125, $135 or $150 with an increase of 6 per cent or 7 per cent instead of 5 per cent.

I say to you, Mr. Speaker, that if the government had done that kind of thing, this budget would have had a great deal more meaning for the people of Canada, a great deal more meaning for the provinces of this country and a great deal more hope for the unemployment situation.

An hon. Member: And we might have even voted for it.

Mr. Lewis: I do not think the hon. member would vote for anything, no matter what it was.

I want to say one final thing, since I do not think I have many more minutes at my disposal. I share the views of my colleague, the hon. member for Waterloo (Mr. Saltsman), who indicated that merely having a deficit does not by itself create employment. Although it is important in this kind of situation deliberately to have a large deficit, that in itself does not accomplish this. Along with my colleagues, I believe, and we are entitled to this belief as anyone else is entitled to his, that the policies and philosophies of both the Liberal and Conservative parties, in an age of automation and cybernation, in an age when there is constant replacement of human labour by machines, in an age when you can produce much more with less human labour than you could, in such an age without plan and when the Liberal and Conservative parties rely on the private enterprise sector alone to produce jobs, would make the Liberal government fail and a Conservative government fail because these policies and philosophies will not produce jobs for Canadians.

If I had anything to do with the budget, let me inform the members of the Conservative party that not only would it be much more expansionary, it would have provided a great deal more money for the Department of Regional Economic Expansion; it would have indicated a complete restructuring of regional economic development policy in this country; it would have decentralized the regional development program; it would have given the provinces and the regions more opportunity to plan their priorities and objectives. It would have emphasized a need for public investment combined with private investment for the development of industry in the disadvantaged areas of this country which, by definition, do not produce the kind of profits that attract private enterprise. The only way you can build the economy in these areas is by having a public involvement in the development of economic policy. Had we designed the budget it would have told parliament and the people that part of this regional expansion program would be to lend a great deal of assistance to co-operatives, particularly in the Atlantic provinces; fisheries co-operatives and farm co-operatives, so the people themselves could help in developing their livelihood and future.

We would have undertaken in the budget that the task force, which the Economic Council of Canada set up to deal with the question as to what constitutes unemployment in Canada, was given the job of finding new ways of employing the hardcore of unemployed in this country. We could do a tremendous job for future generations in Canada if we used social capital to get this country cleaned up from coast to coast as far as that can be done by human work and machines. An anti-pollution program of dimension in this country would have helped unemployment and would have guaranteed the quality of life for future Canadians. These are the kinds of things we would have proposed. We would have proposed direct employment programs.

An hon. Member: Why don't you?

Mr. Lewis: Mr. Speaker, I am delighted to hear of the socialist conversion of hon. members, particularly the hon. member for Prince Edward-Hastings (Mr. Hees).

Mr. Hees: I would just like to hear you propose an amendment.

Mr. Lewis: If I believed him I would, with your permission, walk over and give him an application form, but that hard-nosed Tory has not been converted.

Mr. Hees: I would just like to hear you suggest you had the guts to propose an amendment today.

Mr. Lewis: Those are the measures we would have proposed in addition to an expansionary program. As the hon. member for Waterloo said, we cannot ask the Liber-

als or Conservatives to accept, adopt and implement a New Democratic Party policy because that is not what we would expect them to do.

Mr. Hees: Why don't you try an amendment?

Mr. Lewis: I told those hon. gentlemen in Toronto the other day that I was certain they would vote for the communist manifesto if they thought they could get across the aisle and become the government.

Some hon. Members: Hear, hear!

An hon. Member: Give us the chance.

Mr. Lewis: I have no doubt they would vote for any amendment put forward, without caring what it said, as long as they thought the amendment would carry. Because I do not expect this government or any other government of another party to bring our program forward, I feel and my colleagues feel it our duty to support this budget and to be proud that our presence here has produced many more things for the people of Canada than would otherwise have been the case.

Some hon. Members: Hear, hear!

• (1430)

Mr. Ross Whicher (Bruce): Mr. Speaker, it has been a very interesting day, at least up until now. We heard the Leader of the Official Opposition (Mr. Stanfield) and the Leader of the New Democratic Party (Mr. Lewis) tell us all that is wrong in Canada. To use the words of the Leader of the Opposition, he said there is nothing but confusion and stagnation in Canada. The Leader of the New Democratic Party told us there is much wrong. If there were people from other countries of the world such as Germany, France, Russia, England or the United States sitting in the gallery today, they would think that perhaps this is the worst country in the world. I say it is high time that as Members of Parliament we started telling the world what is good about Canada, and started sticking up for Canada for a change. Much is wrong, of course, with Canada. It is not any Heaven, but it is still the best country in the whole world with one of the highest standards of living, with the best housing and where we have a policy of looking after our senior citizens better than they are looked after in any other country in the world. I could go on and on in this vein.

It was interesting to hear the Leader of the Opposition this morning tell us what is wrong. It was also interesting to hear the Leader of the New Democratic Party in his most efficient manner tell us why he would support us over here instead of those horrible people to the right of him. I will tell you, Mr. Speaker, why he supports us. He supports us because he is afraid to do anything else. I am the fellow who will tell him right now that he is afraid, as are the people behind him. He told us today, and on numerous other occasions, that he does not like us any more than the people to his right. So, the answer is that what all the people behind him are thinking about is their seats, particularly those from western Canada. They do not want an election in the near future. In the light of what the two leaders of the parties said this morning and again this afternoon, it was obvious they certainly were not sticking up for each other.

May I say I listened to the lead-off speaker for the Conservative party, the hon. member for Edmonton West (Mr. Lambert) and also listened attentively to his lieutenant, the hon. member for Don Valley (Mr. Gillies) yesterday afternoon, but I did not find any similarity in their speeches. As a matter of fact, the hon. member for Edmonton West said that his amendment was being moved because this budget would not reduce either unemployment or inflation or the spiralling cost of living. I did not hear the hon. member for Don Valley speak very much about that. The main theme of his speech centred around the fact that if the conservatives had the opportunity they would place a 90-day freeze on wages, salaries, prices and so on. The hon. member for Edmonton West who led off and moved the amendment did not even mention the possibility of a wage or price freeze in Canada.

Mr. Gillies: Yes, he did.

Mr. Whicher: As has been suggested, perhaps our Tory friends should hold a caucus meeting next Wednesday morning to decide what their position is in respect of budget, because evidently they are not all telling the same story.

Inasmuch as I do not have the same length of time as some other hon. members, may I ask that members take the time to read some of the highlights in the budget and then go home where, in the quietness of their own rooms, they can say they are really proud they are still Canadians and have the responsibility and obligation to pay taxes in this fine land. Let us look, for example, at the first item. The basic exemption for all taxpayers has been increased from $1500 to $1600. Perhaps this might seem to be of little significance, but the point is that the basic exemption was the highest in the world before last Monday night and now is even higher. This is something of which Canadians can be proud.

Not only has the basic exemption been increased to $1600 from $1500, but let us see what has been done for the senior citizens. Their exemption at age 65 will not be $1600 but rather $2600. This is the highest exemption in respect of senior citizens anywhere in the world. My hon. friends did not mention that.

An hon. Member: It is not enough.

Mr. Whicher: That is the story we hear all the way through—too late and not enough. I say to some of the people across the way who want the responsibility to govern that you cannot give everything away without increasing taxes. For the last several weeks we, and my friends on the other side of the House, have been talking about the old age pension situation. No one appreciates more than I do the fact that our senior citizens need assistance, but what has not been said is that the old age pension scheme before last Monday night in Canada was the best in the whole world. They did not say that the basic exemption for our senior citizens is the highest in the world, or that at age 65 in most provinces senior citizens receive free hospitalization and medicare in Canada. They did not mention the other things such as

cheaper housing and rentals. One must take everything in context and not try to dwell on one point. The fact is that our senior citizens know they are not getting too much, but they do know that they are getting more than the senior citizens in the United States, in France, in England, in Russia or anywhere else in the world.

Not just the people in the Liberal party but also those in the Conservative party and New Democratic Party should be very proud of the way in which we are attempting to look after our senior citizens. I did not hear my friends mention anything about the increases which are to be given to the recipients of the war veterans allowance. I did not hear my hon. friends mention the fact that we still have over one million veterans in Canada out of a total of 22 million people. Those who are in receipt of war veterans allowance will find that the allowance for married recipients has been increased to $357 a month. Once again, I say we should be very proud of that. I could go on and on. I did not hear my hon. friend from Don Valley say anything about the fact that it will now be possible to pass family farms on from generation to generation free of a capital gains tax.

Mr. Gillies: That is a great idea. I only had 30 minutes.

Mr. Whicher: I heard hon. members opposite say that other small businesses should be allowed to pass to the next generation free of a capital gains tax, but I did not hear them give any credit for what has been done. I did not hear any credit being given for the fact that, for the first time since the war years, the agriculture industry in Canada is starting to receive a fair deal. More grain is being sold now, and at higher prices, than has been the case for many years. So far as the agriculture industry is concerned the light of day is now being seen in respect of many products for the first time, but my Tory or NDP friends did not mention this. I could carry on and mention many other things. Let us think about some of the other good things we have in Canada. Let us stand up for Canada.

• (1440)

We have one of the finest educational systems in the whole world, one of the finest hospitalization systems in the world. They are not perfect by any means. However, if you think we have poor housing in the city of Toronto—there is none in Don Valley—go to Harlem in New York city and take a look at really poor housing, and that is the wealthiest city in the whole world. We are not perfect in Canada, but we have the very best there is. Ask our friends who are in the Caribbean: why is it that more Canadians travel than do the people of any other country in the world?

Mr. Paproski: They are on LIP grants.

Mr. Whicher: The answer is, because we are more prosperous.

Mr. Paproski: They are on Opportunities for Youth grants.

Mr. Whicher: I would not mind interruptions from the other side, but I hope you understand I only have a few minutes because I am a back-bencher. I do not, therefore have many opportunities to speak.

Mr. Paproski: Oh, oh.

Mr. Whicher: It would not take too long to cut you down to size. You will be a lot smaller, my friend.

Why is it that these good things are taking place in Canada? I will say this: the reason that we have these good things is our high standard of living. This country is not perfect by any means, as I said. The reason we have these good things is that over many years we have had an excellent democratic government here in Canada, and the one that we have at present is no exception.

I heard the speech of my friend, the hon. member for Don Valley whom I appreciate very much and I think he gave a wonderful speech yesterday. Let me say, incidentally, that he comes from the riding of Bruce. However, I was amused when I heard him say that one of the things the Conservatives would do, if they had funds, would be to reduce the age at which the old age pension is granted from 65 to 64. This is a wonderful promise but I cannot help but feel that the last time my Conservative friends had the opportunity to raise old age pensions they raised them from $55 to $65, and not at the age of 65 but at the age of 70.

Mr. Gillies: Poor comparison.

Mr. Whicher: These are facts, my friend. You should go back to your colleagues and start learning some of these things. I do not know what these fellows are, but they are confused, I will tell you that.

These are the things that we must think about here in Canada. We have many problems. There is not any one on this side of the House who is proud of the fact that we have 6½ per cent unemployment, but in remembering that fact let us face the reality that some of those people for various reasons, do not want to work. They may be semi-retired or may have other reasons. But let us remember that if we have 6½ per cent unemployment, it means that 93½ per cent in Canada are working. We should not forget that. When the hon. member for Don Valley suggests we should bring unemployment down to 5½ per cent, as our American friends have done, let us not forget that for the past number of years they have been fighting one off the worst wars in history with three million men under arms and with armies all over the world. Perhaps if we wanted to have an army on that scale we might bring our unemployment down to 5½ per cent.

Mr. Gillies: That is absurd.

Mr. Whicher: On the other hand, there is no doubt that the unemployment situation in Canada must be remedied. Everyone on this side of the House says so. As a matter of fact, the very first thing that the Minister of Finance (Mr. Turner) recommended in his budget speech the other night was to lower unemployment figures in Canada and to lessen inflation. After all, we are controlled to a large extent, so far as inflation is concerned, by the outside world. We have a country to the south of us with ten times our population and 15 times our gross national product. If General Motors workers in Detroit ask for wage

increases, I suggest that General Motors workers in Oshawa or Windsor will ask for similar increases. We are tied to the U.S. rate of inflation. But my friends on the other side, of course, are not tied to anything. They are in a position of being able to criticize and they take advantage of this at every opportunity.

In conclusion I want to say to hon. members: do not sell this country of ours short. It has never been sold in that way in the past. I say, as I did when I started, that it is high time, while we recognize the fact that we have many problems in Canada, the problems were ploughed under by the good things that have been accomplished over the years and are continuing to be done even unto this day.

Mr. William C. Frank (Middlesex): Mr. Speaker, it is indeed a great honour and privilege to have the opportunity to enter into this budget debate, particularly at the early stages, and to speak on the same day as our leader.

First of all, I wish to extend my congratulations to you, and they are just as sincere now as they were at the beginning. As a matter of fact, over these several weeks, both you and the hon. member for Halifax-East Hants (Mr. McCleave), have given me ample opportunity to appreciate the very impartial and objective approach which you exemplify and which has been so evident throughout the proceedings of this House. I am sure that each new member, as he attempts to adjust to this new and challenging environment, forms many different opinions of parliament and its members. Let me assure you, even though I have always had a high opinion of this institution, it has certainly been heightened further and you, Mr. Speaker, have indeed contributed to this.

Before I get into the serious part of my speech as it relates to the budget, I would like to take the opportunity provided by a maiden speech to expound on the many virtues of the riding which I am both proud and humble to represent, namely, Middlesex. Actually, considering the geographic area which this riding encompasses, it should be called London Middlesex Lambton. About one third of the electorate of my riding lives in that great city of London which is conveniently situated midway between Windsor and Toronto and which has a population of well over 200,000. The balance is made up of most of the county of Middlesex which encircles London, plus a portion of the county of Lambton. This, in itself, makes the riding unique in many ways.

I should like to deal first of all with some of the factors that make the city of London so important, not only the portion of that city in my riding but in total. The London area has long been recognized as a very important education centre, having that great University of Western Ontario in its midst. This university has been noted, not only for its many distinguished graduates, but also for its growth, never more so than in these recent years when many new buildings have been added to the university campus, such as the new D. B. Weldon library, the extended cancer research area, the new faculty of dentistry, and the new university community centre which, incidentally, was a $4.5 million project with the students paying roughly $140,000 a year over a 20 year period. In the fall of 1972, a new university hospital was opened adjacent to the campus, and more buildings will be put up. There are, of course, many affiliated colleges surrounding the campus,

[Mr. Whicher.]

such as the London Teachers College, and the Althouse Secondary Teachers College. We can also boast of the Fanshaw College of Applied Arts and Sciences, a new college with a full time enrolment of some 3,300 students.

London is proud of its many financial institutions, being the home of several head offices. These are made up of insurance companies, trust companies, and a very pleasant and necessary mixture of industry, both large and small. Although all of these important institutions and areas are not necessarily situated within the city boundaries of my riding, my constituents certainly share the responsibility and, I believe, some of the credit for their existence.

My riding has many towns and villages spotted here and there among the farms. The largest of these towns is Strathroy, with a population of close to 7,000. Middlesex riding rates second in terms of acreage of improved farmland in Ontario with some 538,013 acres. It has been long recognized as the home of many prominent breeders of Holstein dairy cattle, having the second highest production of No. 1 milk in Ontario with 142,700,000 pounds, and also of Aberdeen Angus and Hereford cattle. We certainly have our share of swine breeders and sheep breeders. We can also boast of some of the finest horses, a number of which have been recognized in many of the great horse shows in North America.

• (1450)

My riding is well recognized in the poultry industry, being the home of the largest turkey hatchery not only in North America but in the world. This hatchery supplies a large percentage of the Canadian market, as well as the United States, with turkey poults, and this year will ship close to one million eggs to Europe, opening up yet another vast area of exports. My riding can also be credited with the highest hen laying population in Ontario, and probably in all of Canada.

Crop production is still another area in which we need not take a back seat, although corn would be by far the greatest acreage, placing second in Ontario with 130,531 acres, and I share with my colleague from Huron the only Canadian-owned seed-corn production company in Canada, Stuarts Hybreds. We produce large quantities of beans, placing second in Ontario in white bean production, plus of course general cereal crops. And provided that the government can come up with a Canadian sugar policy, Mr. Speaker, you will also see production of sugar beets in my area for the proposed plant in southwestern Ontario.

These products I briefly mention are only the basis of a far more encompassing production pattern as the result of cross-breeding, which in turn produces volume that has only scratched the surface of what can be done, if the agricultural community has the confidence in the future that it must have for it to do any long-range planning.

All these things in my riding did not just happen. It has taken the efforts of responsible citizens at all levels of society, whether they be union or non-union employees, large or small employers, large or small businesses—both urban and rural—and large or small farms. They have all exhibited a responsibility to the steady growth of a city

and surrounding area that is the true symbol of a free enterprise system.

If these citizens of the city of London and the surrounding rural areas are going to continue to progress in the manner that they have in the past and, Mr. Speaker, they are no different from millions of other citizens throughout this great Canada of ours, they must have confidence in a federal government leadership that will give them the incentive that they so desperately need. This, Mr. Speaker, is the background for a few areas that I would like to elaborate on this afternoon. Canadians have the right to expect positive leadership, from their federal government, and not just a group of followers.

To illustrate what I mean, Mr. Speaker, I think we have had the greatest exhibition of kite flying that this country has ever known, during what will be known in history as the Trudeau years. Now, when I mention kite flying I do not mean the recent exhibition on the front lawn of parliament a few weeks ago. I am referring to the time the former Minister of Finance subjected this country to that monstrosity known as the white paper on taxation. I was not a member at that time. I was one of the hundreds of thousands of employers, owner of a small business in particular, who frantically enlisted every means possible to try and convince the then minister of the folly of such legislation as it related to small business.

Mr. Speaker, such kite flying cost this country untold hundreds of thousands of dollars in accountants' and lawyers' fees, and after many months of frustration and expensive anxiety we were informed that the 50 per cent taxation on all business, large or small, would not be implemented as proposed. There were also concessions in other areas, but the point of it all is that when this same Prime Minister and his supercircle of advisers finally realized this tax paper was not acceptable, they simply passed it off with another shrug and said, "We never intended to implement it; we just wanted to see what the people thought about it".

That was my impression of the government of the day, looking in from the outside. Now that I am here, I am sorry to say we seem to be saddled with the same idea of following. Mr. Speaker, the proof of all this was once again displayed by yet another Minister of Finance last Monday evening when he attempted to convince the taxpayers of the soundness of an original tax plan, when in fact he was capitalizing on one of the Leader of the Opposition's (Mr. Stanfield) own sound proposals in the last campaign.

Small business must have more reasonable assurances of stability in the future, or Canadian small business failures will continue to rise, even at a greater rate than in 1972, which was the highest period. The free enterprise system that encourages individuals to launch their own ideas and optimism, through outlets of their own small businesses, is still alive, even after such negative federal discouragement these past few years, and more particularly from this last budget. The small business concession in this budget does nothing for the man who wants to start up, or is already in production but cannot find reasonable capital to continue. Such people are the embryo of unlimited employment potential if given a chance. But financial institutions today are not interested in taking that chance, so I feel it is up to the federal government to provide the necessary confidence.

I know of the frustration of small business. I had the nerve to start one in 1956, with no excess capital but with lots of enthusiasm and energy. It is an agri-business, so you know it was never lucrative to the lending institutions, government or otherwise. But today, from a one-man and my family beginning, this business now maintains over 25 employees, and distributes brand name products, two of them with my own Canadian and United States patents, to all provinces across Canada and much of the United States, and with even a shipment to Japan. I still recognize that same optimism and energy in this Canada of ours, but they need sound financial encouragement if we hope to keep on building a better and more productive society.

I would now like to discuss the budget as it relates to our senior citizens. There is no doubt that they have been given reasonable consideration, but I wonder if the increase will really do much good in the area where it is most needed. I mean the area of supplying their essential drugs. I receive numerous letters from senior citizens, and drug costs are by far the biggest problem to overcome. I feel, Mr. Speaker, that if the minister could see his way clear to let these people have their prescription drug needs compensated in full, he would be supporting the class of senior citizen that is the hardest hit. There must be some way to perform this service systematically for these people. I know many who, with total drug support, could continue to live independently for much longer, and keep in mind, Mr. Speaker, that these are many of the same independent individuals who built this country. They struggled and deprived themselves of what were necessities to them at that time, trusting future generations to stand by them.

The conditions today must be a bitter pill, to be forced down the throats of our senior citizens by a government that has such apparent indifference to society. "Yes," they say, "but that is all over now, that was our other face." They seem to forget the old phrase, "It's a long lane without a turn". You cannot hoodwink the people of Canada indefinitely, and a lot more than just our senior citizens will eventually prove that statement when they come to submit their 1972 tax returns.

The tax-paying public who are recipients of Canadian dividends are virtually asked to sign a return that in effect is a falsehood. It is not only a falsehood but an underhanded way to try and hoodwink these taxpayers into helping to pay for the so-called goodies in this budget, because there is a one-third levy automatically added to their T5 dividend returns which, in effect, shows them stating an income above that which they in actual fact received, even including the 20 per cent tax credit.

I know of several people who have already confronted the local tax departments on this fact, and were virtually given the opinion that it was true. Officials tried to pass it off as too complicated to explain. This puts these civil servants in an embarrassing situation, and sometimes finds them being rude to the inquiring taxpayer because remember, they are human too, and can stand only so much needling for a situation they had no part in bringing into being. So, as it now looks, there will be thousands of

returns submitted unsigned, from fear of potentially falsifying these income tax statements. This government should be thoroughly exposed for such underhanded tactics.

Another area that disturbs me as a new member is the apparent lack of sincerity of some ministers in their replies to questions asked in the House. A good example is the time the Minister of Transport (Mr. Marchand) was asked if there would be an opportunity for the citizens near Mount Hope airport to be heard. He intimated, and I quote:

> Mr. Speaker, we might first have the opinions of members of parliament who contend that they have been elected by the people—

This was a convenient answer, except a bit contradictory to previous positions taken by former ministers of transport. This involved pressure brought to bear on this government to extend the runways at the London airport. There were three government members at that time representing the London area, but apparently the government would not accept their advice because the mayor and a delegation, at the city's expense, had to come to Ottawa to get final approval. If we in opposition are made to feel like nobodys by this government, what of the embarrassment of those particular members, two of them being still with us?

Mr. Speaker, you have heard of honourable mentions. Well that is about all this budget gives to the farmers by eliminating the capital gains tax on family farms. That may be very credible, but if we are going to encourage young people to take over farms, capital gains tax has to be eliminated from all bona fide transactions. Statistics tells us the average age of all farmers is too high, and the Minister of Agriculture (Mr. Whelan) tells us that an average of 12 farmers per day are leaving the industry. Mr. Speaker, that figure will get higher if they cannot afford to sell before they die.

The Minister of Agriculture has credibly increased the potential loan to a young farmer. That is fine if the farmer has any equity, but what is really needed is for the minister to encourage the balance of the provincial governments to incorporate the once-in-a-lifetime-gift for farmers, and it should include small businesses as well, to the limit of $50,000. In this way, potential family business successors, whether they be farmers or small business people, could apply to the Farm Credit Corporation or the IDB and would have a decent equity for loans, with a reasonable chance of survival.

• (1500)

We have a committee investigating the high cost of food. If this committee accomplishes nothing else, the least it should do is establish in the minds of urban consumers, in particular, the true role the basic producer is playing in the food production cycle. The consumer must keep in mind that the so-called cheap food policy that seems to be on so many minds today will only lead to consistently dearer foods in the future. Tariffs, basic herd and quota rights are other areas of concern in agriculture which I strongly urge the Minister of Finance to reconsider.

[Mr. Frank.]

There are many more areas I would like to cover as this budget relates to my riding, but apparently time will not permit.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, in the time allotted to me this afternoon I shall try to deal with two subjects. I want to deal with some proposals of the Conservative party with respect to price and wage controls, and to talk about the importance of the manufacturing industry at a time of rapidly shifting international currents. I start with the proposal put forward yesterday by the likeable member for Don Valley (Mr. Gillies.)

Mr. Gillies: The party proposal.

Mr. Gillespie: I accept that. Your leader endorsed it today. Two weeks ago this same member, the spokesman for the economic troika of the Conservative party, stated that if the Conservatives had been elected to form a government on October 30 they would not have brought in wage and price controls. Only yesterday he said that if a Conservative government had been elected on October 30 it would have brought in wage and price controls. This is an incredible position for anyone to take and, I suggest, even more so for a Conservative. I think most would agree that the Conservatives, more than anyone, dwell in the past.

Some hon. Members: Hear, hear!

Mr. Gillespie: They are specialists in hindsight. They are the ones who are usually looking back. But when this man looks back, he finds two stories. He has not yet made up his mind. In his speech on the budget, the hon. member for Don Valley put forward the proposal to freeze immediately all wages, prices, interest and dividends in Canada for a period of 30 to 90 days—

Mr. Gillies: Sixty to 90 days.

Mr. Gillespie: —and thereafter put them under a comprehensive system of controls. Judging by the reaction this proposal had among his backbenchers and the comments of his leader today, that position has been endorsed by his party. We are aware that the Conservatives have been inching toward this position for some time. When questioned on this particular issue, the Leader of the Opposition (Mr. Stanfield), as usual, stated, "Yes, we would not be afraid to introduce controls if necessary"—"if necessary" being underlined. Why has the Conservative party now come to the conclusion that the situation is so critical that the government should control wages and prices for Canadian workers and producers?

Mr. Baldwin: We heard the budget.

Mr. Gillespie: When he appeared on the CBC television program "Encounter," the hon. member for Don Valley said that a move toward controls could only be made on the basis of a national emergency. I think those were his words, "a national emergency." He was asked:

> Do you think that five per cent inflation would justify a national emergency?

The hon. member replied:

No, I'm not suggesting that.

Was the member really criticizing the Minister of Finance (Mr. Turner) for not introducing an emergency measure to deal with 5 per cent inflation? Was there any need for it at that moment?

Mr. Baldwin: As long as you stay over there, there is an emergency.

Mr. Gillespie: The hon. member for Don Valley assured the viewing public, "No, no". I can understand that even if there has not developed a critical national emergency to justify the sudden conversion of the hon. member for Don Valley and other members of his party, there has at least developed a critical political emergency among Conservatives recently, one that apparently drives them to desperate last resorts. The extent of their desperation may possibly best be measured by the extent to which they have reversed their positions over the past several months.

Let me remind hon. members of some of the positions taken by leading spokesmen of the Conservative party. In a column in the *Telegram,* a newspaper that used to exist in Toronto and to which the hon. member for Don Valley contributed—I am not saying that had anything to do with its demise—he told his readers that he did not believe that wage and price controls were effective anti-inflationary measures.

Mr. Gillies: What date?

Mr. Gillespie: April, 1971.

Mr. Gillies: Two years ago.

Mr. Gillespie: Furthermore, he warned they would create far more problems than they might solve.

Some hon. Members: Oh, oh!

Mr. Gillespie: I can understand the lack of interest of members opposite in being reminded of some of these remarks. He said controls were extremely difficult to administer and could only possibly be effective if they were applied to all segments of the economy and were widely accepted. In addition, he wrote:

—price and wage controls inevitably bring rationing. Once the price for a particular product is fixed, the only way it can be distributed among all the people who want it is through some such system.

It was just over two years ago—it seems like yesterday—that the government and the public were being sternly lectured by the Leader of the Opposition. I want to recall his words at that time. He complained:

There has been a lot of loose talk about wage and price controls—even cabinet ministers are mentioning it these days—as the answer to price stability in Canada.

I put these things on the record because it is obvious the Conservative party looked at these techniques and rejected them until the desperation of their political situation and frustrations caused them to reverse their position.

Mr. Baldwin: That was five budgets ago, Benson's three and Turner's two.

Mr. Gillespie: I wish to remind hon. members of the statements they made on this particular subject. I again quote the Leader of the Opposition.

Mr. Nowlan: What date?

Mr. Gillespie: It is roughly two years ago.

Mr. Alexander: Things have changed.

Mr. Gillespie: He was talking on a question of principle, and I do not think the principles of the Leader of the Opposition change that quickly. He said:

It is important for us to recognize the far-reaching implications of such controls, which, by their very nature, could be nothing better than a short-term solution, taken as a final resort after all other means failed.

• (1510)

An hon. Member: We agree with that.

Mr. Gillespie: What would be the consequence of controls? Let us listen to the Conservative leader. He said:

They would cause untold resentment among groups and individuals who felt unfairly done by and they would result in a climate of constant confrontation.

Mr. Stanfield: These are continuing controls.

Mr. Gillespie: These are the positions, Mr. Speaker, that the hon. Leader of the Opposition took.

Mr. Stanfield: The minister is not talking about control at all. He is quoting me absolutely out of context.

Mr. Gillespie:

in addition, of course, they would inevitably lead to a highly centralized and therefore inefficient, form of economic planning.

Mr. Stanfield: That's right.

Mr. Gillespie: Only last September the Premier of the Conservative government of Ontario was warning the Canadian Chamber of Commerce of the difficulties of achieving consensus in support of controls. He said that once launched, controls reshape the economy to the extent that the consequences of their ultimate repeal are very difficult to forecast and indeed may be quite hazardous.

I should emphasize, Mr. Speaker, that the government has never ruled out the possibility that price and wage controls might become necessary as a last resort to curb an inflationary spiral that seriously threatened the well-being of the nation. Indeed, despite the criticism of the Leader of the Opposition, the government a long time ago undertook the planning of a control system as a contingency measure.

An hon. Member: If we suggest it now, you will accept it tomorrow.

Mr. Gillespie: We recognize that inflation is a serious problem and in the budget we propose a number of important measures to help moderate the risk of rising prices and incomes. We do not believe that all the present circumstances, taken together, are sufficiently critical to justify the state interfering so drastically in the economy

of the country and lives of the people. Quite apart from the fact that there is no evidence of the kind of strong national consensus in support of controls that would be essential to make them work, there is little reason to believe that they would be effective.

I would draw the attention of the hon. member to the recent experience in the United States which he quoted, and particularly to the increase in food prices in January. The strongest inflationary pressures have been evident in the case of food, and other countries have demonstrated that food is less amenable to control. In the United States and in the United Kingdom, imported foods and basic agricultural commodities have been exempted from controls.

Food prices have been rising sharply in Canada and around the world because of shortages in production of many agricultural products in the face of continuing strong growth in world demand. The fact that food prices jumped by 2 per cent to 3 per cent in the United States last month—the sharpest increase in 20 years—suggests strongly that controls are no solution to that fundamental problem either for the producer or the consumer.

I share the concern of all Canadians for the problem of rising prices, but I believe that Canadians are also wise enough to distinguish between a national emergency, requiring the government to take over control of prices and incomes, and a political emergency generated as part of a desperate last resort by the Conservative party to take over the government.

An hon. Member: Nonsense.

Mr. Gillespie: I suspect we are hitting pretty close to the mark. There is a fair amount of heat on the other side.

An hon. Member: You didn't write that speech.

Mr. Hees: Those fellows used to write better stuff for me.

Mr. Gillespie: This would not be the first time the Conservatives have been victims of their opportunism. It is clearly a desperation move and in my view an irresponsible one. The United States, the hon. member for Don Valley stated, had used price controls to break inflationary psychology, but he must know that his recommendation that we impose them at this time would work against the very anti-inflationary psychology which he has advocated. Mr. Speaker, he is presenting himself as a fireman who would dampen the fires of inflation, but he has turned out to be an arsonist.

Mr. Nowlan: And you are turning out to be a joker.

Mr. Gillespie: I do not believe the Canadian people will be taken in by this exercise in opportunism.

Mr. Gillies: Let's test them.

Mr. Gillespie: I should like now, Mr. Speaker, to turn to the other item I want to talk about this afternoon, the question of the changing trading environment and the importance of maintaining an efficient secondary manufacturing industry. Budget debates are a time for stock-taking, to assess recent events, to look at Canadian positions in a rapidly shifting trading international world, a time to examine our options and our opportunities, a time to look the future squarely in the eye, a time for realism. In my view, it is not a time for rhetoric but a time to look at the facts of international life.

What sort of facts am I talking about? I should like to refer to half a dozen. Fact one is President Nixon's measures of August, 1971. The United States' unilateral action at that time to meet a growing merchandise trade imbalance has triggered a profound change in moods among the major trading nations. These measures, Mr. Speaker, have generated a new protectionism in many important corners in the United States and resulted in such measures as DISC and the Burke-Hartke bill before Congress. The August, 1971, action has galvanized trading partners of the United States into re-examining their traditional trading relationships with that country. It has created a new awareness in Canada of the importance of our manufacturing industry and the vulnerability of some sections of it. The Nixon measures of August, 1971, have clearly underlined the need to seek multilateral solutions to trading, monetary and balance of payments problems.

Fact two is that as a nation we in Canada have an enormous stake in international trade. Over 50 per cent of the value of the goods we produce are exported. Let us look for a moment at the make-up of our imports and our exports. The major part of our exports is in crude materials and semi-fabricated products; roughly 60 per cent, or 40 per cent in end products. On the import side, two-thirds of our imports are end products and one-third in the crude or semi-fabricated classification. Those figures are for the year 1972.

Let us look now at our exports to the United States. Most of our end products go there; in fact, 85 per cent are the most sophisticated manufacturing products. If we exclude the items in the auto pact, then 70 per cent of our end products are exported to the United States.

Fact three is that we have the fastest growing labour force in the world. If we are to provide job opportunities for that labour force today, tomorrow, five years and ten years from now we must have a strong, growing and competitive secondary manufacturing base. Such a base will provide direct jobs but, even more, it will provide indirect jobs in the goods related service sector, particularly those related to the manufacturing or goods producing industries as well as creating the wealth to provide for the increase of jobs in the personal services sector.

• (1520)

Fact four is that the government's actions of last May were a clear response to the realities which had become apparent since August, 1971, realities to which attention had been particularly drawn by the Smithsonian agreement of December, 1971, when it became apparent that a new international trading situation had developed. I am referring specifically to the reduction in the corporate income tax rate from 50 per cent to 40 per cent and, for all private Canadian-controlled corporations, the reduction to 20 per cent on the first $50,000 of taxable income, in addition to the provision for fast write-off of equipment in the manufacturing and secondary processing industries to

facilitate the expansion and modernization and pollution abatement within these industries.

Let us look at fact five, the United States devaluation measures taken two weeks ago. The full impact of this move is not yet apparent and probably will not be so for some weeks or months, maybe even longer. But this step constitutes one of the most significant post-war economic developments affecting the trading world. It has to be seen against the background of an even more serious United States balance of payment problem than that which existed at the time of the measures taken in August, 1971. It has to be seen in the light of the forthcoming GATT negotiations, the multilateral negotiations among the trading nations of the world. It has to be seen in the context of our negotiations to gain wider access for our products in the markets of Europe, Japan, the United States and the other trading nations of the world while at the same time being prepared to give up advantages with respect to certain exports to the Canadian market.

Fact six is that account must now be taken of Britain's entry into the European Common Market, an event which gives rise to a new uncertainty among Canadian manufacturers and exporters. The British market has traditionally been our largest in Europe. The potential of the Common Market as far as Canadian exporters are concerned is considerable; that market has been expanding at a significantly greater rate than the United Kingdom market. Nevertheless, the situation at present is one of additional uncertainty for Canadian manufacturers.

Fact seven is the emergence of the Pacific rim countries and, in particular, the importance of the Japanese market to Canadian producers. In my view we are entering a crucial period for Canada as a trading nation, a time in which to make special efforts to develop foreign markets for our manufactured goods.

Mr. Gillies: How does the budget help to do that?

Mr. Gillespie: Mr. Speaker, may I suggest, through you, to hon. members opposite that if they have questions to ask me at the end of my speech, I shall be pleased to try to answer them. This is no time for a passive attitude toward our manufacturing industries. If we adopt such an attitude we shall fail Canadians now and we shall fail future generations from the point of view of seeking the great opportunities which can be ours.

Mr. Gillies: Platitudes.

Mr. Gillespie: Some people, you know, are concerned about this. I think there are some on the other side of the House who are concerned about it. But not all of them, judging by the kind of interruptions which we have heard this afternoon.

Mr. Stanfield: We have heard these platitudes too often from you fellows.

Mr. Gillespie: The Canadian Labour Congress is concerned about the Burke-Hartke bill and the protectionist attitude in the United States. The Canadian manufacturing industry is also concerned about that kind of sentiment developing. I think the provinces are concerned. Certainly we are concerned, and I should like to think that all hon. members opposite are concerned.

Mr. Stanfield: We are concerned, with a minister like you reporting for them.

Mr. Gillespie: Mr. Speaker, I am giving hon. members the background, explaining why I think the manufacturing industry is so important at this time. I should like to make a comparison between the rates of corporate taxation in Canada and in several of the countries with which we compete. The rate of corporate tax in the United States is 48 per cent; in Japan it is 35 per cent; in the United Kingdom it is 40 per cent. We hope to make it 40 per cent, Mr. Speaker—

An hon. Member: Have you discussed this with Stanley?

Mr. Gillespie: —and 20 per cent on the first $50,000 of taxable income earned by private Canadian-controlled corporations. If we are to be competitive in world trade, our tax rates must be competitive too.

Let me say this with respect to the employment situation. In the last five years, employment in the manufacturing industry has risen by approximately 100,000. There are presently about two million Canadians directly employed in the manufacturing industry. The output of Canadian manufacturing industry in the last five years has increased by 25 per cent, that is, an increase of 25 per cent in physical volume, amounting to a substantial increase in the productivity of the industry in terms of the number of people employed. Employment in the service sector, which is directly related to the manufacturing sector, has increased by 15 per cent. The point is that the growth of Canadian jobs is inextricably hitched to the growth of development of manufacturing industry.

Mr. Speaker, let me briefly review the recent trade performance. That performance has been excellent. In many ways it has been exceptional. Export sales were up 12 per cent last year, roughly double the rate of increase in the previous year, and there is every indication that they will be moving ahead at a rate even greater than last year. There were significant increases in exports to the Japanese market as well as the United States market. However, no significant increase was recorded in exports to the European market. This is why I say we cannot afford complacency. It is a time to assist manufacturing industry to be fully competitive in the coming decade, fully prepared to meet the tests of the new set of circumstances to be negotiated under the GATT agreements.

Let me mention very briefly various aspects of the support which the department is giving to manufacturing industry. The record is clear as to the success of a number of programs we have initiated to promote export market development. By way of example I would refer to the importance of trade fairs and especially to the Peking trade fair. A number of Canadian manufacturers went to China to meet some of their opposite numbers and it was announced a few days ago by Orenda Engines that they had obtained a substantial contract there for industrial turbines. There are many who say that the Chinese market is not a big one for Canada, but here is a tangible example of a deal that was negotiated very quickly.

• (1530)

Shortly, during the month of March, there will be a series of seminars across Canada, or let me call them missions. Over 40 trade representatives from our 80 offices around the world will be meeting in nine cities in Canada. They will be taking a sector by sector approach that is aimed at trying to identify for Canadian manufacturers and suppliers specific market opportunities in specific countries around the world.

In the minute that I have left to me, one matter I might emphasize is that this is a crucial time to move forward. It is not a time for the faint-hearted; it is a time for the confident. I am confident that the Canadian manufacturing industry, employers and employees, are equal to the task of creating a new trading environment. They are equal to the challenge of innovation and of developing new markets for Canadian products. They are equal to the task of helping us expand the markets of Canada. But let us be under no illusion: this is going to require determination. It will require a variety of measures and the support of this House for the kind of measures contained in the budget, measures aimed at making the manufacturing and the processing industries of Canada competitive on a worldwide basis.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I speak for the first time to this distinguished gathering. I feel in doing so I am more privileged than any other member of this assembly since I did not have the good fortune to inherit this land by birth. I came to Canada a little more than 20 years ago, and as far as I can determine I am the first Canadian coming from Germany following two world wars who ever acceded to such high office. My election victory was not just a personal victory; it was a victory also for all Canadians who, like myself, foster a dream of multiculturalism.

As a new member, I may at times have to call on Your Honour's indulgence as I am sure you will find that my approach to the problems presented to the House is that of a practical man, one who has learned through his involvement in business to look for simple solutions to problems which at first appear complex. There is not another country in the world where there are so many opportunities for a man, where there is such a vast horizon and a chance to fulfil one's wildest dream so long as one has the guts to dream it and to work at it.

In the deliberations of this House I have found myself taking an approach in sharp contrast to that taken by most of my colleagues who, by virtue of their professional training, are never ready or prepared to do anything that is unprecedented. I have learned through the best school, that of experience, that the worst practice is to do nothing that has not been done before.

In Canada today we are faced with problems for which there are no precedents, all of which requiring a solution that cannot be found in the great volumes in our library. Yes, some of these problems provide men of the twentieth century with a unique challenge—a challenge to try something fresh and to embark upon something new. But we must muster the courage to admit that in some areas of our endeavours we have been going in the wrong direction. We must not be discouraged by the monstrous task of amending the laws of this country, some of which are in drastic conflict with the needs of our time.

I should like to make a few comments in connection with the remarks made by the hon. member for York South (Mr. Lewis). He compared the provincial governments and some of the activities taking place in the western regions of our land. I would have liked to rise on a point of order while he was speaking, Mr. Speaker, but since my time is short and I will shortly be catching a plane, I did not interrupt him. The hon. member referred to the province of Alberta and the disastrous oil exploration policies of that government.

May I tell him that today I met with a group of people from northern British Columbia who had just driven down the Alaska highway behind a string of trucks which were pulling out of the province of British Columbia. These were people who had been engaged in exploration and who had been making a contribution to the economy of British Columbia. This makes me wonder why the hon. member's party has such hordes of supporters in the western provinces. Maybe they are leeching off the corporate welfare bums out there. There is no New Democratic Party in the have-not provinces of this country; the party is where all the rich people live. The hon. member has been to my riding, and if the same government is still in office the next time he comes out he might not get the steak that was fed to him previously, but a peanut butter sandwich.

The hon. gentleman's indulgence in political skullduggery has made me digress, so may I now say something about the budget. I want to talk about some of the problems that are not unique to my constituency and the people I represent, but are of great concern to all Canadians. Certainly they are relevant to the debate before the House.

Since such a major part of my constituency comprises agricultural land and so many of the people I represent are affected by the outdated, unimaginative and, yes, disastrous policies of the Department of Agriculture, I should like to make known my views about the farming industry. I hope the government does not consider that the hand-down of the family farm from father to son, when the father dies, is a solution to the situation farmers are facing in Canada today.

The policies pursued by the Department of Agriculture cannot be interpreted in any other way than that they are designed to do away with an industry that has caused the Canadian consumer and, as a result, this parliament so many problems over the last generation. The budget is now solving certain problems by removing tariffs on some farm commodities so these commodities can enter Canada at a cheaper rate. Our farm credit policies, our transportation policies in relation to farm commodities and our marketing policies for farm products have been worked out by people in the department, all of which seem to be designed to destroy an industry that is so vital to our economy and to the preservation of the way of life for the greatest part of this country. Farming is an industry with which, if it were properly managed, we could make a great contribution to the rest of the world.

During the last election campaign we heard much about wage and price controls. The government pointed out the

dangers that were involved in such revolutionary policies, yet the farmers of Canada have lived for years with controls on the price of their products. Indeed, their income has been controlled by the percentage point that the Canadian consumer is prepared to pay in the supermarket. Thus it is obvious to me that we are committed to maintaining the standard of living that is now enjoyed by other Canadians who are spending only about 18 per cent of their income on food, compared with other countries whose people have to pay much, much more. This is why we must find ways of subsidizing the Canadian farmer to a much greater extent and in ways different from those proposed by the budget. Let me assure the House that the needs of Canadian farmers would be much better served if we were to allow them a place in the free enterprise system and let them charge for their product what the product is worth in relation to other commodities.

With respect to world markets and the position that Canada must take in the marketing of our farm products, we must first assure our customers of continuity of supply. In order to do that we must have storage facilities and transportation systems much different from those that we have today.

Last but not least, Mr. Speaker, we must as a total community commit ourselves to helping the farmer in times of natural disaster of the sort that has plagued farmers in the Peace River country of northern British Columbia and Alberta during the past three years. Farmers in that area have suffered three consecutive crop failures. The Minister of Agriculture (Mr. Whelan) offered these farmers $400 per farm in settlement. I was ashamed to relay that news to the people in my constituency because such a payment is an insult. That $400 was the only income some of them had last year.

• (1540)

The problems I am referring to are not unique to the farming industry. Another example of such bungling is seen in our approach to the problems facing our native citizens. Economists have proven to the Department of Indian Affairs that if we could do away with their department and its 5,606 "experts", the $386 million distributed annually, together with other funds handed out in gobs, would provide every Indian and Eskimo family with a guaranteed annual income of $7,407. Is the increase in the budget designed to engage these experts or to help Indian people? The real problem, of course, is that money is usually the last thing these people really need. Most of the people I have talked about have never learned what it means in this complex world to get along on a budget. That should, of course, be not too surprising to our friends across the aisle because there is no one in Canada today with more problems living on a budget than our federal government.

As a youngster in a foreign land, I read about the great human qualities inherent in Canada's Indian people. I read about the beautiful culture and religion they once possessed and I find that, in an attempt to integrate these people into our own way of life, our own culture and religion, we have committed cultural and religious genocide on these people. Those are harsh words, but I have no other way to describe what is happening to our natives in Canada.

How else would one describe the discriminating ways in which they are treated in our courts, in our schools and on the street? How else would one describe the total ignorance we display in respect of any land claims and aboriginal rights they may have? How else would one describe the way in which we play them off against each other, by segregating them into factions called full-blooded Indians, half-breeds, Métis, Eskimos? It is high time we recognized the fact that we must establish our natives with a status called "citizens plus" and also provide them with every opportunity to maintain their own culture.

There are two reasons for which we must commit ourselves to immediate action. The first is that our moral laws, such as they are, will not permit us to allow these things to continue. The second is that if we do not make a genuine effort on behalf of these people now, we will have a crisis in Canada in the not too distant future that will make the negro problem in the United States look like a Sunday school picnic.

Our ignorance toward underprivileged people is not confined to Indians or natives alone. In fact, if we have any crisis in Canada today it is not an economic crisis, it is not an environmental crisis, it is a social crisis. I ask the minister, what has the budget really done to eliminate this crisis? We have a third of our population deprived, by their social background, of participation in our free enterprise system. A third of Canada's people are snowed under with payments for goods they cannot afford, by high interest rates and by an all-out effort by our government to keep them out of work. There is just no other way I can describe all the hand-outs and gobs of money to those who can come up with the best excuse for not wanting to work.

I am not concerned about the vast amount of money we are spending. Why, we have lots of money. Let us dig out more resources. I am concerned about the loss of productivity of those people. That, Mr. Speaker, is the real crisis. It reflects itself upon our position in world markets. There are just not enough people with their shoulders behind the wheel; and the budget does not encourage them to expand their businesses and put some of these people to work. It reflects itself in the way we treat those Canadians who really need help; the old, the sick, the handicapped and the poor. There is not a country in the world which can afford that kind of luxury, and I know that the days are counted in Canada.

I maintain that our government does not have the responsibility to provide everyone with a guaranteed income, but we do have the responsibility to provide everyone with the opportunity to work. I am ashamed, as a Canadian, with all our opportunities and potentialities, not to have lived up to these responsibilities. Why, Mr. Speaker, are we willing to accept 6 per cent or 7 per cent unemployment when countries with much less potential have a zero unemployment rate? Why is it that in Canada we never strive for perfection?

Having said all that, I would now like to say a few words about the apparent discovery of the west and the northern regions of our land. I find a gap between what is said in the Speech from the Throne and what is said in this budget, because there is no mention of the discovery of the west in the budget speech. Coming from the northern

part of British Columbia, it is quite an experience for me to travel to the nation's capital and en route to visit some of the great cities of our country, cities into which we have plans to herd 85 per cent of our population by 1980. What an insult to the intelligence of the human race!

It is unbelievable to me that anyone in their right mind would pursue such disastrous policies when the rest of our vast land beckons to be challenged. Am I really to believe, Mr. Speaker, that the people who have been born into the concrete jungles of our nation are suddenly about to creep out of the dim and the glare, out of the smog and the smoke, and embark on the development of the north? Are they really serious about the development of one of the world's last frontiers in a way no other region has ever been developed? Are they really serious when they say that the development of the northern resources must be carried out in harmony with the protection of the environment?

Are they really considering that there is a breed of people in northern Canada now which can be compared with the early settlers and pioneers, the only difference being that they are fighting against much greater odds because so-called civilization is much closer to them? Are they considering the native people who have lived there for centuries and are still there? Mr. Speaker, they had better consider all those things. They had better have a convincing story because the people in the north will not stand for any more blunders. They had better have the answers to some vital questions. For whom are they developing and exploiting the north? What benefits will be derived by the people there? Who will pay for the social structure, the services, the transportation network?

Parts of my constituency have been subjected to an ambitious development program. The city of Prince George is one of Canada's fastest growing centres but there is no plan for any of the infrastructure to which I have referred. There are not nearly enough facilities for our young people. Our old age pensioners—people who have lived there for the major part of their lives—are shipped out to strange places 300 to 400 miles away because they have become chronically ill. A new hospital under construction will be 105 per cent occupied if and when it is ever finished. We have to fight for, beg and steal every penny we spend on post-secondary education and our facilities are hopelessly inadequate. After 20 years of struggle we finally witnessed the construction of an air terminal which would adequately serve a city half the size of Prince George. Nobody has yet determined who, and to what extent the three levels of government are responsible for urban renewal, for transportation and road networks, because everybody passes the buck.

The village of McBride, with its surrounding area of 3,500 people, does not have televison and the latest estimate holds out hope for TV three years from now. What a barbaric approach to the development of that region which we have learned to know as mid-Canada. Are we going to repeat this disaster as we embark upon the development of the north? Yet with a new and imaginative development strategy the north could well be the answer to a lot of pressing problems. But the policy would have to be worked out by human beings, not computers.

[Mr. Oberle.]

Mr. Speaker, before we commit ourselves to any more northern development we must look at all these things. We must learn from all the mistakes already made. Most of all, we must assure ourselves of a government prepared to accept the challenge, a government convinced and strong. As a government, we we must say no to foreign corporations who are blindly pursuing policies of exploitation. We must also say no to international unions which are acting irresponsibly in our country by depriving our labour force of shaping their own destiny.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member, but his allotted time has expired.

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, it is a great pleasure to rise as a member of this House on the first occasion and it is a particular pleasure to take part in the budget debate. I want to say to you, Sir, I am very pleased to be here at this time as the member for Grand Falls-White Bay-Labrador. May I also take this opportunity of saying to you and to those who occupy that chair how impressed I have been with the impartiality and fairness with which you conduct yourselves.

I want to tell the House something about my riding. I will try to relate my remarks to the budget speech because certain aspects of the budget have very wide implications for my riding.

• (1550)

This is one of the largest ridings in Canada, encompassing an area of about 130,000 square miles including a great part of the island of Newfoundland and the territory of Labrador of some 112,000 square miles. It is a widespread riding with diverse and divergent social and economic problems ranging from the problems of the woods industry in central Newfoundland through the beautiful Green Bay area with its great tourist potential, through the area of White Bay which is primarily concerned with the fishing industry, to the whole territory of Labrador.

This area has been called the last great storehouse of natural wealth, but even in Labrador there are great contradictions. On the coast are the small isolated communities sometimes ranging from two or three families in the summer months to communities of 1,000 people. In the central part of Labrador we have the communities of Hamilton Inlet, Goose Bay—which is now undergoing a transitional stage—and in the west one of the greatest hydroelectric developments in the world at Churchill Falls. Farther west there are the great iron mines of Labrador City and Wabush.

It is a land of contrasts. There, too, we have the Indian and Eskimo communities. These people are desperately trying to adapt themselves to the twentieth century. If we think we are having cultural problems in adapting to the rapid pace of technology, these people are suffering even more so in that regard. These changes baffle all of us who are Canadians whether we live in small villages or large cities. So, in a way, this riding is a microcosm of Canada with problems of regional disparity, problems of great distances to be spanned, problems of communication

from one end to the other, and problems of economic and social development.

It is to areas such as mine that this budget is mostly aimed. I take issue with the term that our areas are have-not provinces. They have been described as such in the past. We may be have-not in economic terms, but there is a great cultural heritage there and a great historic background from which to draw. In these areas there is a sense of identity and a sense of community which my friends from Quebec may understand very well but which I believe is lacking today in many areas of North America and, indeed, in the world where the impact of technology has been felt. So there is a lot there to be thankful for.

I hope that when we plan our future in these areas we will take into account our way of life and find the kind of province we want. Like all parts of the world, we have felt the impact of rampant technology. Industry today is becoming capital-intensive rather than labour-intensive. Jobs are disappearing whether a man works in a fishing boat, in the iron mines, in the mills or wherever it happens to be. Those who have prided themselves on their independence are dismayed and frustrated now in having to accept government assistance. It is my hope and belief that this budget, reflecting as it does the policies of this government, will alleviate the economic problems from which my riding suffers.

I was extremely pleased to see the proposed increase in pensions for the elderly and the veterans. I think we have a responsibility to both these groups. Money in their pockets should represent an asset to the economy. But I believe we must do more than that. We must not simply look after our elderly people; we must create a positive role for them in our society. I am very pleased to see the New Horizons program and the extension of it this year. This should be a positive way whereby we can draw on the experience of the older people in our society so that they may play a useful role with the knowledge and experience only they possess.

We must solve the unemployment problem. We must give people in the disadvantaged areas, people who pride themselves on their independence, an opportunity to get back their self-respect. I was particularly pleased to see the tax cuts. This should be of great help to people, particularly those in the lower income group. The mothers in my riding, I believe, will be particularly pleased to see the tax taken off children's clothing and other food items. This will help combat the high cost of living in many areas.

I may say here that I look forward to the time when the government introduces the revised family income security plan. These two measures together should be of great help to the people in the lower income group. There are other pressing problems in my riding which obviously could not be dealt with in the budget speech but with which the government must deal. This will mean positive expenditure and government action.

Perhaps I might say a few words about the fishing industry in my area because it is particularly important. At the present time this industry is in a transitional stage. The time really has passed when a man could survive through the use of a small boat in the inshore fishery. Nevertheless, we have a responsibility to that man. He is the man who prosecuted the fishery for years, who survived on his own, who wanted to make a contribution to society and who is prepared to be independent. We all know there is far too little of this in the world today. So We must preserve the fishery in so far as possible. This industry has felt the impact of technology, as have other industries in the province. Yet there is an increasing demand for food, and prices are improving. We must help the inshore fishermen. I think the government is dealing with that problem and will continue to do so.

I take issue with those on the other side who criticize the department which is presently administering those policies. I want to tell them that the Minister of Fisheries (Mr. Davis) is not dead. He is alive and well. He is administering a very capable department served by a very capable staff in the fisheries branch, many of whom I am very pleased to say are Newfoundlanders. I have great confidence in that branch and in the department and I am very pleased to be associated with it.

This year there is a great need for improved icebreaking services in our province. I note with satisfaction that there is provision in the estimates for at least one more icebreaker. However, I feel this will not be enough and that there will have to be more expenditures in this region if we are to help the woods industry in central Newfoundland and the fishing industry on the Newfoundland and Labrador coasts. I look forward to the time when government will provide even more funds for this very necessary service.

I was pleased to note that live television has come to Goose Bay. I am disappointed that it is not yet in Labrador West. I look forward to the time when the people on the Labrador coast will also receive live television. In fact, it may very well be that they will receive live television before they have a telephone service, because there are still communities in that area which do not have this very necessary service. Communication in northern Newfoundland and in many parts of my riding is far from acceptable either in terms of telephone or mail. It is still extremely frustrating to me to try to communicate with my constituents in that area. I urge the government, either directly or through agencies connected with it, to try to solve this problem and take steps immediately to improve these essential services which all Canadians should enjoy and to which they are entitled. These people still are not in the mainstream of Canadian life, and meanwhile the rate of change is increasing.

I was very pleased to hear my colleague, the Minister of Regional Economic Expansion (Mr. Jamieson) speak of the decentralization of his department. This is a most important department to us both in terms of infrastructure development and industrial incentive. The idea of bringing decision-making down to the local level is something to which we have looked forward for some time. It will allow us, in that area and in all areas, to do our own thing, because I believe it is not simply enough for government to provide goods and services for people; we must ask the people at the local level to assist and take part in the decision-making process and assume responsibility for the policies and programs that will affect their lives.

I hope the government will make an effort to build a highway across Labrador which is one of the last great

areas of the north to be opened up. We have seen what has been done in the Yukon territory and the Northwest Territories. We have seen that area being slowly opened up by the construction of highways. I hope the same thing will occur in northern Labrador. I hope the government will give every consideration to building the highway across Labrador to open up that great area, and to the highway up the northern peninsula from the national park which is presently under construction, as well as the road from Baie Verte to La Scie which will connect the communities in Green Bay. These are some of the problems I shall be bringing before the government during the coming months.

While there are problems, there is great potential, particularly in the Labrador area. I believe it has a great future; and having lived there for eight years and now having the honour to serve in the House, I am proud to be able to help build that future. I believe that the economic development of Labrador has great meaning, not only for that area of the province and the whole province but indeed for the whole of Canada. And when we are made aware of power shortages that exist on this continent, such as have been experienced recently, we realize how much emphasis we must give to the development of the power potential in that area.

• (1600)

Labrador needs a great deal of attention. To this end I believe it should have a member representing it in the House, a member wholly and solely for Labrador, as have the Northwest Territories and the Yukon. I give notice now that I shall be introducing a bill in the House which I hope will be debated and will receive a great deal of consideration, a bill which will ask the House to provide a member for Labrador in its own right so that its problems and its potential are put in their proper perspective.

We in Grand Falls-White Bay-Labrador want to make our own unique contribution to the Canadian mosaic. We must create the kind of province we want. But the kind of province we can have depends on the responsiveness of the government of Canada. I believe this budget is an indication that the government is listening and is prepared to respond.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am very pleased to have the opportunity of making some comments on the budget, a quite fascinating but extremely complicated subject.

I will say at the outset that this budget presumes upon the present to provide for future needs, that is the present is used to survive and the future to exist.

The fact that we have a minority government at the present time indirectly helps the Canadian people, but does not solve the basic problems. The piling up of deficits will be detrimental to Canadians later on. This is why I stated that the present is mortgaged on the future.

According to the Minister of Finance (Mr. Turner), the primary objective of the budget is to control unemployment, poverty and inflation by reducing taxes, increasing old age security pensions and writing off certain costs for the benefit of some industries.

[Mr. Rompkey.]

In 1967, 1968, 1969 and 1970, the Liberal government was saying and doing quite the contrary. At that time, the government said that to fight inflation, it was necessary to impose credit restrictions and tax increases, and at the same time it eliminated public works in the name of inflation.

And today, the budget introduced by the same government but by a different Minister of Finance advocates the contrary. We are wondering whether this is logical. Before we were told that it was necessary to balance the budget to solve the problem. Now a deficit of the order of $2 billion is acceptable and we are told that this is the only means to restore balance to our economy and to fight inflation.

We realize that to balance the government budget, the taxpayers' budget should be unbalanced and that for balancing again the taxpayers' budget, the government's budget should be unbalanced. In this manner, the economic unbalance grows worse, the cost of living goes on increasing, the dollar value keeps decreasing and inflation causes more and more damages.

Let me tell you that from now on, present and future can no longer be administered as the past. The past gave us deficit budgets and tax increases; in some budgets, it has been proposed to lower taxes and to increase the money supply in return for larger deficits.

No golden mean has been found; we cannot achieve a truly balanced economy. We can give no equilibrium to our economy. Nothing must be changed. I must say at once that there is no need to change our present economic structure. However, to rectify the system, we should modify the sharing of national production, taking into account the consumers' expenses and the capitalists' reserves.

We produce in abundance, we accumulate surpluses, but we do not have the mechanisms necessary to allow the consumers to get their fair share of the production.

In 1944, national product was worth $12 billion; in 1973, it has reached $114 billion, which represents an increase of $102 billion. Although 9 to 10 per cent of the labour force is not working, production could easily reach $125 billion. In spite of this gigantic production, we have yet to find the means to meet the needs of the people.

In fact, we can say that the economy is not balanced at all, that neither the government nor the opposition has a concrete solution to offer that we might truly live in a country where the economy is balanced to satisfy the citizens.

• (1610)

Mr. Speaker, members of the House voted themselves a salary increase pegged to the rise in the cost of living and old age pensions have also been hiked but not quite enough to match the cost of living. On the other hand, family allowances have remained the same since 1944, that is $6 and $8, whereas the gross national product has gone up by $102 billion since 1944. This proves the illogical thinking of the government in refusing to boost family allowances as well. Families are where the need is most urgent and they are the largest consumers. This is where the purchasing power should be.

The Minister of Finance said in his budget speech that 750,000 Canadians will no longer pay income tax beginning in 1973. Why? Because they are too poor to pay any. They were not paying any either before. The basic exemption has been raised from $1,500 to $1,600 for single people, and from $2,850 to $3,000 for married people. It should have been raised to $3,000 for single people and to $5,000 for married people. The exemptions are far from logical. The cost of living is several points above the basic raise as agreed to; there is thus nothing in this bill to increase the taxpayer's buying power. It is in fact just window dressing.

As the hon. member for Edmonton West (Mr. Lambert) has said, the removal of the 10 per cent tax on food, chocolate and soft drinks is a mere crumb from the government's economic table.

The increase in old age security pensions from $82 to $100 is not in line with the increase in the cost of living, and it must not be forgotten that every increase in pensions under the present system merely contributes to a further raise in the cost of living, and sets the economy on a suicide course. No basic remedy is being applied to stabilize the economy. All this will only destabilize the economy and make life harder for Canadians, as well as bringing with it a $2 billion deficit.

Some are saying that we should not get concerned about a deficit, but when there is a majority government they will say: We must balance the budget. There is no longer any reason to accept a deficit. Then they will raise taxes and duties and cut back on public works for two, three or four years in an attempt to "rebalance" the government's budget. But they will be "unbalancing" the budget of all Canadians, because there is no happy medium in our present economy.

Mr. Speaker, in the same proportion as production is automatic, consumption must be distributed by the same technical and automatic means, by issuing new credits in order to keep pace with new public developments, and these credits must or should be issued at administration cost and reimbursed at depreciation cost. Credits should then be issued to redeem bonds as they mature in order to lower the federal public debt which is of $48 billion, in addition to the other debts of Canadians.

Mr. Speaker, in this budget, if the government really wanted to prove equal to the task, it would have cancelled at least the 11 per cent tax on building materials. The government would then have directly contributed to give purchasing power to taxpayers, to families who need houses to have a decent lodging and who cannot own one because of the 11 per cent sales tax on building materials.

Moreover, when money is needed to finance the purchase of buildings, several people pay from 10 to 12 per cent interest to the Central Mortgage and Housing Corporation. Over seven years, the interest doubles the capital; over 40 years the buyer has to pay five times the price of the house and we find it is natural. We do not say a word. The budget mentions nothing about it and it is said that one of the most beautiful budgets in Canadian history has been presented.

Mr. Speaker, this is a beggar's budget, made up of bits and pieces, which yields only token benefits; it is a patchwork budget, because this is not the kind of budget which will help the Canadian people to pay their debts and get back on their feet and which will enable our country to grow and to develop. Far from it, Mr. Speaker.

As for Canadians—politicians, journalists, economists, accountants, administrators—may I remind them, as an observer of the economic and monetary situation in Canada, since the government founded the Bank of Canada in 1934, as a result of many Royal Commissions such as the Stevens and Turgeon Commissions, and of inquiries on textile products and on the banking and financial systems, that in 1934, national production was only $4 billion; it amounts today to $102 billion and in 1973, it will reach $114 billion, which means $5,000 per capita.

We are told that we often speak about money, and that money does not grow on trees, but still, money grows somewhere! Money grows within the government, thanks to technical and legislative processes which are controlled, planned and administered, and based on the national production of goods and services as well as on the needs of Canadian citizens.

Since 1934, our whole country has been steadily progressing and moving forward. We could feel quite satisfied in respect of our natural resources, the work of people and the talent of those who administer work and capital. All of us enjoy more or less this continuous development.

Mr. Speaker, even though in all papers and reports of public meetings one can read articles about inflation, unemployment and poverty, that is no reason for brooding and crying blue murder. All these problems of inflation, unemployment and poverty are nothing more than problems of economic unbalance in the flow and distribution of money between overly rich and overly poor institutions.

Through a simple readjustment of the economic direction of government, balance would be restored and everybody would be happier. Only the repeal of the legislation on the dollar-unit would be left.

Sufficient unto the day is the evil thereof and the joy thereof. Let us be positive!

If there is an unemployment rate of 7 per cent, 93 per cent of the people have a job. If there is 25 per cent of underfeeding, there is therefore 75 per cent of overproduction. If there is 40 percent of capitalization—

The Acting Speaker (Mr. Boulanger): Order. I regret to interrupt the hon. member, but his time has expired.

[*English*]

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): By custom, Mr. Speaker, the budget debate allows Members of Parliament almost complete latitude in their speechmaking, and I trust you will allow me to talk about some of the particular concerns I have regarding the role of Members of Parliament as representatives of the people and, more specifically, the member of parliament's role on parliamentary committees and the role of parliamentary committees themselves.

When Canadians elect Members of Parliament to represent them here in the House of Commons, they legitimate-

ly expect their representatives, either individually or as a body, to exercise effective scrutiny over the initiatives and spending of government departments and crown agencies. More succinctly, they expect us to be able to do something about controlling government bureaucracy.

They believe that by constructive criticism we can influence the direction of government policies and government initiatives, and that we can do all this right here in the House of Commons. This public belief is continually being reinforced by the traditionalists in this chamber, most of whom seem to be the really vocal members of the House, who keep insisting and pretending that the action on the floor of the House of Commons is all-important and that if you upgrade any other aspects of this institution, in particular the House of Commons committee system, you are somehow tampering with parliamentary democracy itself. Attach too much attention to committees, and the traditionalists hint darkly that we are moving toward congressionalism.

• (1620)

What are the facts, Mr. Speaker? I do not have to tell you that most of what goes on in this chamber is show business pure and simple. Most questions are not asked to obtain information. Nine times out of ten, questions are either asked to embarrass or the answer is already known. Few of the millions of words of speeches that flow across the pages of *Hansard* ever affect government bills or government policies. By the time these items reach the floor of the House of Commons the die has been cast and policy directions have already been decided upon. The sheer modern-day volume of legislation and programs makes it impossible to give any in-depth treatment to legislation or programs on the floor of the House of Commons. The traditionalists, by continuing to pretend, in the face of reality, that it is on the House of Commons floor that all the important action occurs, are minimizing the role of Members of Parliament as representatives of the people, and in the context of 1973 Canadian society they are doing a disservice both to parliament and to the Canadian people.

Mr. Speaker, if this place is ever to become as effective as the Canadian people expect it to be and want it to be, then that increased effectiveness will have to come about through better use of the House of Commons committee system.

[*Translation*]

What is the immediate future of the committee system in our parliament? In the present context, Mr. Speaker, the government does not control the committees and because the official opposition does not seem to believe in the usefulness of enhancing the role of the committees, there could well result a tendency to minimize the function of committees in the parliamentary process. This would be a grave error.

[*English*]

I say this advisedly, Mr. Speaker! There is a tendency throughout this House right now to downplay committees. What better evidence is there than the present situation when, for the first time, the government has indicated that it is willing to have members of the opposition as chairmen of committees? What is the reaction? None of the opposition parties wants to name its members as chairmen. I think they are making a serious mistake. This is a golden opportunity for certain of their members to shine as committee chairmen. But the attitude toward the importance of committee chairmanships which has been demonstrated on all sides of the House downgrades the committee system.

Mr. Alexander: Not in the area of chairmanship.

Mr. Watson: I feel that if we had the right kind of attitude on all sides of the House, we would have a rush for the job of chairman of committees. If the opposition were serious, they would be taking the government up on its offer to have a percentage of committee chairmanships based on representation in this House.

[*Translation*]

It would be a serious mistake to minimize the role of the committees of parliament. Enhancing it, more than any other action will give hon. members the opportunity to contribute to improvement of legislation, to reveal unnecessary expenses and to suggest to the government new projects and new goals for its policies.

If, as some seem to believe, we are entering a long minority-government period in Canada, I believe this makes it all the more important to strengthen our committee system. What should be done now? The great major improvements brought about over the past years have vested in House of Commons committees, three main responsibilities: the review of the budget of government expenses, the study of bills at the very important stage of second reading, and also essential task of conducting an inquiry when a committee, under a constitutional order, is dealing with a specific subject. All this shows that actually committees play a much more significant role within the parliamentary organization. But the changes should not stop there.

[*English*]

I urge the government to further expand the inquiry role of our House of Commons committees. As members are aware, any inquiry role of a committee is really in the hands of the government since it, in the final analysis, has absolute control over the terms of reference given to a committee or whether they are given at all.

This government could take a giant step forward in increasing the power of House of Commons committees by establishing as an automatic practice of this House referral of annual reports of all departments to the respective standing committees. Such a practice would give committees freedom to investigate any matter mentioned in an annual report and to report to the House without control by the government. I would go even further and suggest that not only the annual reports of departments but the annual reports of every Crown corporation be automatically referred each year to the respective standing committees of the House of Commons. This, of course, would be a nightmare for civil servants and for ministers of the Crown but, Mr. Speaker, I am convinced that such a change is essential if we are to give Members of Parliament control over civil servants, government bureaucracy and red tape which the Canadian public clearly wants them to have.

Mr. Speaker, how do I envisage this extension of control by members of parliament taking place? The answer is the combining of a liberalized inquiry role, including automatic referral of annual reports, with a better and more effective use of the tools that are already available to our committees. The Senate really has shown the way to the House of Commons by its willingness to hire experts. We in the House of Commons have been reluctant to hire experts in the past, but nothing under our rules prevents our obtaining the expertise necessary to compensate for any expertise advantage which civil servants may have over Members of Parliament.

I am suggesting that members of parliament, whether they are opposition members or government backbenchers, will never be able to play the effective role which the public expect them to play in legislative changes, government programs and controlling government bureaucracy unless they equip themselves and their committees to overcome the expertise advantage of civil servants.

Mr. Alexander: Right.

Mr. Watson: Cynics may say that such a broadened committees' role is not feasible because a government would be asking for trouble by giving parliamentary committees the free rein that referral of annual reports would give to them, because governments normally do not look for trouble, and the traditionalists in the official opposition and elsewhere in the House would view this as a certain sign that we are headed toward a congressional system. This is simply not so, Mr. Speaker. I would argue that the calibre of Members of Parliament in this House and that we will find in future Canadian parliaments will not continue to accept their major role, if they are government backbenchers, as that of a vote-caster to maintain the government in power, or as a vote-caster to maintain his party's line if he is in opposition. Members will agree that if such a broadened inquiry system is to prove productive, then every side of the House will have to change its attitude toward the day to day operations of committees.

Obviously, the inquiry role of a committee will only be effective if the inquiry is approached in a fairly non-partisan way. There have been effective inquiry roles for committees in past parliaments, and they have been effective because members of all parties have conducted themselves in a non-partisan way.

Other changes of attitude will have to accompany a broader inquiry role. The government will have to learn to live with adverse and critical committee reports, and the opposition will have to restrain itself from undue partisan exploitation of adverse reports. Both government and opposition should regard these reports, which under our rules are not binding upon the government, as an additional weapon in alerting and informing public opinion. The government would have the legal right to ignore a report, but unless it was on very solid ground it would do so at its peril. It goes without saying that accompanying a broader committee role and more committee reports there must be changes in the time allotted under the rules of this House for the debate of committee reports.

• (1630)

How do we achieve this expanded inquiry capacity? The government could do it either by a simple declaration of intention which would be followed by referral of reports to the respective committees, and which would not be necessarily binding upon any subsequent government or—and I would prefer this—to make the change more permanent the House would agree to incorporate such an automatic referral into the orders and rules of this House.

I urge the Prime Minister (Mr. Trudeau) and this government to give serious consideration to such a broadened committee rule, not just for this parliament but for the effect it will have on future parliaments. The public expects us as members of parliament to be more influential. We can be more influential than we now are by using the tools available to us in committee. However, over the years I have found that with the government's control over orders of referrence to committees, unless an annual report is before a committee it is almost impossible for it to get going on a subject as quickly as it should. Without an automatic system, the item is passed over. It is lost in the events that develop a few days later. By the time the committee is ready to return to it, it may be too late. If we had a system where committees would automatically receive reports, there would be no problem in proceeding when an inquiry was necessary.

In closing, Mr. Speaker, I would say to the traditionalists in both government and opposition that an expended committee inquiry role is not congressionalism in disguise; it is not a Trojan horse that will foist republicanism on an unsuspecting Canadian public; it will not have any of the dire consequences for the British parliamentary system and responsible government which traditionalists fear. But it will give Members of Parliament of every party in this House new opportunities, as representatives of their constituents and as representatives of the Canadian people as a whole, to contribute to improving the manner and the ways in which this country is governed. The new generation of members in this House will accept no less. The Canadian public will accept no less of their Members of Parliament.

Mr. Harry Kuntz (Battle River): Mr. Speaker, like the members who have spoken before me, I would like to add my sincere congratulations upon your re-election as presiding officer of the House of Commons. It is my understanding that in the past you have conducted this office in a very fair and wise manner, and I am confident this will hold true in the future. I would also like to extend my congratulations to the Deputy Speaker, the Deputy Chairman of Committees and all those who have been appointed ministers of the Crown or parliamentary secretaries. You have taken on heavy burdens of responsibility and should be commended for this.

Some hon. Members: Hear, hear!

Mr. Kuntz: At the outset, I wish to pay tribute to my predecessor, Mr. Cliff Downey, of Castor, Alberta. Mr. Downey served my constituency throughout the twenty-eighth parliament, and he served it with sincerity and desire.

Like other members before me, I have decided to speak about my constituency. I understand that this is the usual practice for a new member when giving his maiden speech. While acknowledging certain beneficial provisions in the budget proposals, I regret that they do not contain measures that will substantially reduce continuing high unemployment, effectively contain the spiralling cost of living or provide any incentive to Canadians to increase their participation in Canadian business, enterprise and development.

In support of this statement I would like to describe the existing situation in my constituency. My constituency, Battle River, is located in east central Alberta. The northwest corner is approximately 40 miles southeast of the city of Edmonton. From this point the north boundary extends due east for 132 miles to the Saskatchewan border. From this same point the boundary extends due south for 36 miles, then due west for 18 miles, south again for 24 miles, reaching the Red Deer River. It follows the Red Deer River crossing through six townships and then proceeds due east for 126 miles, reaching the Saskatchewan border. These boundaries take in approximately 9,200 square miles, with a total population of approximately 70,000 people. These people live in one of the following places: on farms, in the city of Camrose, with a population of 10,000 people and where I make my home, in the two largest towns, Wainwright and Stettler with populations between 4,000 and 5,000 each, or in one of 70 some smaller towns, villages or hamlets varying in size from 2,000 to 10 people. However, my constituency has been gradually decreasing in population with many of these centres slowly deteriorating. Even the largest ones show an increase in population per year of only 25 to 50 people.

As far as industry is concerned, we do have a few oil wells in some parts of the constituency. This has resulted in a few small gas plants and oil pumping stations. In the city of Camrose we have a pipe rolling mill which, when working to full capacity, employs about 300 people. However, since this mill was built some ten years ago it has only produced for about one half of the time. This means that for one half of the ten years this mill has employed from 200 to 300 people, the other one half of the ten years it has employed only 20 to 30 people for maintenance purposes. It is my understanding that their biggest problem, when it comes to competing in prices for contracts, is freight rates once again showing that the freight rate structure is hurting Alberta.

What all this boils down to, Mr. Speaker, is that agriculture is by far the main industry in my constituency and is, therefore, of grave concern to me. Most of our businesses are agriculture-related and what happens to the agricultural industry is directly reflected on them. I have had businessmen tell me that when the farmers are prospering, their businesses pick up and do a relatively good turnover. However, when agriculture is in a slump this automatically puts the related businesses on a downward trend.

As most members know, agriculture has not been in a very healthy position for the past several years. This, of course, is why my constituency is gradually losing population, with many towns and villages deteriorating. More and more farmers are becoming fed up with the odds they have to work against, and sell out. In support of this statement I would like to quote the following farms statistics. In the year 1956 there was a total of 574,993 farms in Canada. At that time, in order to qualify for these statistics, your land holding had to be three acres or more and your sale of farm produces had to be $250 worth or more. In the year 1961 the qualifications for these statistics were a land holder of one acre or more, and selling $50 worth of farm produces or more. Even with dropping the qualifications, the number of farms in Canada had decreased to 480,887. With the same statistical qualifications, in 1966 the total number of farms in Canada had dropped to 430,552. By the year 1971, with the same qualifications, this figure had dropped further, to 366,128. This means the number of farms declined 10.4 per cent between 1961 and 1966, and 17.2 per cent between 1966 and 1971.

• (1640)

In 1961, 12 per cent of all Canadians were farm residents; in 1966 only 10 per cent were farm residents and in 1971 the percentage had dropped to 7 per cent. Meanwhile, Canada's population increased from 20 million in 1961 to 22 million. We hit the 22 million mark yesterday, as hon. members who watched television will know. Along with this, on the basis of a five-year average from 1967 to 1971, farm cash receipts had increased only by .9 per cent while for the same period their operating expenses had increased by 3.69 per cent. With farm cash receipts and operating expense figures in mind, is it any wonder people are leaving the farm?

After selling out, the majority move to the larger cities, cities which are already plagued by overpopulation and unemployment. Surely it would be better and less costly to help them while they are still on the farm.

Some hon. Members: Hear, hear!

Mr. Kuntz: The most difficult problem facing farmers is the lack of a reasonable return for their produce in terms of real net income. They are continually faced with rising costs of production as the prices of farm machinery, parts and motor fuels increases substantially each year. Yet the return they receive on their products shows little or no increase. In some cases there is a decrease in the net return.

While I was campaigning in the last election, Mr. Speaker, one constituent showed me a new machine he had purchased—by way of a loan, of course. It was a self-propelled bale stacker which he found it necessary to purchase because he was unable to obtain hired help on his farm. In order to pay for the machine he said he would have to undertake all the custom work he could possibly find. The machine in question, required only for the purpose of picking up and stacking bales, bore a price tag of $18,000. After the interest payable on the loan is added, the price will be higher still.

The question I should like to have answered is why this man is unable to obtain help at a time when Canada is chronically plagued by unemployment. Why was he forced to finance and buy an expensive machine? The fact is that he does not have the cash and therefore cannot compete with other industries and unemployment insur-

ance benefits at the rate of payment per hour for the number of hours per day which is required. I further submit that with only about 365,000 farmers left in Canada, the farming industry could well employ thousands of people if it could afford to do so. I personally do not know a single farmer who would not wish to employ someone if he only knew he could afford to continually do so. I ask hon. members this: in what industry would it be better to create employment than in the industry which is the backbone of our country, agriculture?

Some of the legislation put forward by the government in the past has been designed to encourage people to leave the farms. Believe me, Mr. Speaker, they are leaving—many not needing any encouragement. Look at the average age of farmers—something like 58 years of age. This is evidence enough that young people are not remaining on the farms. People are not staying because they can make a far better living in other industries. They are entitled to a decent wage for their work as well as a reasonable return on their investment. This is not being realized on the farms, as it is in most other industries.

Mr. Speaker, I believe that to encourage people to leave farming is a serious mistake and shows a lack of long-range planning. I also believe that in the not too distant future government will be encouraging people to return to farming. I know that Canada is at or near zero population growth. However, the growth in the world population is a horse of a different colour. Examination of the figures shows that in the year 1650 the total world population was only 500 million. By the year 1850 it had increased to one billion. At the end of 1971, the population of the world stood at 3.74 billion, of which number 73 million had been added in 1970 and 1971 alone. The estimated rate of increase is one billion every 15 years. Developing countries double their population every 20 to 30 years. Advanced countries double their population every 70 to 175 years. In 1971, only 23 countries throughout the world had family planning and only another 15 countries supported birth control. By the year 2000, which is only a short period of 27 years away, the world population is estimated to be over six billion people. Mr. Speaker, I repeat: in 27 years our population will number more than six billion.

These people will have to be fed and Canada, without doubt, is one of the countries which will be expected to help provide this food. I feel it would be one of our world responsibilities as a food-producing nation. It is quite possible that if we do not consider this to be a responsibility, and refuse to help, other countries might consider obtaining our help by means of force.

What is the answer to the problem? It certainly is not to encourage people to leave the farms where the all-important food is produced. We should be encouraging farmers to stay on the farms to increase production, rather than prompting them to leave. If we are to do this, we must recognize that the farming industry needs capital—I mean cash in the pocket, not capital by way of more loans. To achieve this objective, long-range planning should begin right now. This will require the co-operation of the farmers.

In last Monday night's budget there are a few points that will benefit the farmers, but nowhere near enough of them. In fact, there are some proposals that will be highly detrimental to the farmers, and others that don't go far enough. The decrease in personal income tax and the increase in old age security pensions will help. The removal of the capital gains tax when transferring the farm within the family, as we had suggested, is good. However, the fact that this cannot be done until after death is unacceptable. This provision means that children could be in advanced age themselves before a transfer could take place, thereby affecting their future planning and security.

The removal of tariffs on farm products in the absence of reciprocal agreements is an outrage because at certain times this will be very costly to the farmers. Failure to remove taxes from building materials is a serious drawback to all segments of our society, especially to the farmers since they are always requiring building materials when expanding their operations or trying to keep their farms in good repair. Mr. Speaker, there are many more objections to this budget as far as I am concerned, but our time limit does not permit me to go into them right now.

The Acting Speaker (Mr. Boulanger): I regret to interrupt the hon. member, but his time has expired.

Mr. Gordon Towers (Red Deer): Mr. Speaker, it is a pleasure and an honour for me to speak in this debate on behalf of the people I represent. There may be others of their calibre in Canada, but there are none better.

This is the message I bring to you today, Mr. Speaker, as we discuss the budget. The majority of my constituents are not prepared, nor are they willing to become pawns of any government. As the representative of Red Deer constituency, I want Canada to be united from the Atlantic to the Pacific, from the United States border to the Arctic Ocean. But there are those who are dividing us. Divisive statements have been made during this session which should never have been uttered. Divide and rule seems to be the motto of this government.

• (1650)

The Minister of Transport (Mr. Marchand) during a speech delivered in this House talked about regionalism. We do not want to be regionalized. We cannot afford to be regionalized. Alberta is solidly opposed to this type of policy. One of the major problems within my constituency is transportation, because we are so far from the markets. In this great dominion we have two land-locked provinces, Alberta and Saskatchewan. Did the Minister of Transport tell us anything definite about his transportation policies or did he suggest ideas which could be construed to be promising or positive? No, Mr. Speaker; he did not give one word of encouragement about an improved system of transportation, nor did the Minister of Finance (Mr. Turner) in the new budget.

If this government does not stop talking about regionalism, it will balkanize our land to such an extent that Canada will never become the great nation we desire. Transportation is vital to our economic well-being because the majority of Canadians reside in an area

almost 5,000 miles long and 300 miles wide. Transportation is a problem but not an insurmountable one. Some common sense and rationale on the part of this government could alleviate this situation. Transportation difficulties are with us here and now, and the present is not too soon to start to resolve them. The earlier the minister comes to grips with high transportation costs, stops talking regionalism but instead plans policies of expansion, the better it will be for every Canadian.

Let me quote from a speech given by the Alberta minister of agriculture, Dr. Hugh Horner, in the legislature on November 9, 1972:

> We intend as a government, as we already have, to continue to press the federal Department of Transport in relation to the port of Vancouver, in relation to the provision of bulk unloading facilities at Roberts Bank and specifically to prod them, hopefully, into some action in developing the port of Prince Rupert so that we can have a substantial storage capacity in Prince Rupert, and substantial unloadability. Certainly when we are talking about our markets in the Orient, Prince Rupert is substantially closer, by a day's sail, than the port of Vancouver.

I believe that the premiers of Saskatchewan and Manitoba would support this statement. In view of this situation, would you not say that there is a job ready and waiting for the federal Minister of Transport in conjunction with the Minister of Finance?

I am positive that the well-being of every Canadian is affected by transportation in one way or another. The cost of groceries in Red Deer, as in every city, town, village and hamlet in our fair dominion is influenced by transportation. The Minister of Transport has an important role to play, and I only hope that he will be able to measure up to his responsibilities, but first he must stop talking and thinking about regionalism. Does the minister not realize that a healthy Canadian agricultural economy is necessary for Canadians generally and for many hungry people of the world in particular?

The jobs and livelihood of a large number of Canadians depend on agriculture, not just as a primary production industry but also because those in the industry spend over $3 billion annually on goods and services. Between 20 per cent and 25 per cent of the gross value of factory shipments from Canada's manufacturing industry is comprised of raw material which originated in agriculture. Also, 35 per cent of the freight shipped through the St. Lawrence Seaway found its base in agriculture, as well as between 20 per cent and 25 per cent of the revenue to our railroads. No other industry in this country creates as many jobs as does agriculture.

Approximately 35 per cent of Canadian agricultural production relies on exports for a market; and let me impress upon you that upwards of 75 per cent of prairie production has to be sold outside the prairie provinces. We must recognize the value of this benefit to the hungry masses all over the world. This is the role that Canada can play in solving world problems, especially when two-thirds of the population of the world go to bed hungry every night.

Let us not forget, either, the need for income from the sale of our agricultural products. At the moment agriculture is contributing $2 billion per year through exports, and certainly this must have a worthwhile effect on our balance of payments. One of the most important aspects of this type of business is that we are not dealing with non-replaceable products such as our mineral resources. With proper assistance and improved farm management, I am convinced that the Canadian farmer could double or even triple his production if he did not have to cope with a combination of inclement weather, high production costs and, above all, a federal government which is continually jumping from crisis to crisis.

The situation now, Mr. Speaker, is that this government for some time has even forgotten to jump; and there are now so many crises that it does not know where to jump—if there is any jump left in it. After listening to the budget, I have not yet decided whether the Minister of Finance is pedalling backwards from the budget of last May 8 or has reversed direction completely and is now pedalling in the opposite direction. While this stalemate continues, the people suffer.

There obviously is confusion between federal cabinet ministers as to policy. The minister responsible for the Canadian Wheat Board, when explaining the method of distributing the money available to grain producers under the two-price system and telling the farmer to decide which method he preferred, an acreage basis or a bushel basis, stated:

> The permit holders must weigh heavily the responsibility in possibly causing an overproduction of wheat by deciding upon a distribution on a per bushel basis.

The Minister of Agriculture (Mr. Whelan), speaking in this House said:

> I am purposely asking western grain producers to produce all the wheat they can produce, conscious of all this implies.

Is there any doubt why the Alberta minister of agriculture asked Alberta members of parliament to introduce these two federal ministers?

Another vital area in which I believe this government is reneging in its responsibility is that of overseas promotional sales of Canada's products. Oh yes, Mr. Speaker, we hear those who are other than Conservatives rail about the Diefenbaker years, but let me impress upon them that there has never been a trade mission more successful than that of the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) when he was minister of agriculture, which resulted in the first large wheat sale to communist China. Also during that parliament the then minister of trade and commerce, the hon. member for Prince Edward-Hastings (Mr. Hees), who is still with us, used his initiative by calling our trade commissioners home from all over the world to show them what Canada had to sell, and then told them to go out to do their jobs. This is what Canadian industry is crying out for today—someone with initiative, with positive ideas to develop salesmanship, someone who will demonstrate what leadership is.

Provincial governments are becoming tired of waiting for the federal government to assume its responsibility, so they are going out to sell on their own. A delegation from Alberta moved into Japan to locate a market for Alberta's products. Manitoba recently made a sale of pork to Japan. People appreciate the fact that the leadership of these provinces accepts responsibility, in contrast to the failure of the federal government to take the initiative to go out to sell what Canada has to offer. However, there is a grave

danger in each province making its own sales as this has a tendency to further balkanize our country. Also, the buyers have an opportunity to barter between the provinces. An effective federal policy could prevent this.

Canada has witnessed the recent development of the European Common Market and its benefits to the people who make up its membership. Do we in Canada lack the intelligence, the ability or the desire to stay away from the development of a European Canada? I do not have to remind the House that the former situation in Europe created two world wars in a lifetime. Canada needs an agency to pull the provinces together, rather than to further separate them. The federal government is the only agency available to us to accomplish this end.

Could we not take a leaf from the book of Europe? Can we not understand that those people have now agreed to work together in a larger community within the European Common Market? Here we have countries which have warred against each other but now, for the common good and in the interest of strength, have overcome a great number of their differences and are willing to work together. They have faced almost insurmountable barriers, but they have succeeded in mastering them.

When we compare this achievement in Europe to what Canada is experiencing today, we find that we do not have comparable obstacles to master. Let me stress that if the present, indifferent, lackadaisical attitude of this government is allowed to continue, Canada will become separated to such an extent that we will require much more than a common market to bring us back together as a nation.

I have never been an advocate of centralized power, because I believe that the further controls stray from the so-called grassroots, the more expensive becomes the administration. There is a certain segment of our governing process which must be administered at the local level, but there are areas of development and promotion which have to be performed on a national basis. This does not necessarily mean that the provinces or provincial organizations be weakened: the opposite would result, through a firmer national economic understanding.

In 1970, Canada imported more food than she exported. Mr. Speaker, in a country as agriculturally-oriented as Canada, with such tremendous potential, with our great ability to produce, this is a national disgrace and is reprehensible to all of us. Nothing will destroy a family, a province or a nation as rapidly as circumstances which cause one's grocery bill to be higher than one's pay cheque. Who is to blame? None other than the head of the family—which in this case, Mr. Speaker, is the government of Canada.

My constituency, as is the case in most others, is experiencing an increase in urban population. If we are to reach our maximum growth, the value of intermediate and small towns must be recognized. Red Deer constituency is made up of a city and many towns which have a great deal to offer society if the federal government provides encouragement and opportunity. One cannot blame small businessmen if they do not establish within our area when assistance by grants is available at the other end of our province. The time has come for this policy to change, and definite action to be taken.

Talk and promises are not enough. There is no "if" or "but" about this; it is a must. Every small business and secondary industry should have the opportunity to expand and to settle within a province with assurance of equal benefits. The federal government spends such a large percentage of the tax dollar, as evidenced in this budget, that there is not enough left for municipal governments to develop as they can and as they wish. The federal government must either take less of the tax dollar, at the same time curbing its own administration costs, or it must give equal assistance to develop new areas and to re-establish those with potential in the smaller communities. Size really does not matter; there are certain parts of every community which need to be rebuilt and expanded.

The federal government would seem to be the worst offender when one looks at the cause of inflation and notes that the budget does not cut back on the cost of government itself. An example of this is the unprecedented cost of the staff of the Prime Minister's office—$1 million in one year.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member, but the time of adjournment has now been reached.

Mr. Lefebvre: Mr. Speaker, I understand the hon. member requires only a minute or two to complete his remarks. Perhaps he might have the unanimous consent of the House to conclude.

The Acting Speaker (Mr. Boulanger): Is the House agreed?

Some hon. Members: Agreed.

Mr. Towers: Thank you, Mr. Speaker. If my constituency could have the privilege of using just half of that amount, many new industries could be established. Small businesses could expand with that $500,000. The budget is not doing anything to give assistance where it is needed, to our small businesses and to secondary industries.

The Acting Speaker (Mr. Boulanger): Order, please. It being five o'clock, this House stands adjourned until Monday next at two o'clock p.m., pursuant to Standing Order 2(1).

At 5.06 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, February 26, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

On the order: Motions.

Mr. Frank Howard (Skeena): Mr. Speaker, there is, as is known, a motion standing in my name to concur in the first report of the Standing Committee on Indian Affairs and Northern Development. I would not desire to proceed with it today but it is urgent. Without cutting into the time of the House available for public business, I wonder whether I could put forward the suggestion that the House consider, by consent, dealing with this motion without debate so the House may have an opportunity to express its view on the need to enter into negotiations with the Yukon Native Brotherhood as soon as possible.

Mr. Erik Nielsen (Yukon): Mr. Speaker, we on this side of the House would be more than happy and eager to concur in the suggestion of the hon. member that the motion be put and carried without debate.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, we on this side are agreeable to the proposal. We agree with the hon. member who, in explanation of seeking concurrence in the motion, said that the negotiating committee should begin its work as soon as possible. It may not be possible to meet the target outlined, but subject to that reservation we have no objection to this motion.

Mr. Speaker: Is it my understanding from the discussions that have taken place that reference has been made to a motion standing in the name of the hon. member for Skeena?

Some hon. Members: Agreed.

Mr. Howard moved that the first report of the Standing Committee on Indian Affairs and Northern Development, presented to the House Friday, February 16, 1973, be concurred in.

Motion agreed to.

CANADA EVIDENCE ACT

AMENDMENT TO MAKE OTHER SPOUSE COMPELLABLE WITNESS IN CASES WHERE SPOUSE CHARGED WITH ASSAULTING CHILD

Mr. Derek Blackburn (Brant) moved for leave to introduce Bill C-152, to amend the Canada Evidence Act.

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

* * *

PROCEDURE AND ORGANIZATION

REFERENCE TO STANDING COMMITTEE TO CONSIDER STANDING ORDERS AND PROCEDURE IN HOUSE AND COMMITTEES

On the order: Government Notices of Motions:

February 23, 1972—The President of the Privy Council:

That the Standing Committee on Procedure and Organization be authorized to consider the Standing Orders of the House and procedure in both the House and its committees with special regard to all the matters that Mr. Speaker suggested during the twenty-eighth and twenty-ninth parliaments that may require the consideration of the said committee, and to report to the House its views on any facets thereof that may require reform and to recommend what manner of reform may be required;

And that the committee be authorized to travel outside of Canada during consideration of the aforementioned subject.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

BUTTER IMPORTS

Question No. 33—**Mr. Gleave:**

From January 1 to November 30, 1972, did Canada import butter and, if so (a) from what countries (b) in what quantities (c) at what price (d) what was the duty paid on the butter (e) which agency was responsible for importing the butter (f) at what price was the butter sold on the Canadian market?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): In so far as Statistics Canada is concerned: (a) (b) and (c) Data for the month of November, 1972 is not yet available The stable below gives data on butter

imported into Canada for the period January 1, 1972 to October 31, 1972.

(a) Country Butter Imported from:	(b) Quantity Imported	(c) Value of Quantity Imported	Average Price per pound
Australia	13,400 lbs	$ 26.000.	$1.94/lb.[2]
U.S.A.	8,262,300 lbs	$4,319,000.	.52/lb.
TOTAL	8,275,000 lbs	$4,345,000.[1]	.53/lb.

[1] Total does not coincide with sum due to rounding.

[2] Unique packaging and type of butter for specialized use.

(d) Twelve cents per pound duty on butter imported from the United States; (e) Canadian Dairy Commission; (f) The Canadian Dairy Commission sold the butter at 68 cents per pound.

INFORMATION CANADA—PUBLICITY AND/OR INFORMATION CONTRACTS

Question No. 67—**Mr. Nystrom:**

1. What were the amounts of money spent by Information Canada on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72?

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

3. What contracts for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each case and what is the purpose of each contract?

Hon. John C. Munro (Minister of Labour): 1. 1970-71*, $45,435.47; 1971-72, $86,774.75. *Fiscal years 1968-69, 1969-70 are not reported as Information Canada commenced operations April 1, 1970.

2.	1970-71	1971-72
Canadian Advertising Agency Ltd., 630 Sherbrooke Street West, Montreal, Quebec.	$45,435.47	$27,130.76
B.C.P. Advertising Ltd., 1010 St. Catherine Street West, Montreal, Quebec.		$22,734.22
Goodis, Goldberg, Soren Limited, 23 Prince Andrew Place, Don Mills, Ontario.		$36,909.77

The purpose of each of these contracts was to advertise the location of Information Canada bookstores and the publications sold by Information Canada.

3. No fixed contracts have been awarded in 1972-73. Payments to date to advertise the sale of publications have been:

	Payments to date
Canadian Advertising Agency Ltd. (address as in 2. above)	$ 429.42
B.C.P. Advertising Ltd. (address as in 2. above)	$1,284.91
Goodis, Goldberg, Soren Limited (address as in 2. above)	$ 790.84

Note: The Expositions Division of Information Canada is a common service agency and as such does no advertising or promotion for itself. It does, however, do work for client departments and agencies, part of which might be construed as advertising or promotion activities by such client departments. As Expositions has no voted funds and conducts all of its operations on a cost-recoverable basis, we assume that other departments and agencies will be reporting independently their total program expenditures in the categories requested. Information Canada/Photothèque, which was transferred to Information Canada in August, 1971, has made no expenditures on paid advertising and only significant and unidentifiable expenditures on promotion and publicity in the period when it has been attached to Information Canada.

SUBSIDIES TO LA COMPAGNIE MARITIME DES CHARGEURS RÉUNIS AND LA SOCIÉTÉ NAVALE CHARGEURS DELMAS-VIELJEUX

Question No. 188—**Mr. Laprise:**

Did the Canadian government grant any subsidies to La Compagnie Maritime des Chargeurs Réunis and to La Société Navale Chargeurs Delmas-Vieljeux and, If so, what was the amount granted to each?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): No.

TELECOMMUNICATIONS—USE OF ANIK SATELLITE IN RIMOUSKI AREA

Question No. 286—**Mr. Allard:**

Is it the intention of the government to use the Anik Satellite to improve telecommunications reception in the Rimouski area?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): The local telephone service in Rimouski is provided by the Quebec-Telephone Company. The quality of the service locally provided by Quebec-Telephone will in no way be affected by the orbiting of the Anik satellite, except perhaps, that it will be easier and quicker for Quebec-Telephone subscribers to complete a telephone call with points located, say, in Western Canada. As a matter of fact, as the Trans-Canada Telephone System has already reserved two of Anik's channels, the routing of telephone traffic and data transmission from one end of the country to the other will generally be faster since more telephone channels will thus become available. Therefore, but in a very indirect way, it is possible to say that even if the quality of the local telephone service of Quebec-Telephone will not be improved by Anik, the telephone subscribers in Rimouski will benefit, since their calls to or from other regions will be efficiently and rapidly routed. Moreover, the advent of Anik will in no way affect the

quality of the diversity of the radio or television signal routed by the Quebec-Telephone network.

[*English*]

UNEMPLOYMENT INSURANCE COMMISSION SERVICES

Question No. 418—**Mr. Cossitt:**

Is it the intention of the government to (a) take measures to improve the efficiency of services to claimants by the Unemployment Insurance Commission office in Kingston, Ontario (b) take steps to improve the public relations of the office (c) establish Zenith phone service so that claimants served by the office can telephone from their places of residence toll free?

Hon. Robert K. Andras (Minister of Manpower and Immigration): (a) The Unemployment Insurance Commission Office in Kingston has already improved the efficiency of its services to claimants by: (i) providing in-person claims taking facilities; (ii) Increasing the number of its insurance officers, examiners and inquiries clerks. (b) the public relations program in the Kingston Office is being strengthened by the addition to the staff of a full-time Public Liaison Officer. (c) Zenith phone service is not being considered at this time because of the availability of Canada Manpower Centres in Brockville, Picton, Gananoque, Napanee and Trenton with direct telephone lines to the Kingston District Office.

POST OFFICE, STOUFFVILLE, ONTARIO

Question No. 441—**Mr. Stevens:**

1. Has the government any immediate plans to build a new post office in Stouffville, Ontario and, if so (a) do they now own the site on which they plan to build the post office (b) on what date does the government intend to call tenders if they have not already done so (c) on what date do they anticipate the post office will be completed (d) what do they plan to do with the present post office facility?

2. If the government does not plan to build the post office does it plan to rent a suitable building and, if so (a) have rental arrangements been completed (b) what is the name of the lessor (c) on what date do they anticipate the post office will be ready for occupancy?

3. Does the government plan to commence door to door mail carrier service in Stouffville and, if so, on what date and, if not for what reason?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Public Works and the Post Office Department as follows: 1. Yes. (a) The new site is not yet owned by the Crown and has still to be selected and acquired. (b) Tentative plans are for May 15, 1973. (c) February, 1974. (d) No plans at present.

2. Not applicable.

3. Not at this time, because the basic requirement of at least 2,000 potential points of call concentrated in a well developed area has not yet been reached.

RELOCATION OF RAILWAY PROJECTS

Question No. 448—**Mr. Hueglin:**

1. Have any relocation of railway projects been funded in whole or in part in the years 1970, 1971, 1972 and, if so (a) where did these projects take place (b) what was the cost of each one (c) what was the federal contribution to each one?

2. What is the maximum federal contribution for these projects under existing legislation?

Hon. Jean Marchand (Minister of Transport): 1. The following railway relocation projects have been approved since 1970: Brandon, Manitoba. Relocation of transfer track approved by Order No. R-11405 dated April 6, 1971. The actual cost of the project was $82,484.65 and $65,-987.72 was paid from the Railway Grade Crossing Fund; Woodstock, Ontario. Removal of CNR's Hickson Spur was approved by Order No. R-13076 dated November 18, 1971. The estimated cost of this project is $114,000 and a commitment of $48,000 was authorized from the Railway Grade Crossing Fund; Guelph, Ontario. Relocation of the CNR's Guelph City Spur was approved by Order No. R-13582 dated February 10, 1972. The estimated cost of this project is $64,500 and a commitment of $36,000 was authorized from the Railway Grade Crossing Fund.

2. Under existing legislation the maximum contribution that could be made is 80 per cent of the actual cost or $500,000 for each project.

BEEF IMPORTS

Question No. 496—**Mr. Beaudoin:**

Since 1970, did Canada import beef and, if so (a) in what quantities (b) from what countries (c) at what price?

[*Translation*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Statistics Canada reports that: (a), (b) and (c). Statistics on the imports of beef for the years 1970, 1971 and eleven months of 1972 are provided in the table below. Figures are not yet available for December 1972.

BEEF, FRESH OR FROZEN

	1970			1971			Jan-Nov. 1972		
Country	cwt	$'000	$/cwt	cwt	$'000	$/cwt	cwt	$'000	$/cwt
United Kingdom	6	—	—	7	—	—	—	—	—
Australia	505,978	23,159	45.77	221,911	11,984	56.55	459,415	27,746	60.39
New Zealand	733,308	31,021	42.30	611,470	28,237	46.18	469,877	26,555	56.51
United States	58,071	8,020	138.11	175,282	16,206	92.43	236,580	23,623	99.85
TOTAL	1,297,363	62,200	47.94	1,008,670	56,427	54.95	1,165,872	77,924	66.83

Order Paper Questions

[*English*]

UNEMPLOYMENT—CONSTITUENCIES OF SAINT-MAURICE, CHAMPLAIN AND TROIS-RIVIÈRES-MÉTROPOLITAIN

Question No. 523—**Mr. Matte:**

What is the rate of unemployment in each municipality (a) of the constituency of Champlain (b) of the constituency of Saint-Maurice (c) of the constituency of Trois-Rivières-Métropolitain?

[*Translation*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Statistics Canada reports that the information requested is not available. Except for selected large metropolitan areas such as Quebec City and Montreal, unemployment rates are published only for groupings of economic regions at the subprovincial level.

[*English*]

NEW HORIZONS PROGRAM GRANTS—CONSTITUENCY OF SAINT-HYACINTHE

Question No. 534—**Mr. Wagner:**

1. To date, how many individuals or agencies in the constituency of Saint-Hyacinthe have applied for grants under the New Horizons program?

2. What were the names and addresses of the applicants and their sponsors?

3. Were any requests rejected and, if so (a) what were the names and addresses of the applicants (b) for what reasons?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Three groups in the constituency of St. Hyacinthe have applied for grants under the New Horizons Program.

2. See table following.

3. None of these requests have been rejected. They are presently under study.

Project No.	Project Title	Project officials
4-00171	«Les Abeilles de l'Age d'Or»	M. Armand Borduas 160 St-Laurent St-Damase, P.Q. Mme Juliette Guillemin 211 St-Joseph St-Damase, P.Q.
4-00174	«Amitié et Entraide»	Mme Florence Charron 11, rue St-Pierre St-Charles-sur-Richelieu, P.Q. Mme Jeannine Geoffrion 14, rue de l'Industrie St-Charles-sur-Richelieu, P.Q.
4-00179	«Horizons Maska»	M. Hervé Dubreuil 190, rue St-Simon St-Hyacinthe, P.Q. M. Lucien St-Onge 1740 Nelson St-Hyacinthe, P.Q.

IMPORTS OF ALCOHOLIC BEVERAGES

Question No. 552—**Mr. Latulippe:**

1. During the years 1969, 1970, 1971 and 1972, how many gallons of (a) alcoholic beverages (b) wine, were imported into Canada and what was the value of each?

2. From which country is the greater volume of (a) alcoholic beverages (b) wine imported?

[*Translation*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. The table below shows the number of gallons and the value of (a) alcoholic beverages, and (b) wine, imported into Canada for the years 1969, 1970, 1971, and the first eleven months of 1972. Figures are not yet available for December 1972.

		1969	1970	1971	Jan.-Nov. 1972
(a) Alcoholic beverages	gals.	6,950,718	7,172,577	8,897,036	8,507,492
	$ value	$27,440,274	$28,837,089	$35,603,012	$36,918,121
(b) wines	gals.	6,799,331	6,145,225	7,596,173	6,647,011
	$ value	$34,118,926	$32,106,718	$39,102,311	$39,980,040

2. (a) The greatest volume of alcoholic beverages imported originated in the United Kingdom. (b) The greatest volume of wine imported originated in France.

[*English*]

YARMOUTH WHARF

Question No. 568—**Mr. Haliburton:**

1. Has the geographical survey of the Yarmouth Wharf been completed?

2. Has the location been finally established and, if so, in what place?

[Mr. Gillespie.]

3. Has the design of the Wharf been completed?

4. Have the tenders been prepared?

5. When the tenders are called, what will be (a) the total estimated cost (b) the total estimated cost of land acquisition?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. No.

2. Yes at a place known locally as Lobster Rock which is south of the ferry terminal.

3. No.

4. No.

5. (a) It is not customary to reveal the estimated cost before a contract has been awarded. (b) Total estimated cost including survey and legal costs is $38,000 on the

basis that an option to purchase has been secured from the owner at $37,500.

HIGHEST RATE OF UNEMPLOYMENT 1961-62 AND 1971-72

Question No. 588—**Mr. Mather:**

What was the highest rate of unemployment in Canada in 1961 and 1962 and in 1971 and 1972?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Statistics Canada reports that: The table below shows the months with the highest rates of unemployment in Canada for each of the years 1961, 1962, 1971 and 1972:

	Seasonally Adjusted		Unadjusted	
	Rate Per cent.	Month	Rate Per cent.	Month
1961	7.7	February	11.2	February
1962	6.2	February	9.1	February
1971	6.9	September	8.1	February
1972	7.1	September	7.7	January

CBC—BILINGUAL POSITIONS, CBWT AND CBWFT, MANITOBA

Question No. 595—**Mr. McKenzie:**

How many employees of both CBC networks in Manitoba (CBWT and CBWFT) occupy positions which must satisfy the government's bilingual criteria and what are the positions in question?

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follow: Inasmuch as the Canadian Broadcasting Corporation is a Crown Corporation, it is not subject to government criteria for bilingual positions in the Public Service. However, the CBC does have a comparable bilingualism policy whereby all areas requiring bilingual services are staffed accordingly.

ELECTION, 1972—CHOICE OF ELECTORAL OFFICERS

Question No. 599—**Mr. Godin:**

1. In what manner was the choice of electoral officers in each constituency decided upon for the general election on October 30, 1972?

2. How many were chosen from lists provided by (a) Social Credit Party of Canada (b) NDP (c) Progressive Conservative Party (d) Liberal Party?

3. What were the names and addresses of electoral afficers recommended by (a) Social Credit Party of Canada (b) NDP?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. Returning Officers are appointed by the Governor-in-Council pursuant to section 7 of the Canada Elections Act.

2. No political party provided lists of prospective returning officers for the general election of October 30, 1972.

3. Not applicable.

Order Paper Questions

*REOPENING OF UNEMPLOYMENT INSURANCE COMMISSION OFFICES

Question No. 608—**Mr. Rynard:**

Does the government propose to reopen the Unemployment Insurance Commission offices in those cities where they were previously closed and, if so (a) will such offices be close to or in the same building as the Canada Manpower Centres (b) what criteria, if any, will be used for the reopening of such offices?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the goal of the Unemployment Insurance Commission is to humanize its services by bringing these services closer to the client population. The matter of opening new Unemployment Insurance Commission offices or of reopening those offices that were in existence prior to 1967 is under continual study as part of this goal.

The answer to sub-question (a) is as follows: The Unemployment Insurance Commission tries to locate its services in the same premises as the Canada Manpower Centres, provided space is available, otherwise the commission tries to establish its facilities as close as possible to the Canada Manpower Centres.

In reply to sub-question (b): The criteria used for the opening of offices are mainly; the numbers and geographic distribution of the claimant population, the availability of adequate transportation and/or parking for clients and; in so far as possible, the commission is trying to use the same area boundaries that are used by Canada Manpower Centres.

Of course, administrative costs have to be taken into consideration, and the availability of properly trained personnel is another factor.

DEPARTMENT OF NATIONAL DEFENCE—TRANS-ATLANTIC AIRCRAFT

Question No. 613—**Mr. McKenzie:**

1. How many aircraft, with trans-Atlantic capacity, are on the strength of the Department of National Defence?

2. What was the cost of each?

3. How many additions are planned to the fleet?

4. Were cost-benefit studies of the use of civilian aircraft for this trans-Atlantic service made before the purchase?

5. Were the major Canadian airlines asked to tender for the trans-Atlantic service?

6. How many civilians (a) employed (b) not employed by the Department travelled on the trans-Atlantic planes in 1970, 1971 and 1972?

7. How many of those in Part 6(b) were (a) relatives of personnel of the Department (b) relatives of Armed Forces personnel (c) other government employees?

8. What was the cost involved in each category?

9. What is the unit cost of transporting persons across the Atlantic on a departmental aircraft?

10. How does the cost compare to travel on a civilian aircraft?

11. Have any protests been received from Air Canada and/or CP Air about the transport of civilians and, if so, how many?

Hon. James Richardson (Minister of National Defence): 1. There are five Boeing 707/347C and 23 Hercules (C130) aircraft with a trans-Atlantic capacity. The Boeings normally carry 157 passengers whilst the Hercules are restricted to freight only on trans-Atlantic flights. As all

following questions appear to be directed toward passenger service, information has been supplied only in regard to the Boeing 707s operated by Air Transport Command.

2. The total program costs of the Boeing 707s were $64,900,000 exclusive of 12 per cent sales tax but including conversion compartments, $385,000 worth of spares, 400 hours of flight simulator time, and in-flight fueling conversion costs for two aircraft.

3. None.

4. No, the Boeing 707/347C aircraft were purchased to replace the existing fleet of Yukon aircraft and cost analyses were conducted to determine the economic feasibility of continuing to operate 12 Yukon aircraft or replacing them by a lesser number of jet transport aircraft.

5. No.

6 and 7. Travel by both military and civilian personnel on duty, and by personnel outside the Department when travelling in the interests of the Department, is authorized as a routine procedure at appropriate administrative levels throughout National Defence, and no detailed records are kept. However, in general terms, the following passengers travelled on duty: 1970, 25,992; 1971, 30,818; 1972 (Up to November) 23,169.

Non-duty travel on leave or "space available" basis again does not distinguish between military personnel, dependants or others. The total number of passengers in this category was: 1970, 13,566; 1971, 14,425; 1972 (Up to November) 11,849. Travel by personnel outside the Department e.g. other government departments' officials, requires special authority and since April 1971 to November 1972, 2,572 non-DND personnel are known to have made trans-Atlantic flights. These figures are included in the numbers shown above.

8, 9 and 10. Many factors enter into the determination of unit costs, including the fact that in so far as military personnel and dependants are concerned on non-duty travel or "space available", the cost is considered as being part of the Pay and Benefits package. Departmental records are not maintained in a manner which would make the unit cost in each category, readily accessible.

11. In so far as the Department of National Defence is concerned, no protests have been received from Air Canada or Canadian Pacific Air.

PAPER PRODUCTION INDUSTRY

Question No. 642—**Mr. Fortin:**

Has the president of International Pulp and Sulphite made representations to any department asking that no investment be made in Canada during the next ten years in the paper production industry?

[*Translation*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): No.

[Mr. Richardson.]

[*English*]

UNEMPLOYMENT AVERAGE BY PROVINCES

Question No. 672—**Mr. Horner (Crowfoot):**

By province, what was the average percentage of unemployment in 1970, 1971 and 1972?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Statistics Canada reports that: The table below gives the twelve-month average unemployment rates for the years 1970, 1971 and 1972 by province.

Year	Canada	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick
1970.....	5.9	10.8	5.4	5.7	8.0
1971.....	6.4	11.4	7.7	7.6	7.4
1972.....	6.3	12.1	10.0	7.5	8.4

Year	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
1970.....	7.9	4.3	4.5	4.3	4.3	7.6
1971.....	8.2	5.2	4.9	3.7	4.7	7.0
1972.....	8.3	4.8	4.5	4.3	4.4	7.6

INFORMATION CANADA ADVERTISING

Question No. 683—**Mr. Muir:**

Since its inception, how much money has Information Canada spent annually on television, newspaper and bill-board advertising?

Hon. John C. Munro (Minister of Labour): 1970-71—$55,-105.98 (Including $45,435.47 for advertising publications); 1971-72—$115,052.70 (including $86,774.75 for advertising publications); 1972-73 (year to date)—$11804.42 (including $5,880.57 for advertising publications).

SEARCH AND RESCUE, BRITISH COLUMBIA COAST

Question No. 698—**Mr. Reynolds:**

1. Is the Vancouver Marine Aeradio station short staffed and, if so (a) has this affected search and rescue operations on the B.C. coast (b) did it have a direct bearing on the sinking of the vessels *MV Dona Anita* and *MV Pacrover* and the fire on *Cruise Ship Meteor*?

2. Was the station operating at full staff at the time of the sinking of these vessels mentioned in Part 1(b)?

Hon. Jean Marchand (Minister of Transport): 1. No. Vancouver Marine Aeradio station is not short staffed and the station is fully capable of meeting its Search and Rescue commitment at all times. The staffing of Vancouver Marine Aeradio had no bearing on the sinking of the MV Dona Anita and MV Pacrover or the fire on the Cruise Ship Meteor.

2. Yes. Vancouver Marine Aeradio was operating at full staff at the time of the sinking of the above mentioned vessels.

CANADIAN TRANSPORT COMMISSION—APPOINTMENT OF HON. J. W. PICKERSGILL

Question No. 699—**Mr. Mazankowski:**

1. On what date was Mr. J. W. Pickersgill appointed as chairman of the Canadian Transport Commission?

2. On what date did Mr. Pickersgill retire from the Canadian Transport Commission?

3. What was his effective date of retirement re allowances, severance pay etc., and remuneration regarding same?

4. What is the annual pension, or superannuation, paid to Mr. Pickersgill by the Canadian Transport Commission, on what date did it commence and on what basis was his superannuation established?

Hon. Jean Marchand (Minister of Transport): 1. There is no post of chairman of the Canadian Transport Commission. The Hon. J. W. Pickersgill was appointed President of the Canadian Transport Commission effective September 19, 1967 for a period expiring June 23, 1975.

2. Mr. Pickersgill resigned from the Canadian Transport Commission effective August 31, 1972.

3. Mr. Pickersgill was granted a cash gratuity in lieu of salary representing four weeks retiring leave effective September 1, 1972, the normal benefit under the regulations.

4. The Canadian Transport Commission is not empowered to pay an annual pension or superannuation to anyone. Mr. Pickersgill is entitled to benefits under the Superannuation Act calculated in accordance with the terms of that Statute.

OFFENCES COMMITTED BY PERSONS FREE ON BAIL

Question No. 712—**Mr. Stackhouse:**

How many men and women, released on bail, were charged in 1972 with offences said to have been committed while they were free on bail?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): In so far as Statistics Canada is concerned the information requested is not available.

CANADIAN MERCHANT MARINE

Question No. 739—**Mr. Forrestall:**

Is it the intention of the government to institute a Canadian Merchant Marine which would be given preferred rights in the Arctic Zone?

Hon. Jean Marchand (Minister of Transport): The government has no intention at this time to institute a Canadian Merchant Marine for ocean going trades; however, Canada does have a large internal fleet which, at the present time, is largely concentrated in the Great Lakes-St. Lawrence trade. This national fleet has, at the present time, preferred rights when trading between ports and places in Canada. However, Commonwealth vessels are allowed to participate in coasting trade activities which involve the Arctic zone. The government is presently examining our coasting trade policy with a view to extending the opportunities for the Canadian internal fleet by reserving the Arctic zone and offshore areas to Canadian flag vessels.

25789—31½

Order Paper Questions

ARCTIC NAVIGATION

Question No. 740—**Mr. Forrestall:**

In view of the characteristics of the Arctic area, does the government intend to attempt to persuade foreign purchasers of recoverable or non-recoverable resources to ship a percentage of the extract product in Canadian bottoms and, if so, what percentage is presently contemplated?

Hon. Jean Marchand (Minister of Transport): Notwithstanding the characteristics of the Arctic, the question of cargo preference to Canadian flag vessels must be considered in an overall resource policy. It is not, at the present time, the policy of the government to reserve overseas cargoes to Canadian flag vessels.

ARCTIC WATERS POLLUTION PREVENTION ACT

Question No. 745—**Mr. Forrestall:**

1. What steps has the government taken to ensure that all foreign flag vessels going into the Arctic area actually meet the Pollution Control requirements?

2. Will there be inspectors in the area who will be prepared to board those ships that have not been pre-cleared for compliance to the Pollution Control requirements?

Hon. Jean Marchand (Minister of Transport): 1. Provision has been made in the Arctic Shipping Pollution Prevention Regulations for a foreign flag vessel to be issued, after inspection, with a certificate which, in the absence of evidence to the contrary, is proof that the vessel complies with the requirements applicable to it. Officers of the Marine Administration of the Ministry have been designated as pollution prevention officers by Order-in-Council in order to enforce the provisions of the Arctic Waters Pollution Prevention Act and the regulations made thereunder.

2. Yes. Selected officers of Canadian Coast Guard vessels will be provided with the necessary authority to carry out the inspections required.

*ACQUISITION OF PROPERTY FOR TORONTO HARBOUR PARK

Question No. 808—**Mr. Stackhouse:**

Does the government intend to complete in 1973 acquisition of property required for the Toronto Harbour Park?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The answer is yes, Mr. Speaker.

POSTMASTERS GENERAL OF CANADA 1953 TO 1973

Question No. 854—**Mr. Mather:**

Who were the Postmasters General of Canada from the years 1953 to 1973?

Right Hon. P. E. Trudeau (Prime Minister): Postmasters General of Canada 1953 to 1973: Hon. Alcide Côté, Feb. 13, 1952 to Aug. 7, 1955. Vacant, Aug. 8, 1955 to Aug. 15, 1955. Hon. Roch Pinard (Acting Minister), Aug. 16, 1955 to Nov. 2, 1955. Hon. Hughes Lapointe, Nov. 3, 1955 to June 21, 1957. Hon. William McLean Hamilton, June 21, 1957 to June 12, 1962. Vacant, July 13, 1962 to July 17, 1962. Hon. John Angus MacLean (Acting Minister), July 18, 1962 to Aug. 8, 1962. Hon. Ellen Louks Fairclough, Aug. 9, 1962 to

Order Paper Questions

April 22, 1963. Hon. Azellus Denis, April 22, 1963 to Feb. 2, 1964. Hon. John Robert Nicholson, Feb. 3, 1964 to Feb. 14, 1965. Hon. René Tremblay, Feb. 15, 1965 to Dec. 17, 1965. Hon. Joseph Julien Jean-Pierre Côté, Dec. 18, 1965 to July 5, 1968. Hon. Eric Kierans, July 6, 1968 to April 2, 1971. Hon. Joseph Julien Jean-Pierre Côté (Acting Minister), April 3, 1971 to June 10, 1971. Hon. Joseph Julien Jean-Pierre Côté, June 11, 1971 to Nov. 26, 1972. Hon. André Ouellet, Nov. 27, 1972.

TOTAL IMMERSION COURSES

Question No. 859—**Mr. Korchinski:**

1. How many persons partook of the total immersion courses where families were moved into (a) French communities (b) English communities?

2. What was the total cost of this program to date?

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): I have been given the following answer by the Public Service Commission: 1. Participation in the Bicultural Development Program from 1966 to date into (a) French communities, 525; (b) English communities, 230.

2. Total cost to December 31, 1972, $2,604,021.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS REPORT, 1971

Question No. 934—**Mr. Andre:**

1. What was the cost of production, printing and distribution of the Report for the fiscal year ended March 31, 1971, for the Department of Consumer and Corporate Affairs?

2. How many copies of the Report were distributed?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): 1. $1,921.

2. 2,185 English and 1,135 French.

DEPARTMENT OF VETERANS AFFAIRS AND CANADIAN PENSION COMMISSION REPORT, 1972

Question No. 943—**Mr. Andre:**

1. What was the cost of production, printing and distribution of the Report for the fiscal year ended March 31, 1972, for the Department of Veterans Affairs and of the Canadian Pension Commission?

2. How many copies of the Report were distributed?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1971-1972 Annual Report of the Department of Veterans Affairs, Canadian Pension Commission, Pension Review Board, War Veterans Allowance Board and Bureau of Pensions Advocates. 1. $7,086.20.

2. 2,230.

CONTRACT FOR FORKLIFT TRUCKS

Question No. 953—**Mr. Hales:**

1. Was a contract, MY.66048-2-H246, for industrial forklift trucks in the amount of $70,921 awarded to Otis Elevator Co. Ltd., Hamilton, Ontario?

[Mr. Trudeau.]

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

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

4. Where were the goods used and by what department of governement?

5. How were suppliers notified of government requirements?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes. Contract Serial OMY2-0316, dated Jan. 2, 1973.

2. Yes. Names and addresses of firms who tendered follow: The contract was awarded to the lowest tenderer. Otis Elevator, Burlington and Wilfred, Hamilton, Ontario. Stathmos Scale Manufacturing Ltd., 8 Steelcase Road, Milliken, Ontario. Blue Grant Equipment of Canada Ltd., P.O. Box 5075, Station "F", Ottawa, Ontario. Lansing Bagnall of Canada Ltd., 651 Orly Avenue, Dorval, Quebec. Horwood-Bullock Ltd., 2635 Paulus Street, Montreal 386, Quebec. Montgomerie Reid (Canada) Ltd., 7502 Bath Road, Malton, Ontario. G. N. Johnston Equipment Co. Ltd., 578 Orly Avenue, Dorval, Quebec. M. L. Baxter Equipment Ltd., 45 Fenmar Drive, Weston, Ontario.

3. No.

4. The forklift trucks are to be used by the Department of Supply and Services at Halifax, Port Credit, Montreal, Ottawa and Edmonton.

5. By formal Invitation to Tender to all firms (28) on the official source list for this commodity.

FINES FLOWERS LIMITED, OTTAWA—CONTRACT FOR POTTED PLANTS

Question No. 954—**Mr. Hales:**

1. Was a contract, GV.T8082-2-1285, for potted plants in the amount of $10,936 awarded to Fines Flowers Ltd., Ottawa, Ontario?

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

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

4. What was the description of the goods purchased?

5. Where were the plants used and by what department of government?

6. How were suppliers notified of government requirements?

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

2. Yes (a) Fines Flowers Ltd., 2216 Carling Ave., Ottawa, Ontario. R. E. Smith & Son, Box 413, RR No. 4, Ottawa, Ontario. (b) Yes.

3. No.

4. Five specific types of plants plus maintenance of previously installed plants.

5. Place de Ville, Tower "C", Ottawa, Ont. Ministry of Transport.

6. Invitation to Tender.

H. FINE AND SONS LTD.—CONTRACT FOR CANNED FRUITS

Question No. 955—**Mr. Hales:**

1. Was a contract, GD.2542004-8, for canned fruits in the amount of $14,546 awarded to H. Fine and Sons Ltd., Ottawa?

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

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

4. What was the description of the goods purchased?

5. Where were the goods used and by what department of government?

6. How were suppliers notified of government requirements?

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

2. Yes. (a) Scotian Gold Co-operative Limited. P.O. Box 370, Kentville, N.S. Ernest St-Arnaud Inc., 2185 Ave., Francis Hughes, Chomedey, Laval, P.Q. Hickeson Lang Supply Co., 103 Orfus Road, Toronto 390, Ont. Sun-Rype Products Ltd., 1165 Ethel Street, Kelowna, B.C. M. W. Graves & Company Limited, P.O. Box 340, Berwick, Kings Co., Nova Scotia York Farms, Division of Canada Packers Ltd., 1191 Sheppard Ave. E., Willowdale, Ont. A. Lassonde & Fils Inc., Rougemont, Que. H. Fine & Sons Ltd., P.O. Box 8332, Ottawa, Ontario KIG 3H8 Kelly, Douglas & Co., Ltd., P.O. Box 2039, Vancouver 3, B.C. Van de Water-Boyd (Eastern) Ltd., 2300 Monterey Rd., Chomedey, Laval, Que. (b) Yes.

3. No.

4. Canned Apples Sliced. Canned Apple Juice.

5. Department of National Defence, Canadian Forces Bases at Montreal, Bagotville, Trenton, Petawawa and Kingston.

6. By invitation to tender.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

TRANSPORT SUBSIDIES PROGRAM

Question No. 167—**Mr. Broadbent:**

1. What were the names of recipients benefitting from the Transport Subsidies Program (TS), in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date, and what were the amounts of money involved in each case?

2. What are the objectives of the above Program?

3. Has the department conducted any evaluative study of the Program and, if so, what was the date of the latest report?

Return tabled.

PRIME MINISTER'S OFFICE PERSONNEL

Question No. 220—**Mr. Cossitt:**

What were the names of all persons who were employed by, attached to, or on loan to, the Prime Minister's Office as of (a) July 31, 1972 (b) October 30, 1972 (c) January 8, 1973 and, in each case (i) what was the individual's function (ii) what was the individual's salary?

Return tabled.

Orders for Returns

CONSTRUCTION OF HOUSES AT INDIAN RESERVE, WEYMONTACHIE

Question No. 239—**Mr. Matte:**

From 1968 to 1973, have any contracts been awarded for the construction of houses or for other projects at the Indian Reserve of Weymontachie in the northern part of the constituency of Champlain and, if so, in each case (a) what was the nature of the contract (b) the amount (c) the name of the contractor?

Return tabled.

PRIME MINISTER'S OFFICE PERSONNEL

Question No. 288—**Mr. Fraser:**

1. What were the names of each individual on salary in the Prime Minister's Office from January 1 to August 1, 1972?

2. What was the monthly salary of each individual employed in the Prime Minister's Office from January 1 to August 1, 1972?

Return tabled.

NUMBER OF EMIGRANTS FROM CANADA, 1946-72

Question No. 442—**Mr. Stevens:**

In each year 1946 to 1972 inclusive, what was (a) the total number of emigrants from Canada (b) their places of destination (c) their occupations categorized generally (d) their educational status categorized generally (e) the number of Canadian born emigrants (f) the number of non-Canadian born emigrants, showing their places of birth?

Return tabled.

Mr. Knight: Mr. Speaker, on a point of order, I wonder whether I could bring to the parliamentary secretary's attention questions Nos. 606 and 607 which are of some importance in relation to the Prairie Farm Assistance Act and the lower inventory for tomorrow legislation. May I also refer him to questions Nos. 609, 626, 627, 628, 929, 930, 931, 932, 961, 985, 998, 1045, 1046, 1056, 1077, and 1083.

• (1410)

Mr. Hellyer: Mr. Speaker, on the same point of order I should like to bring to the attention of the parliamentary secretary questions Nos. 583, 708 and 715. There is not one of those three questions that could not be answered in less than a week. Everyone knows this is one of the most mediocre governments in the history of Canada, and its inefficiency seems to be rising at the same rate as prices are rising.

Mr. Speaker: Order, please.

Some hon. Members: Order!

Mr. Speaker: Order, please.

Mr. Stevens: Mr. Speaker, I draw attention to starred questions Nos. 839, 848 and 896 which I feel should be answered as soon as possible.

Mr. Cossitt: Mr. Speaker, I should like to draw the parliamentary secretary's attention to question No. 220 placed on the order paper on January 9. Two other questions which I asked about the same matter were answered last week and I see no reason that this third question which was asked previously should not be answered. I

realize it is on the subject of the gigantic staff of the Prime Minister's office that is running this country and this might prove embarrassing.

Some hon. Members: Order!

Mr. Speaker: Order, please. Hon. members can, if they wish, bring to attention of the parliamentary secretary certain questions they feel should be answered more quickly, but it is not according to the well established practice of the House for hon. members to make the kind of comments or speeches such as those made by the hon. member and the hon. member for Trinity.

Mr. Hellyer: We have to get their attention, Mr. Speaker.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, may I call the attention of the Parliamentary Secretary to Question No. 21 which, in addition to having been on the order paper since 4 January 1973, has also strirred special public interest, and ask him whether it will be answered soon?

[*English*]

Mr. Reid: Yes, Mr. Speaker.

ORAL QUESTION PERIOD

UNEMPLOYMENT INSURANCE

ESTIMATE OF CASH ADVANCES TO BE REQUIRED IN FISCAL YEAR ENDING MARCH 31, 1974

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in the absence of the Minister of Finance I shall direct this question to the Minister of Manpower and Immigration. As a result of the opportunity the minister had over the weekend to reflect and to observe the Minister of Finance when he appeared on television and said, as I heard his words, that unlike last year he was now able to predict the unemployment insurance figures, will the minister give a simple clearcut answer concerning the cash requirements in respect of the Unemployment Insurance Commission for the fiscal year ending March 31, 1974 and/or the amount of the contributions to be made out of the consolidated revenue fund when unemployment exceeds 4 per cent?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I would wait for the Minister of Finance to make his forecast before I would undertake to give those figures. I indicated the other day that by the Unemployment Insurance Act and the amendment recently made to that act cash requirements become appropriations as such in the following year and this amount is known and included in the main estimates at this time.

Mr. Baldwin: Did the minister obtain from the officials of the Unemployment Insurance Commission any information as to the cash requirements for the ensuing fiscal year and/or the contributions which might be required to be made in respect of the government's share of the contributions?

[Mr. Cossitt.]

Mr. Andras: Mr. Speaker, as I indicated before the Miscellaneous Estimates Committee, I believe, we can forecast a range of cash requirements based on various levels of unemployment and based on the many other variable factors involved in such a calculation, many of which have been indicated by the Minister of Finance and many which are applicable to the straight question of unemployment levels. We can give a range of requirements which will be accurate within certain boundaries, but it does depend on the length of time people will be on benefit, the average weekly wage, the level of unemployment and a whole series of other matters the complexities of which it has been indicated, would make it very difficult to give an absolutely accurate forecast at this date.

Mr. Baldwin: Mr. Speaker, in order that the House may have this very important information before it is asked to approve the budget of the Minister of Finance I should like to ask the Prime Minister whether he would require the former Minister of Manpower and Immigration, the hon. member for Verdun, who apparently is able to answer these questions, to answer the questions I have asked?

Mr. Speaker: Order, please. The hon. member for Norfolk-Haldimand.

COMMISSION POLICY RESPECTING UNEMPLOYED AGRICULTURAL WORKERS SEEKING BENEFITS

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, my question is supplementary and is addressed to the Minister of Manpower and Immigration. It relates to the Unemployment Insurance Commission. Is it now the policy of the Unemployment Insurance Commission deliberately and systematically to disentitle seasonal agricultural workers from unemployment insurance benefits?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, absolutely not, as such. The disentitlement of any worker is based on certain factors, including proof of search for work, availability for work and willingness to take work if in fact it is available.

Mr. Knowles (Norfolk-Haldimand): That being the case, would the minister investigate the gestapo-type tactics that are being employed in my area to deliberately and systematically disentitle the seasonal agricultural workers from their proper benefits?

Mr. Andras: Mr. Speaker, without in any way accepting the premise or description the hon. member has applied to the activities of the unemployment insurance commission, I would be very glad to investigate any specific instances. In fact, it would put me in a much better position to answer such questions in the House if the hon. member would give me advance notice of the question, provided he really is seeking information.

SAVING TO BE MADE BY ENACTMENT OF BILL C-125

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. In view of the fact Bill C-125 stands on the order paper for second reading and is supposed to result in a saving of approximately $100 million, and as the minister is reviewing this bill, can he still state that the bill will save the country $100 million?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I would hope so.

Mr. Alexander: Can the minister advise whether his involvement with the bill in terms of reassessment and bringing in amendments has been completed? Has he completed his investigation on behalf of the New Democratic Party and, if so, when can we expect the bill to be proceeded with?

Mr. Speaker: Order, please. The hon. member will appreciate that a question asked in those terms is not in order.

• (1420)

Mr. Alexander: May I rephrase the question, Mr. Speaker. In view of the importance of the matter and in view of the fact the bill will save the country $100 million, can the minister advise when the bill will be brought forward again and, if not in the very near future, what is holding it up?

Mr. Andras: I expect it to be brought forward in due course, Mr. Speaker. One thing about the situation is that we know at least where two parties stand on this bill. We do not know—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Is the hon. member for Fraser Valley West rising on a supplementary question?

Mr. Rose: Yes, Mr. Speaker.

ALLEGED INCLUSION OF IMPROPER PHRASES BY OFFICERS IN PREPARING APPLICANTS STATEMENTS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is for the Minister of Manpower and Immigration and it is supplementary to previous questions. Is the minister aware of the current practice of benefit control officers who, when interviewing clients, often smuggle into the statements of those clients, which the benefit control officers themselves write, words that condemn the clients or force them to testify against themselves such as "no transportation" and "excessively high salary expectation"? Is the minister aware of this practice, because it has been going on now for a year, and is he prepared to do something about it?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, in every case where I can prove such action by a benefit control officer or anybody else he will be dismissed as quickly as I can make the arrangements, but I would like to have concrete proof before doing so.

Mr. Speaker: Order, please. We will complete the first round of questioning, after which I will return to the hon. member for Fraser Valley West on a supplementary question.

* * *

FLOODS

HIGH WATER LEVEL IN GREAT LAKES—FEDERAL GOVERNMENT MEASURES TO AVERT DAMAGE

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I should like to address my question to the Prime Minister as there would appear to be several departments of the government concerned, and in view of the seriousness of the situation. In light of the statement by an official of the International Joint Commission that nothing more can be done to control the rising water levels in Lake Ontario and the other Great Lakes and that further flooding is therefore inevitable, can the Prime Minister give the House assurances that all courses of action open to the federal government are being actively pursued in order to avert, so far as possible, flood damage, and will the Prime Minister or the appropriate ministers indicate to the House specifically what these steps are?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer to the first question is yes. The answer to the second is that various answers have been given by the Minister of the Environment who is responsible in the government for co-ordinating action in these areas.

Mr. Grier: In an effort to attract from the government benches more specific answers, may I put this supplementary question. Has the government taken the initiative to discuss joint preventive programs with the governments of the province of Ontario and/or Quebec? My question is again directed to the Prime Minister.

Mr. Trudeau: I will take notice of the question, Mr. Speaker. I have not had such discussions personally, but I will have to refer the question to the Minister of the Environment who has been retarded on his way in from the west coast and is expected later.

Some hon. Members: Oh, oh!

HIGH WATER LEVELS IN GREAT LAKES—USE OF ARMED FORCES PERSONNEL TO CONSTRUCT PROTECTIVE WORKS

Mr. Terry Grier (Toronto-Lakeshore): I have a supplementary question for the Minister of National Defence. May I ask him whether specific plans have now been made to assign units of the armed forces for flood prevention construction and other works.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, as I advised the House last week, the armed forces are available for this type of emergency, but we

have had no request from the government of Ontario or from anyone else at this stage.

HIGH WATER LEVELS IN GREAT LAKES—PROTECTION AND COMPENSATION FOR PROPERTY OWNERS ALONG ST. LAWRENCE RIVER

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a supplementary question for the Prime Minister. Can he assure the House that property owners along the St. Lawrence River and in the Thousand Islands area will be given adequate warning and all possible protection in the event of an unusually high run-off from Lake Ontario and that they will receive adequate compensation for any damage that may result?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot, of course, give a general answer to that very wide-ranging question. It is a matter of policy which has to be announced in specific instances.

HIGH WATER LEVEL IN LAKE ONTARIO—REQUEST FOR PROVISION OF ENGINEERING SERVICES TO ONTARIO RIDING

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I wish to direct a question to the Minister of National Defence. In a previous response he indicated that he had not received any specific requests for assistance from any sources in respect of possible flood damage. In light of the fact that I investigated this problem in my riding over the weekend—

Some hon. Members: Question!

Mr. Cafik: —I would like—

Some hon. Members: Question!

Mr. Cafik: I will get to the question, if you will be patient. This is an important problem to the people in my area.

Some hon. Members: Hear, hear!

Some hon. Members: Question!

Mr. Cafik: I would like to give the minister notice right now that I am requesting—

Mr. Speaker: Order, please.

Mr. Cafik: Mr. Speaker—

Mr. Speaker: Order. The hon. member has the floor for the purpose of asking a question, not to give notice.

Mr. Cafik: Yes, Mr. Speaker. I will ask the minister right now if in fact he will supply engineering services to the municipalities in my riding that want to assess what preventive steps can in fact be taken?

Mr. Alexander: Patronage!

[Mr. Richardson.]

Hon. James Richardson (Minister of National Defence): Mr. Speaker, we will give immediate consideration to the request from the hon. member.

Some hon. Members: Oh, oh!

* * *

[*Translation*]

AGRICULTURE

DAIRYING—MEASURES TO ENSURE FINANCIAL STABILITY FOR PRODUCERS

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

Yesterday I met a delegation of manufacturing milk producers; they are quite concerned about the considerable increase in the cost of feed which is threatening the financial balance of their operations. Can the minister tell the House what steps he intends to take immediately to hearten the manufacturing milk producers in this regard?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are studying ways and means of aiding them now.

[*Translation*]

DAIRYING—REQUEST FOR INCREASE IN PRICE OF INDUSTRIAL MILK—GOVERNMENT POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a supplementary. Has the minister perused the brief submitted by industrial milk producers, whereby they request an immediate increase of industrial milk prices to the extent of 60 cents per 100 pounds? If so, could he inform us shortly of his reply?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I stated in reply to another hon. member in the House that we hope to be able to announce something soon.

* * *

HOUSING

STATEMENT BY MINISTER OF FINANCE ON TELEVISION PROGRAM RESPECTING INCREASE IN COSTS—REQUEST FOR ELIMINATION OF BUILDING MATERIALS SALES TAX

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask the Minister of Finance a question. Would he inform the House on what basis he was able to state on the television program "Question Period" yesterday that housing costs increased by only 3 per cent last year, and can he inform the House whether the priority given to housing in last week's budget was based on that 3 per cent figure?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think that if the hon. member reads the transcript he will see that I was talking about the general increase in service charges, including housing, over the year 1972, and

saying, in relation to the reason why I did not choose to reduce or eliminate the 11 per cent tax on building materials, that I was confident that the amendments to the National Housing Act introduced by my colleague, the Minister of State for Urban Affairs, would provide a good, remedial measure for this problem.

Mr. Woolliams: Mr. Speaker, I wish to ask a supplementary question. I listened with great care to the minister's answer in reference to the 11 per cent sales tax, but in light of the fact that from December, 1971, to December, 1972, the cost of new housing increased by 12.5 per cent and the cost of building materials rose by 15.2 per cent—I refer the minister to Statistics Canada's Catalogue 62 for those figures—would he now reconsider his position in reference to the 11 per cent sales tax?

Mr. Hees: No, because David Lewis says no. That is the simple reason. David Lewis says you can't do it, and you don't dare do it.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, when the increase in housing costs or costs of renting are brought into the general income picture, they are brought by Statistics Canada into the category of service charges, and those were the figures to which I was referring.

* * *

• (1430)

LABOUR RELATIONS

ELEVATOR CONSTRUCTORS' STRIKE—REQUEST THAT PRIME MINISTER CONVENE MEETING WITH PROVINCIAL MINISTERS TO ACHIEVE SETTLEMENT

Mr. Eldon M. Woolliams (Calgary North): I have a further supplementary, Mr. Speaker. In light of the fact that we now have serious unemployment, particularly in the building industry, and in light of the fact that the International Union of Elevator Constructors is on strike in nine provinces with a slowdown strike in the province of Quebec, throwing construction workers out of work by the thousands across the nation, would the Prime Minister now take the lead, in spite of his constitutional argument, and call together the ten provincial ministers of labour with a view to sitting down and getting this strike settled which is really motivated by an international union in the United States?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall certainly consider the request of the hon. member that I demand that the provincial premiers come and listen to my word on that.

An hon. Member: He did not say "demand".

CENTRAL MORTGAGE AND HOUSING CORPORATION

REQUEST FOR TABLING OF CAPITAL BUDGET

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary on housing for the Minister of State for Urban Affairs. In view of the fact the amount of money to be spent by Central Mortgage and Housing Corporation is of crucial importance to the government's housing plans, would the minister inform the House why the capital budget for CMHC has not been laid before parliament when in normal years it is before us by this time?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the capital budget is normally discussed when the estimates of the corporation go to the committee. I will be happy to see that the capital budget is laid before the House.

[*Later:*]

Mr. Broadbent: Mr. Speaker, I rise on a question of privilege. A few minutes ago I asked the Minister of State for Urban Affairs a question about the laying before parliament of the annual capital budget of CMHC. He said to the House that it was not the practice of the government to do so and that it would be brought before the appropriate committee at the appropriate time. My question of privilege is that inasmuch as in each year in recent history the government has laid the capital budget of CMHC before parliament the minister, if I understood him correctly, misinformed parliament, I assume inadvertently. I therefore ask him to explain the statement he made just a few moments ago.

Mr. Speaker: Order, please. That is hardly a question of privilege. I suggest to the hon. member that it might be the subject of a supplementary question. Perhaps the minister might be allowed to reply to the hon. member's point by way of a supplementary answer to the alleged question of privilege.

Mr. Basford: Mr. Speaker, I should like to check the precise words in the blues. What I said was that it was the practice to examine the capital budget when the estimates of the corporation were being examined and that if the hon. member has questions to ask they will be answered when the estimates go to the committee. I also said I would be happy to lay the capital budget before parliament. I hardly see that there is any misinformation being given to parliament.

Mr. Broadbent: Mr. Speaker—

Mr. Speaker: Order, please. I will return to the hon. member in a moment.

[*Later:*]

Mr. Broadbent: Mr. Speaker, I repeat the point that the minister said a while ago that it was not customary to lay the capital budget before parliament. He has now acknowledged that it is and I should now like to ask him when he will lay that budget before parliament?

Mr. Basford: In accordance with the usual practice, Mr. Speaker.

Oral Questions

FINANCE

POSSIBILITY OF DISCUSSION OF BUDGET WITH NEW DEMOCRATIC PARTY LEADER PRIOR TO DELIVERY

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Finance. In view of the statements he made yesterday on the television show, would the minister confirm to the House whether he did or did not have discussions with the leader of the New Democratic Party on the budget before the budget speech was delivered?

Mr. Speaker: Order, please. I will, of course, allow the minister to reply to the hon. member's question as I have shown some leniency in regard to questions asked earlier this afternoon about the statements made outside the House. As hon. members know, it is long established practice that normally questions are asked only of the Prime Minister to inquire whether statements made by ministers outside the House represent government policy. However, as the question has been asked the minister may wish to reply.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I can confirm that before the budget I discussed budget measures neither with the leader of the New Democratic Party nor the leader of the hon. member's party.

Mr. Woolliams: Why did he say that you did?

Mr. Turner (Ottawa-Carleton): He did not say that.

* * *

HEALTH

STATUS OF NEGOTIATIONS WITH PROVINCES ON PROVISION OF CHRONIC CARE IN NURSING HOMES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have a question for the Minister of National Health and Welfare and he may want to make his reply on motions. In view of mounting hospital costs and the federal government commitment in this field, would the minister state whether general agreement has been reached with the provinces for providing chronic care in nursing homes to relieve hospital overstay or in the prevention of illness leading to a cutdown in hospital admissions?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, we recently had a meeting on that subject with representatives of provinces. The federal government made a proposal in view of easing health services and specifically developing less expensive services such as mentioned by the hon. member, as compared with the very expensive hospital services. If the provinces agree to the formula we proposed, we hope there will be a substantial reduction in health service costs in Canada.

[*English*]

Mr. Rynard: Mr. Speaker, I will debate this question at ten o'clock.

[Mr. Basford.]

REPRESENTATION OF YUKON AND NORTHWEST TERRITORIES COUNCILS AT RECENT CONFERENCE—TRANSFER OF JURISDICTION OVER SERVICES TO TERRITORIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary for the same minister. Were the elected bodies in the Yukon and the Northwest Territories represented at the conference of which he speaks, and what is the time frame within which federal health services will be transferred from federal jurisdiction to the jurisdiction of the governments of either the Yukon or the Northwest Territories?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, in reply to the first question, that was a federal-provincial conference of ministers of finance and of health and the Northwest Territories and Yukon were not represented as such.

Replying to the second question, the matter has been under discussion for many years between the federal government and authorities involved, and is permanently under review.

* * *

[*English*]

TRANSPORT

REQUEST THAT RAILWAYS REINTRODUCE "O CANADA" TRAIN WHISTLES

Mr. Ian Arrol (York East): Mr. Speaker, I should like, with my question, to introduce a note of harmony if it would not be out of order today. I should like to ask the Minister of Transport a musical question. In view of the importance of promoting any good idea in aid of Canadian unity and the Canadian identity, could consideration be given to encouraging the railway systems of Canada to reintroduce the unique "O Canada" train whistle refrain that was so popular in the year of Canada's centennial?

Mr. Speaker: I suggest that the hon. member's question ought normally to be placed on the order paper. However, since it is intended to bring some harmony to the House the minister might be allowed to reply briefly.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I shall be happy to discuss that with the presidents of the two railway companies.

* * *

DRUGS

REQUEST FOR LIST OF DRUGS THAT FAILED TO MEET TESTS AND NAMES OF COMPANIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Minister of National Health and Welfare. Will his department make public the list of drugs that failed to meet the standards set by his department in its QUAD tests, as well as the companies by whom they were manufactured?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I shall certainly look into this matter.

Mr. Orlikow: May I ask the minister what action the government will take in connection with those drugs which apparently did not pass the test standards set by the government?

[*Translation*]

Mr. Lalonde: Mr. Speaker, it should not be deduced from the fact that I do not give an immediate reply to the hon. member's question that his premise is accurate. I shall make inquiries and see whether there has been one case of a drug not being submitted to the tests involved.

* * *

[*English*]

FINANCE

TARIFF REDUCTIONS ON FOOD IMPORTS—PRIOR CONSULTATION WITH AGRICULTURE AND LABOUR

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to address my question to the Minister of Finance. In view of the grave concern of many primary producers of food commodities and the food industry in general about their economic future under the new reductions in tariffs and the loss of jobs involved, can the minister tell the House if any of these groups were consulted in any way before this government action and, if so, can he indicate which agricultural and labour groups were consulted?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, obviously in direct terms one cannot consult groups before the introduction of budget measures, particularly tariff measures, but a thorough review was made with the various departments concerned to ensure that any tariff reductions would not unduly affect employment potential or farm income. I am in constant consultation with my colleague the Minister of Agriculture to ensure that this does not happen.

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of Agriculture. In view of the fact the Minister of Finance in reply to a question on Friday said that the Minister of Agriculture would see to it that farmers were not hurt by the tariff reductions, did he consult with his colleague on the fact that cans imported into Canada for use by Canadian processors for Canadian products have a 17½ per cent tariff, while those already filled in some other country, and being imported into Canada now have no tariff?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have discussed that recently.

SOCIAL SECURITY

OLD AGE PENSIONS—REQUEST THAT DEPARTMENT BE MORE FLEXIBLE RESPECTING QUALIFICATION OF PERSONS RETURNING FROM ABROAD

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Will the minister give consideration to introducing more flexibility and compassion in his department when dealing with Canadian born senior citizens returning to Canada from abroad and seeking old age security qualification, particularly the avoidance of such incidents as advising an 88 year old gentleman to come back in 33½ years with his application?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I shall certainly be very happy to examine the regulations in question, and more particularly those relating to the point raised by the hon. member. I should mention, however, that these regulations were enlarged a few years ago, as the hon. member knows. I shall certainly look into the matter.

* * *

[*English*]

LABOUR RELATIONS

STAGE OF PLANNING FOR HOLDING OF 1974 INTERNATIONAL CONFERENCE IN CANADA

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is for the Minister of Labour. In view of the commitment made on behalf of Canada by the hon. member for Verdun when minister of labour at the International Labour Relations Conference held in Israel in 1972 that the Canadian government would host the next international labour relations conference in 1974, can the minister inform the House what stage the planning for this conference has reached?

• (1440)

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I believe it is still the intention of the government to host that conference. As far as I am aware, planning is going on as well as can be expected.

Mr. Atkey: Would the minister advise the House of the details of the projected arrangements for this conference, and when they might be available to the participating countries?

Mr. Munro (Hamilton East): Mr. Speaker, I will look into the matter.

* * *

GRAIN

POSSIBILITY OF ALLOWING DOMESTIC WHEAT PRICE TO FLOAT

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the minister responsible for the

Canadian Wheat Board. Does the government have any plan at this time to change the domestic price paid for wheat, at present $1.95½ per bushel, and allow the price to float with the world price of wheat?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker. The government is now paying the difference between $1.95½ and $3 out of the treasury. In reviewing this matter recently it was decided that it would be better to continue doing that rather than shift the cost to the consumers of bread in Canada.

Mr. Murta: As the minister has sent a survey to wheat farmers in western Canada on the method of payment under the two-price wheat system, is not the prairie wheat producer at present being asked by this questionnaire really to subsidize the users of domestic wheat in Canada? Is this not what is really happening at present with the price of wheat?

Mr. Speaker: Order, please. I suggest that is not a question but argument.

WHEAT—INQUIRY AS TO ACREAGE PAYMENT

Mr. J. H. Horner (Crowfoot): Mr. Speaker, may I direct a supplementary question to the Minister of Justice who is in charge of the Canadian Wheat Board. Can we expect an acreage payment before spring planting, because additional money would be beneficial to the farmers at that time?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the questionnaire now in the hands of farmers is part of the process of determining the method of paying to them the amount of money which will be available, which will likely be in the order of $57 million. Part of that is clearly a consumer subsidy, if you like, on the price of bread. If an acreage payment is to be made we would expect to make it in April.

* * *

[*Translation*]

FINANCE

REQUEST FOR DOCUMENT RESPECTING VALUE OF DOLLAR COMPARED WITH 1949

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the Minister of Finance.

Can he give hon. members a copy of a paper from the federal government in which it is estimated that in 1973 the Canadian dollar has a value equivalent to 55 cents compared to 1949? In 24 years, therefore, the value of our dollar has decreased by 45 per cent.

Hon. John N. Turner (Minister of Finance): I shall check whether such a document exists, Mr. Speaker.

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

What is the present value of the Canadian dollar based on the price of gold on the open market which is now selling between $93 and $96 per ounce?

[Mr. Murta.]

Mr. Speaker: I suggest that this question could be put on the order paper.

* * *

[*English*]

AIR TRANSPORT

REQUEST FOR DIRECT PASSENGER FLIGHT FROM EDMONTON TO OTTAWA

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, on behalf of the worthy citizens of Edmonton Centre, I thank you for recognizing me. I should like to direct my question to the Prime Minister or to the Minister of Transport. As the Prime Minister and the Minister of Transport are listening attentively these days to the needs and wants of the west with a view to curing the west of its so-called discontent, would the Prime Minister or the Minister of Transport use their good offices to give Edmonton at least one direct flight to Ottawa at a reasonable hour?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that suggestion might correct the discontent of the west although probably, if the hon. member used the service too often, it would increase discontent in Ottawa.

* * *

FINANCE

ASSESSMENT OF VALUE-ADDED TAX SYSTEM USED BY EUROPEAN ECONOMIC COMMUNITY—EFFECT ON INFLATION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Minister of Finance. What assessment has the minister made of the value-added tax system presently utilized in the European Economic Community and the effect it may have on Canada's inflationary difficulties?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we are reviewing aspects of this tax, particularly since Great Britain has adopted it and it seems to have general support in the European Common Market. Aside from that, any adoption of that tax would have to be related to a general budgetary statement.

Mr. MacKay: With respect, I suggest the minister has not done his homework. I suggest that the tax is not applicable—

Mr. Speaker: Order, please. The hon. member is now debating. He should ask his supplementary question.

Mr. MacKay: Mr. Speaker, although the minister has already partially answered my question, may I ask him if he has any immediate plan to study the effects in Canada of such a value-added tax?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, it is being studied.

COMMUNICATIONS

INQUIRY AS TO PAPER ON POLICY AND POSSIBILITY OF FEDERAL-PROVINCIAL CONFERENCE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is for the Minister of Communications. After tabling on Friday his rather pointed letter to the minister of communications of Quebec, I wonder whether the Minister of Communications can be a little more definite and precise now as to when he intends to lay before parliament the green paper, so-called, on communications policy? The second part of my question, which I ask now so as not to take too much time, is this: after tabling the green paper, does the minister intend to convene a federal-provincial conference on this long-smouldering problem?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): I do not have to alter my predictions about the publication of the government green paper at the end of March, Mr. Speaker. As for another federal-provincial conference on communications, several provincial ministers of communications have approached us about it and we are now considering the matter. The federal government warmly welcomes that proposal. We will have to agree so to include it on the agenda of federal-provincial meetings which, as we all know, is quite full; we will also have to agree on the agenda of such a conference, which will be much easier.

CABLEVISION—GOVERNMENT POSITION RESPECTING JURISDICTION

Mr. Roch La Salle (Joliette): I should like to put a supplementary question, Mr. Speaker.

Mr. Speaker: The hon. member for Joliette wishes to put a supplementary question.

Mr. La Salle: Since, Mr. Speaker, the Quebec Minister of Communications has reminded his federal counterpart that Quebec has jurisdiction over cablevision and that it was taken for granted, what is now the government position in that connection?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, the position of the federal government is quite clearly indicated in the letter which I sent to my Quebec counterpart and of which I tabled a copy in this House last Friday.

* * *

• (1450)

[*English*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—SPECIFIC GUIDELINES FOR APPLICANTS—ESTABLISHMENT OF REVIEW COMMITTEES

Mr. Keith Taylor (Churchill): Mr. Speaker, my question is for the Secretary of State. In view of the fact there is a March 1 deadline for opportunities for youth applications, would the minister advise the House whether more specific guidelines have been prepared for the use of applicants and also for the use of the committees that are to review and recommend projects?

Hon. James Hugh Faulkner (Secretary of State): No, Mr. Speaker.

Mr. Taylor: Would the minister tell us whether these committees have been established? If so, would he tell us how the members were selected, and by whom?

Mr. Faulkner: They have not been finally established, Mr. Speaker, but the opportunities for youth staff are looking at names that are coming from the field and the committees will, I believe, be established some time next month.

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST FOR EXTENSION OF DEADLINE FOR APPLICATIONS

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, perhaps I could help the minister by asking him a question to which I hope he will have a positive answer. Is he prepared to advance by a couple of weeks the deadline for applications under the opportunities for youth program, bearing in mind that hundreds of communities geographically removed from central Canada are not aware of the March 31 deadline?

Hon. James Hugh Faulkner (Secretary of State): I understand the hon. member's question. I should like to talk to him about it. This is the first indication I have received that there is a problem of this kind. I do not know whether I am free to make the change suggested, but I should like to talk to the hon. member in order to determine how serious the problem is.

OPPORTUNITIES FOR YOUTH PROGRAM—AUDITING OF PROJECTS

Mr. A. D. Hales (Wellington): I should like to ask the Secretary of State whether all the moneys provided for opportunities for youth projects will be audited by one of the government departments?

Hon. James Hugh Faulkner (Secretary of State): They are always audited, Mr. Speaker.

OPPORTUNITIES FOR YOUTH PROGRAM—INVESTIGATION OF APPLICATIONS BY POLICE OR SECURITY PLANNING GROUP

Mr. Erik Nielsen (Yukon): I have a supplementary question for the Solicitor General. Can the hon. gentleman inform the House whether it is any part of the responsibility or activities of the police and the security planning group in his department, or of any other personnel coming under his jurisdiction, to vet applications before they are approved of after they are granted?

Hon. Warren Allmand (Solicitor General): Only if there is a request to do so from the agency itself.

Oral Questions

AGRICULTURE

FARM MACHINERY—MASSEY-FERGUSON PROFITS—INVESTIGATION BY MINISTER—POSSIBLE ACTION

Mr. Lorne Nystrom (Yorkton-Melville): My question, Mr. Speaker, is directed to the Minister of Agriculture. In view of the fact that the profits of the Massey-Ferguson farm machinery company increased by more than 340 per cent last year, may I ask whether the minister is investigating this unjustified rise in profits and can he tell us whether he is considering recommending some form of price control in a situation of this kind?

Mr. Baldwin: In due course.

Hon. E. F. Whelan (Minister of Agriculture): I was not aware that their profit was that high. As I stated earlier in the House, we have been meeting with ambassadors and trade representatives of other countries that are in a position to supply farm machinery in an attempt to work out agreements with them or to help them with their sales in this country so that these other companies will be faced with some competition.

Mr. Nystrom: The minister failed to answer my question. Is he considering the establishment of a prices review board or some form of price control in a situation such as I have described where the increase in profit amounts to 340 per cent?

Mr. Whelan: We will certainly consider every avenue open to us to make them accept a realistic mark-up when selling machinery so that they do not take advantage of agricultural producers.

* * *

INCOME TAX

REQUEST FOR EXTENSION OF OFFICE HOURS TO ASSIST TAXPAYERS SEEKING INFORMATION

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, my question is to the Minister of National Revenue. Bearing in mind the deadline for income tax returns, which is coming up shortly, and with reference to my question of February 8, reported in *Hansard* at page 1076, with regard to the possibility of extending the office hours of income tax offices throughout the country in order to assist taxpayers seeking information in connection with income tax returns, may I ask whether the minister has now had time in which to consider this matter?

Hon. Robert Stanbury (Minister of National Revenue): Yes, Mr. Speaker. For the benefit of people unable to use the inquiry service during the day because they are at work, we are extending both the local and long-distance toll-free telephone inquiry service until 8 p.m. every Monday and Tuesday until April 30.

Some hon. Members: Hear, hear!

Mr. G. W. Baldwin (Peace River): Is the minister contemplating engaging Fred Davis and the rest of his staff at another million dollars to publicize this fact?

[Mr. Allmand.]

Mr. Nielsen: I rise on a question of privilege, Mr. Speaker. Perhaps hon. members have heard this question of privilege before, but I raise it again because it brings into question the whole practice of this place in entertaining questions by parliamentary secretaries to ministers.

I can understand backbenchers seeking legitimate information. If they cannot get it on the telephone, they may seek to get it in the House. But parliamentary secretaries, in my submission, are in a far different position. They are assistants to ministers, in this case, to the Minister of Transport, and there is a clear line of communication available between the parliamentary secretary and the Minister of National Revenue through which this information could have been easily obtained.

It is unfair to opposition members whose chief responsibility it is to seek information in this House for parliamentary secretaries to abuse the question period in this way. I submit that Your Honour should take this whole matter under consideration and at some later time advise members of the House whether you feel it is fitting and proper for parliamentary secretaries or, for that matter, ministers, to be asking each other questions.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): Mr. Speaker, I should like to say first of all that I have been elected in just the same way as the hon. member from Yukon.

Some hon. Members: Hear, hear!

An hon. Member: And by a lot more voters.

Mr. Guay (St. Boniface): And, Mr. Speaker, may I say to you that it is very difficult for a member of this side of the House to sit here daily listening to some of the nonsensical questions posed from the other side.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): At least we ask questions that make sense and benefit Canadians. Also, I am sure, because we are all equal as Members of Parliament, we are entitled to have questions recorded in *Hansard* on the same basis as members on the other side. The time has come for this to be recognized. Regardless of whether we are parliamentary secretaries or not we should be able to catch your eye, Mr. Speaker, when we have important questions to ask pertaining not only to our constituencies but to Canadians throughout the country.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. This matter was raised by way of a question of privilege by the hon. member for Yukon and I have no hesitation in ruling that while it may be a point of order which is of interest to all hon. members, and certainly to the Chair, it is not a question of privilege.

I am not entirely in agreement with what is suggested either by the hon. member for Yukon or by the hon. member for St. Boniface. The hon. member for St. Boniface suggests—and I suppose in theory he is right—that members on the government side have the same rights as members of the opposition in asking questions. Yet that is

not in accordance with the traditions of this House or of any parliamentary democracy. It is a long established practice in Canada, going back for many years, that questions are essentially, or basically, the privilege of members of the opposition.

Some hon. Members: Hear, hear!

Mr. Speaker: The other point is perhaps a little more subject to controversy—whether parliamentary secretaries have the same right as members of the opposition or as backbenchers on their own side to ask questions during the question period. I must say I have some reservations about this point. It seems to me that if parliamentary secretaries are to be recognized as having authority to speak on behalf of the government in reply to questions, it is debatable whether they ought to be given the privilege of asking questions.

Some hon. Members: Hear, hear!

• (1500)

Mr. Speaker: This is the aspect which worries me somewhat. The hon. member for Yukon and others have raised this matter before. I am not clear in my mind, because the points made by the hon. member for St. Boniface are worth considering and the points made by the hon. member for Yukon and others on his side are also worthy of consideration. I have been thinking of this problem for some years now and there seems to be no solution except, perhaps, to count on the discretion and co-operation of parliamentary secretaries not to ask questions too often. I have tried in a subtle way not to encourage them too much to ask questions, and I will continue that practice as much as possible. I realize there are arguments that may be made in support of the proposition advanced by the hon. member for St. Boniface today, and by the hon. member for Saint-Denis and the hon. member for Ontario.

However, perhaps the question should be whether it is proper for a parliamentary secretary to ask a question rather than whether the rules and practices of the House give him the right to do so. I should like to reserve the question. I will take it under advisement and perhaps some day it can be resolved to the satisfaction of all hon. members, including backbenchers to my right and distinguished parliamentary secretaries. The hon. member for Yukon and others might have noted that when the hon. member for St. Boniface was given the floor a moment ago the question period had expired. That is a point that the hon. member for Yukon and others might like to take into consideration.

This having been said, perhaps in fairness to a few members to my left and to my right in the back benches who have been trying to ask questions we might recognize two or three for quick questions before calling orders of the day.

[*Translation*]

Mr. Prud'homme: On a point of order, Mr. Speaker—

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

Mr. Prud'homme: Mr. Speaker, I am of course with you when you say that one ought not to put questions to the minister whom one represents as parliamentary secretary, but before you make a decision that might affect the rights of members in future, and set up new precedents, I must say that I do not see why we should not exercise our privilege of addressing questions to other ministers, just like any other member.

Furthermore, Mr. Speaker,—and this is in reply to a remark by the hon. member for Yukon (Mr. Nielsen)— if government members can ask a minister for information simply by picking up the phone, I suppose that there is nothing to prevent any opposition member from doing the same. I could easily reply any time to the hon. member for Yukon on this matter.

Mr. Speaker, I would like to respectfully point out to you, before you make a ruling, that if a parliamentary secretary or anybody else asks questions to a minister from whom he could get answers over the phone this is likely to inform the public.

If the hon. member for Yukon directs a question to a minister it is because he expects that a reply will be given in the House so as to permit reporters to inform the population. Questions from the opposition to ministers could easily be asked outside the House—

* * *

[*English*]

AIRPORTS

MOUNT HOPE—POSSIBILITY OF AREA MEMBERS ATTENDING MEETING BETWEEN HAMILTON CIVIC AIRPORT COMMITTEE AND MINISTER OF TRANSPORT

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is for the Minister of Transport and arises from a news account carried in the Hamilton *Spectator* late last week. Is the minister planning to meet tomorrow members of the Hamilton civic airport committee? If so, would he consider allowing members from the Hamilton area to join the Minister of Labour in attending the meeting?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have just been told that they have asked for an interview tomorrow but I do not know at what time. I shall have to discuss the matter with the minister from Hamilton.

Mr. O'Sullivan: I have a supplementary question, Mr. Speaker, which perhaps I could direct to the Minister of Labour. Would the minister advise whether other Members of Parliament from the Hamilton area will be allowed to attend the meeting?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, what happened, I think, was that the chairman of the civic airport committee was in touch with members of my staff to see whether a meeting could be arranged between the committee and the Minister of Transport. Following that, I believe we got in touch with the minister's office, but I

am not yet aware of the precise time. With regard to the hon. member's question, if he and other members from the area are to be involved I think this would be up to the Minister of Transport to decide.

Mr. Muir: A point of order, Mr. Speaker. For quite a number of years in this House members from a province could ask a minister from that particular province questions about matters other than those looked after by his department. Then, Your Honour made a ruling that, for instance, members from Nova Scotia could not ask the minister from Nova Scotia any questions about matters other than those pertaining to his portfolio. In this way, many times he could avoid answering many questions because he was not responsible for those matters to the House.

Mr. Bell: Heavy water, for example.

Mr. Muir: A moment ago a question was directed to the Minister of Transport. It was then redirected to the Minister of Labour, who I am sure has nothing to do with transport matters which I think would be for the Minister of Transport. The question related to a particular area of Ontario. Now that the precedent has been reset once again, I hope that members from Nova Scotia will be in a much better position to pose questions to the minister from Nova Scotia, questions pertaining to the office of the President of the Privy Council, especially with regard to the announcements that he makes about everything under the sun.

Mr. Speaker: Order. The hon. member has raised an interesting point. Without getting involved in a discussion may I say that the rule was made not by me but is of long standing. In this respect I can quote to the hon. member a number of past rulings and a citation from Beauchesne. If the supplementary question asked a moment ago was asked of the minister as representing an area or district, then it was entirely out of order and should not have been asked. I was so busy looking at the back rows to see who might next be recognized that I did not follow as closely as I should the question that was being asked by way of a supplementary. If the question was asked of the minister in his capacity as representing an area, then it was certainly out of order, and that is my ruling. Orders of the day.

Mr. Baldwin: Mr. Speaker, may I raise a point of order having to do with House business and the very interesting point that was raised previously. Might I suggest to the Chair that no decision on the matter be made, and also bring forward for the consideration of the government House leader the suggestion that one of the first items of business for the procedure committee, which will engage itself in a discussion of the questions put before it by the terms of reference, be this particular issue. While it is not necessarily binding on Your Honour, this was done in 1968, I think, when certain guidelines were laid down. I suggest that the question period and the answers given might well be considered a priority item for the committee on procedure and organization so that this question period might be made more useful and meaningful.

Mr. Speaker: Orders of the day.

[Mr. Munro.]

• (1510)

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Friday, February 23, consideration of the motion of the Hon. John N. Turner (Minister of Finance) that this House approves in general the budgetary policy of the government, and the amendment of Mr. Lambert (Edmonton West) (p. 1526).

[*Translation*]

Hon. Jeanne Sauvé (Minister of State for Science and Technology): Mr. Speaker, it is not without emotion that I rise in this House, which you chair with so much competence and fairness, in my capacity as elected representative of the people. I have delivered many speeches during my life, but this one is not at all similar to the others. The opinions which I will submit today are proceeding from a mandate solemnly given through a democratic election.

Curiously enough I solicited this somewhat frightening responsibility which now falls upon me of representing others, and which is so personal and so total a commitment. The democratic process requires one to take the initiative of this office in its first stages. Such an enterprise may seem presumptuous, for who can claim to speak for others? Yet, this is necessary.

The only way to adequately fulfil this duty of representation is to listen to those who elect us and to reflect their concerns as much as possible. Then it is important to agree to the duty of pondering on the needs and expectations of the electorate and to restate them from the point of view of the legislator.

Then the time comes to project these conclusions in a debate in parliament, as I am doing today. Hon. members on the other side of the House also take part in this process. Their analyses and criticisms lend a character of full representativeness to our proceedings.

Parliamentarism is the very basis of our democracy as it is a means to have those especially elected by their constituents to insure the welfare and the progress of the people through adequate and progressive legislation. Freedom of speech in the House is indeed the best means to ensure our century old parliamentary institutions their strength and forever present characteristics.

This is why I am particularly happy to have this opportunity to comment on a budget which has been presented in such a clear and rigorous way by the hon. Minister of Finance (Mr. Turner).

Last Monday's budget is a significant answer to the needs of the average class of people who make up most of the constituency of Montreal-Ahuntsic.

Mr. Speaker, families in my constituency earn $8,000, $12,000 or $15,000 a year. They are made up of two to four children, they own a car, a garden and some of them have a cottage. Here is a still more meaningful fact I am glad to tell the House. The Ahuntsic constituency is one where the education level is the highest.

Indeed when I travelled through it I discovered that in each home all the young people, almost without exception, either those of 16 or those of 22 were still students. It is undoubtedly such families which are the cornerstone of our society: those whose children have the courage to get an intellectual and professional training allowing them to accept the challenges which are awaiting them as adults.

The budget we are discussing today is for those families.

Having ensured, through previously submitted bills, the attenuation of unemployment rates' effects that measures designed to create employment cannot succeed in reducing as fast as desired, having established in co-operation with the provinces one of the world's best systems ensuring essential services for the people, the government now undertakes to protect the income of middle classes. It is the middle class people who bear the cost of programs of a social nature. It is them, not that they are so rich, but because they are the most numerous, who provide the money required for public expenditures of the size of those incurred in Canada.

Rather prosperous, hard working and generous, these middle class people accept this civic duty, showing thus a very high social awareness.

I suggest, Mr. Speaker, that I was not elected for having promised tax reductions or increases of marginal benefits. I have rather taken advantage of my contacts with the people to explain the reasons behind our social policy and outline the necessity, for a country as prosperous as Canada, of taking progressive social measures in order to protect those who, for various reasons, cannot earn a decent income. And it is to the Liberal government's credit that it has been to the forefront in the social field.

The voters in my constituency have shown themselves very aware of this fact. Although these programs were a heavy burden to them, they chose to elect a government that planned to unite the resources of the strong in support of the weak. The present budget accordingly leaves income in the hands of those who earned it, so as to increase their purchasing power, which should in turn help increase employment and give a boost to economic activity.

[*English*]

In this respect, the measures to reduce taxes announced by the hon. Minister of Finance (Mr. Turner); measures such as the increase in the principal exemptions and the lowering of federal tax rates, are of fundamental importance.

Moreover, in order to shield middle income families from inflation, these exemptions, as well as the income brackets, will, as of January 1, 1974, be set in such a manner as to ensure that the tax reductions will continue to be just that; tax reductions. Therefore, if, on account of inflation, a middle-income earner obtains a salary increase that would normally put him into a higher tax bracket, he will find that his exemptions and his income bracket have also moved upwards and that the increase in his income is protected. This, I feel, is the clearest possible proof of this government's sincere desire to put more money in the hands of middle-income families. Of course, the government could merely have lowered taxes for these people. But since, in a certain way, the government stands to gain from inflation, because of the increase in tax revenues that it can produce, the indexing of rates and exemptions is a guarantee to all taxpayers that the tax relief announced today will still be real tomorrow.

This budget will also protect the income of the average wage earner in other ways, such as through the reduction of tariffs, and taxes on certain consumer goods. It is important to note, however, that these reductions are of limited application, or, in the case of some products, such as fruits and vegetables, that they vary with the time of year, specifically for the purpose of avoiding unfavourable side effects on Canadian production and on employment in our farms and factories.

[*Translation*]

Some may have smiled at the inclusion of cosmetics and other beauty products among these exemptions. An yet those are products whose consumption is very important and which—

Mr. Hees: The government did it to get female votes!

Mrs. Sauvé: That was a good idea.

Mr. Speaker, I was saying that women are more particularly interested in those products although the latest statistics reveal that more and more men are using beauty products. Is this one of the reasons why the hon. Minister of Finance took those products into consideration?

Nevertheless, women will benefit from this exemption. Rich or poor we all have in our purse our lipstick, some powder, mascara and many other items. It is true that this measure was the subject of superficial comments and there are more to come. However, let us not forget that this industry's yearly turnover amounts to almost $600 million.

Women are involved in this budget not only through the exemption on beauty products, of course, but by the resulting increase in their income. As main consumers, repeatedly harassed by consumption enticements, administrators of the family budgets, they will find it easier to shop for themselves and their families and perhaps to add a few new items.

I find comforting that this budget is unquestionably aimed at a class of women with the lowest incomes and who need more than others to improve their situation. It is not always through exceptional measures involving the word "woman" that women can most be helped but by allowing them to share equally the advantages of social and economic life through the introduction of an increased degree of equity and justice in our legislation. The budget paves the way toward this ideal. It indicates to the average earners that when the economy is developing they should be the first ones whose income must increase.

The budget will be approved by the female consumers that will know, as was asked other groups of citizens by the Minister of Finance, how to reduce their expenses so as not to start a new round of inflation.

In the progressive perspective of compensating measures for the protection of income, the government naturally took account of older people who worked hard to

build this country and still want to play their full part as citizens.

At the time of the last budget, we increased old age pensions from $82 to $86. And so, as we are fully conscious of the increasing needs of older people, we wish now to boost the pension basic rate to $100 a month beginning from April 1, 1973. Those changes will enable older people to live more decently and reduce the gap between their income and the income of other citizens.

Mr. Speaker, within a federal government, we must closely co-operate with the provinces in order to give the people the services they are entitled to on the part of a government knowing how to assume its responsibilities.

It is also on that account that the federal government decided to change the equalization formula for the benefit of provinces, by adding new grants based upon school tax revenue.

There is no doubt that such measures will help support the provinces in their governing responsibilities.

Federalism requires a sense of balance and measure, some concern for community well-being and, above all, steady co-operation from all levels of government.

This government not only shows positively that it wants co-operation, but this time it even anticipated the requests of the provinces.

As concerns the department of which I have been made responsible, the Minister of Finance stated, and I quote:

> ... the experience of many decades has shown that advancing technology brings with it continued expansion in productivity and output, continued expansion in the real income that workers are able to earn, and continued expansion in the number of productive jobs available.

The very creation of the Department of Science and Technology is intimately associated with such an objective. It bears testimony to this government's new awareness of the eventual impact of science and technology on the development of this country. Innovation, research and know-how are the core of the progress achieved by modern societies.

If Canada has managed to maintain its prosperity up to now, it is mainly on account of its great natural resources and thanks to its exploiting industries. But if we want to maintain and improve our position in relation to other industrialized countries, we must now proceed to some structural changes in our industries.

Through the operations of the department of which I have the responsibility will be worked out the long term programs aimed at ensuring continuity between research, development, industrial process and marketing. In order to survive against our competitors, to dodge their control, we must in turn direct our efforts toward industries using highly skilled labour. We must know better the influence of exterior factors, such as fiscal measures, tariffs, taxes, foreign investments that affect our industrial development. One of the responsibilities of the department is to assess the influence of those factors on our economy and to pave the way for the future.

To this effect, Mr. Speaker, let me remind hon. members that, as of March 31, 1972, we have set a rule to assign the Canadian industry an increasing part of the federal needs in research and development. This initiative was taken by my predecessor and has been known for some time as the "Make or Buy" principle; it enables us to elaborate in details and to implement a policy to bring research near development, to spread its effects throughout the country and to bring our industry an intellectual and innovating incentive. It will also ensure better employment opportunities in the private sector.

We must innovate if we want to ensure more and better jobs. At least, however insufficient it may be we must not lose the jobs we already have.

[*English*]

It is not only the person who perfects a new product or process who gains from innovation, for it also stimulates those companies that do business with the innovator: the supplier of materials, of parts, of services and of capital goods. By dealing with those firms the innovating company acts as a spur to their development. As a result, our entire industrial base and our capacity for innovation are strengthened. But that is not all. When the company perfects a new product or process, it needs new materials, new services and new capital goods, and the more the new product or process is technologically advanced, the more advanced will the new material, services and capital goods have to be.

[*Translation*]

In terms of other advantages, technical innovations mean, over the long term, increased profits for businesses, increased real income for labour, and improved work conditions with its "corollary", work satisfaction, a strengthened economy, and thereby increased business profits.

It is thus quite clear that innovation and increased activity in the field of science and technology are the way of progress for our economy.

Briefly, our aims in industrial technology are these: to increase innovating activity within Canada and, if we have to import technology, to do so in the manner most advantageous to the Canadian economy.

And so, Mr. Speaker, these various reflections on the budget and on the department's activity in promoting the role of science and technology in industrial development show unequivocally that our government's first concern is for the needs of Canadians; it listens to their requests, and tries, as it always has, to further their welfare and progress.

[*English*]

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to begin by congratulating the very charming and able Minister of Science and Technology (Mrs. Sauve) on a very well delivered maiden speech. It was informative and delivered with fine style. I am sure she will make her constituents very proud that they sent her here.

• (1530)

Following the night of February 19 it became very clear that the budget that had been presented to the House and to the country was a 100 per cent election budget aimed at appearing to give something to as many as possible of those who will be voting in the general election which will

come later this spring. It was delivered by the greatest con artist that this country has ever had as Minister of Finance (Mr. Turner) because on January 1 this government raised taxes by 3 per cent to all personal income tax payers, but six weeks later the minister had the unmitigated gall to pretend that this 5 per cent tax reduction was anything more than a net 2 per cent reduction in income taxes. Just how gullible does this minister and this government think the people of Canada are, and just how phony can you be?

As the Leader of the Opposition (Mr. Stanfield), the hon. member for Edmonton West (Mr. Lambert) and the hon. member for Don Valley (Mr. Gillies) have pointed out very ably, this budget contains no stimulus to the economy and nothing which will reduce unemployment to a reasonable level of around 4 per cent. Also, it contains no plan to control inflation and nothing to keep the annual increase in the cost of living down to around 3 per cent a year.

Because of the lack of a practical and effective plan to deal with unemployment, inflation, or any of our other economic ills, the government will call an election in April, with a vote no later than 60 days from that date, which will be in June, with the intention of getting in the votes if possible before three important things take place. First, the government wants to have an election before it becomes obvious that the few prices which have been lowered as a result of the removal of excise taxes have again gone up and have reached levels above those that prevailed before the taxes were removed. Second, they want the election to come before those who have been taken off the tax rolls find out that inflation has once again put them back on the tax rolls. Third, they want the election to come before the people of Canada realize that unemployment and inflation have not been reduced by this budget and that it, like the five budgets which have preceded it, has simply failed to deal with the economic problems facing this country and has fallen flat on its face. This budget was presented with the sole aim of trying to maintain this government in power, and the people of Canada will come to realize this more and more in the weeks ahead.

Now, Mr. Speaker, I should like to deal briefly with a matter about which the government has said very little in the presentation of this budget for fear of offending its new-found bedfellows, the New Democratic Party. I speak, of course, of the government's proposal to reduce corporate income taxes from 49 per cent to 40 per cent for manufacturers and processors as a means of stimulating employment in those two sectors of the economy and thereby reducing unemployment. When the minister first introduced his plan on May 8, he confidently predicted that manufacturers and processors would start expanding their operations as a result of the windfall that they would receive on January 1. The result of this would be to reduce unemployment. When the minister announced his plan, unemployment in Canada stood at 5.2 per cent of the work force, seasonally adjusted. Today, it is 6.2 per cent, seasonally adjusted. The natural question is: what went wrong?

The first mistake the minister made was that he did not seem to realize that our manufacturers and processors had three options open to them for spending the windfall they would start receiving on January 1, 1973. They could either expand their operation in anticipation of the cash windfall they would start receiving on January 1, or they could decide to put the extra money into the company's reserve fund, or they could plan to pay out the money in additional dividends. Judging by the results that have accrued from the minister's policy, the great majority of our manufacturers and processors must have decided on one or the other of the two latter alternatives.

The second mistake which the minister made was that he did not seem to realize that although taxes would be lowered on January 1 for manufacturers and processors, who together make up 34.2 per cent of the Canadian economy, they would also be substantially raised on the same day for the other two thirds of the economy because of an item in the budget of 1971. The minister did not seem to realize that lowering taxes for one third of the economy and substantially raising taxes for the other two thirds does not add up to a stimulus for the economy as a whole and, regrettably, today's very high unemployment figures show just how true that is.

Now, as though this was not a sufficient deterrent to reducing unemployment, the minister did not seem to realize that the money which would be invested in plant expansion by manufacturers and processors today means investment in labour saving machinery to lower costs and make management less dependent on their labour force. So our manufacturers and processors who started investing in plant expansion in anticipation of the windfall which they would start receiving on January 1, 1973, have been making these investments to reduce their labour force rather than to expand it.

It is fair to ask: what measure to increase employment should the minister have introduced last May 8 and what should he be introducing in his present budget? If a government wants businessmen to do something which it believes is necessary for the good of the country, it must not simply hand over to businesses a gift in the form of a tax reduction and hope that they will make use of it in the way in which the government desires. This simply does not work, and I speak with 20 years of experience as a manufacturer and six years of experience as a member of the government dealing with businessmen.

What the government must do for the good of the country is to tell businessmen what it wants to accomplish and that it will reward their efforts to bring about this aim in proportion to the effort which they make. In the present case, the government should have said to all business, not just the manufacturers and processors, that it will reward over-all increases in employment during the year in direct proportion to the increases in employment that are made by individual companies, and that it will do so in the form of a tax rebate at the end of the year. This is simply a matter of comparing the total number of man years of employment by a company in the tax year under consideration with the man years of employment by that company in the previous year. The tax rebate would be in proportion to the increase in employment, and the company would be able to calculate a year in advance what cash rebate it would receive for various improvements in employment.

This would enable Canadian businessmen to calculate in advance how much their labour costs would be reduced on any additional business which the tax rebate would make it possible for them to undertake. At present, many orders are out of the reach of Canadian producers, both in Canada and in the export market, because of low prices quoted by foreign competition. Lower labour costs would put some of this business, as a matter of fact I believe quite a lot of it, within their reach, and orders obtained in this way would be a net gain for employment in Canada.

• (1540)

Some hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker, in this way the government would receive a 100 per cent return for every dollar that it spends to increase employment, instead of the expensive, give-away program which the minister has presented to the House and which the government intends to push through parliament. Mr. Speaker, I believe that the businessmen of this country would respond very well indeed to the incentive program which I have presented. I have talked it over with a great many businessmen. They tell me that it would be exactly the kind of program that all businessmen would like.

They tell me that this incentive program means the possibility of lowering labour costs, so that they could go after business that is out of their hands today. By achieving lower labour costs through a direct rebate given to them by the government, which they know will come to them at the end of the year, in direct proportion to their increase in employment, they will be able to go out after new business with prices which are competitive, get business for Canada and produce the jobs that are not available to Canadians today.

Some hon. Members: Hear, hear!

Mr. Hees: So, Mr. Speaker, through you I say to the minister and to the government, forget about your candy bars and your cosmetics. Bring forth plans that will deal with the basic problems facing the economy today. Through you I also say to them that failure to do so will result in their making that short trip across the aisle to sit on your left, Mr. Speaker, sometime later in June.

Some hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker, I see that I have a minute and a half left, and I would like to clear up a slight misunderstanding that occurred in the House a few weeks ago. After I spoke in the throne speech debate I was followed by the Minister of Finance who stated the belief that, during the Grey Cup game of 1938, which the Argonauts happened to win by defeating Winnipeg 30 to 7, I had sat on the bench. Mr. Speaker, I want to tell this young upstart of a minister that in those days we played 60 minutes of football, and I happened to play 60 minutes in that game. I am glad to have the opportunity to correct that, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Kootenay West (Mr. Harding).

[Mr. Hees.]

Mr. Turner (Ottawa-Carleton): On a matter of privilege, Mr. Speaker, I want formally to withdraw—

Mr. Speaker: Order, please. I apologize to the hon. member for Kootenay West as the Minister of Finance seeks the floor on a question of privilege.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, in view of the hon. gentleman's statement I want formally to withdraw the remark which I made in the throne speech debate, and to say to him that I recognize that in those days he was a 60 minute player, able to go both ways, but I think that in current circumstances he is better on defence.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, may I first congratulate the Minister of Science and Technology (Mrs. Sauvé), who represents the riding of Ahuntsic, on her maiden speech. I think she has made an excellent start in the House of Commons, and I trust that in the months to come we will hear more from her.

I have listened with interest to the budget debate over the last three sitting days. Some constructive criticism has been offered, and many good suggestions have been made by speakers representing all parties. I feel that these suggestions should be carefully examined by the government, which might be able to incorporate some of them into future budgets or into the administrative policies of the various departments concerned. Our nation is in deep economic trouble, and it is obvious that the government is in need of guidance, both devine and otherwise.

There has been a great deal of criticism of the Minister of Finance (Mr. Turner) for bringing in a budget which contains a number of NDP and Conservative measures which were advanced during the election campaign some four months ago. There is absolutely no doubt that the present Liberal government has done a complete about-face on the financial policies which it was advocating over the past three or four years. Its tight money policy and the restrictive measures ensuing from that policy have resulted in tremendously high and unacceptable unemployment rates in Canada. This budget is a reversal of the government's past tight money policy, but one of the main criticisms of the budget is that it is not sufficiently expansionary to meet the crisis in unemployment which is facing us.

I am not going to be critical of the minister for incorporating a large number of NDP and Conservative ideas in his budget. I only regret that this action was not taken several budgets ago, and then perhaps had that been so, we might have the unemployment rate at manageable proportions by this time. I see nothing wrong with a democratic and responsible government changing its plan, or accepting ideas advanced by other groups. The adoption of these ideas might show up the fallacies of its past policies, but will result in better government, and in a much better deal for the taxpayers of the country. And that is what government should be all about. Too many governments fail because they try to stick too closely to preconceived ideas in a policy and a program which are often faulty. I do not believe in the old philosophy that majority governments have always used in this country, to the effect that suggestions from opposition groups must seldom be accepted because that is apparently a sign of

weakness. No government is always right, just because it received majority support in a certain election.

In a minority situation the government of the day is forced to make major adjustments. For this reason, some of the best legislation ever passed in this country came during a period of minority government. I would remind hon. members that our old age pension legislation in 1926 was brought in to accommodate a minority group of progressive members who supported the government of that day on the condition that old age pension legislation would be one of the items passed by the government. During the last 10 or 12 years some major pieces of social legislation were also processed through the House of Commons under minority governments. Some of the important legislation passed under minority administrations included family allowances and our national medicare plan. Good legislation can also come out of the present minority situation if the government is flexible enough to adjust to the current political situation.

I would like to make my position on the current budget crystal clear. Our party has agreed to support generally the budget of February, 1973, and feels that most of the proposals stemming from it would be beneficial to the Canadian people. Our group voted solidly against the budget of last year, primarily because of the corporate rip-offs which it contained. I, personally, see no reason to change either my opinion or my vote so far as the corporate rip-offs in the May 8, 1972, budget are concerned, and I have no hesitation in stating that any bill containing corporate rip-offs which comes before the House of Commons will not receive my support.

The last general election date was less than four months ago. It resulted in a minority government. The Canadian people do not want another election immediately, despite the minority situation in which we find ourselves. They want the elected members and the parties to try to make this parliament work. We are being asked to make every effort to solve the serious national problems facing us, and to try to produce good legislation for the Canadian people. Our NDP group has decided to give the minority government an opportunity to produce this type of legislation and we will base our support and decisions on each piece of legislation as it is presented to the House of Commons.

• (1550)

One thing has become crystal clear since this session opened just over seven weeks ago. The Conservative party has no intention of trying to make parliament work. It has only one goal in mind, and that is to take over the reins of government. Its obstructionist and delaying tactics are deliberately designed to prevent any good coming from this minority government situation. The lust for government office by this power hungry group of Tories is really something to behold. Their drive for power has become an obsession and this fact has not been lost on the Canadian people.

Last November, our NDP group met and drew up a list of eight objectives which we felt this new parliament should work toward. The Throne Speech indicated that action would be taken in all the areas outlined. The budget presented one week ago, makes some progessive moves in this direction, and for this reason I will support the motion on the budget when it comes to a vote this coming Wednesday. I trust that all the legislation to implement the progressive measures outlined in this budget will be introduced and dealt with as soon as this debate is concluded. This legislation is needed and should be given top priority by the government and by the committees which will deal with it. Early action on these measures will also show the Canadian people that parliament can work and pass progressive legislation in a minority situation.

Perhaps the most widespread benefits from the budget will come in the area of income tax reductions. These will be retroactive to January 1, 1973. The proposed 5 per cent reduction, with a minimum tax reduction of $100, is a welcomed tax relief, especially for those in the lower income brackets. When this tax cut is combined with the increased exemption to $1,600 for single people and $3,000 for married couples, along with the plan to index the personal income tax system and so end the erosion of purchasing power resulting from the interaction of inflation with the progressive tax system, I feel we have measures which can be supported by all members in the House.

The increase in the basic old age security pension to $100 is another move in the right direction, although this government has the financial resources which would have enabled it to raise the basic old age pension to a much higher figure. Our group has been pressing for a basic old age pension of $150. We intend to continue our campaign until we reach this goal. The raising of the basic pension, however, will help all pensioners, including those who were unable in the past to get any of the guaranteed income supplement. In addition, the combined old age security and guaranteed income supplement which becomes $170 a month for a single person and $325 for a married couple, again raises the monthly amount a little closer to an acceptable income goal.

The war veterans allowance, and the civilian war allowance which will be increased to a minimum of $150 per month for single and to $257 for married recipients is long overdue. With this goes the raising of the guaranteed income for those veterans over 65 to $206 per month for a single and $357 per month for married couples. As I said earlier, these benefits are steps in the right direction and certainly warrant support.

Despite many of the good features which I have briefly mentioned, the government's financial policies are not adequate to deal with the serious unemployment situation facing us. Canada has the highest unemployment rate of any industrialized country in the western world. The present budget is not sufficiently expansionary to really do a job of drastically reducing the unemployment rate in Canada. The fear of further inflation throughout the country apparently led the Minister of Finance to cut down on expansionary measures which many economists feel are needed at this time. I am of the opinion that the major problem facing us today is unemployment and budgetary measures should have reflected this to a greater degree than we find in the present budget. I suggest the Minister of Finance should closely study this situation over the next few months and, if necessary, make the

financial commitments to do the job of effectively reducing unemployment.

There is no reason why the old age pension could not have been increased to a much higher figure. This would not only have further alleviated the plight of many of our senior citizens but would also have stimulated economic growth. As I indicated earlier, revenues currently available to the Canadian government warranted further increases. We should have had higher income tax reductions but, most important, the budget should have clearly laid out those programs which must be initiated to lay the base for permanent jobs throughout Canada rather than the use of the stop-gap programs which we have been faced with over the past two or three years.

Mr. Speaker, most economists will agree that unemployment is probably the major probem facing Canada today. Over the past four years, we have seen the objectives of this government and of many economists outside the government change in so far as the maximum rate of unemployment is concerned. Four years ago, 3 per cent was the maximum goal for unemployment in this nation, and then we find it going up to 4 per cent. Now, some of our financial leaders are talking in terms of a 5 per cent float of permanent unemployment in this nation. The fact must be coming clear to Canadians that neither this government nor the Conservatives who wish to follow have the economic policies to provide the people of Canada with full employment. The only time since the war that the unemployment situation was worse than today was during the last Conservative government in the early sixties. Most of the trouble stems from the economic policies which both these old line parties have been espousing for years. Their policies have made Canada a supplier of raw materials to practically every country in the world and these policies have basically neglected the job-intensive secondary industries which we require to help meet the unemployment crisis currently facing us. This is one of the main reasons we have increasing unemployment in an apparent period of prosperity.

This budget should have produced measures to ensure that immediate steps were being taken to lay the base for increased secondary processing in our nation. We should be taking steps now to regain control of many of our resource industries which currently belong to foreign dominated corporations, whose only object in obtaining them is to obtain a cheap source of raw material for the parent plant which is outside Canada. These are some of the basic measures that Canadians would like to see this government carry out. These are some of the basic measures which our party intends to press for over the coming months.

Mr. Speaker, the Minister of Finance has indicated that if necessary he will bring in two or three budgets per year to help meet the problems facing Canada and Canadians. I suggest to him, and to this government, that as soon as the budget debate is over, he start planning for the next one within a few months time. There are a number of emergencies in Canada at this time and this parliament should be prepared to meet them. By all means, let us pass this budget and pass the legislation based on the proposals contained in it, and then let us move forward into newer fields and give all Canadians, including those who are just starting out in the labour force of Canada, some real hope for the future.

[Mr. Harding.]

Some hon. Members: Hear, hear!

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, a few moments ago we heard the hon. member for Prince Edward-Hastings (Mr. Hees) refer to this budget as a pre-election budget. He did that, while at the same time saying that a number of things were wrong with it so I cannot quite understand the logic of the hon. member in putting those two thoughts together. Lest there be any doubt about the matter, we should all take it as a fair and firm prediction that it is anything but a pre-election budget now that the hon. member for Prince Edward-Hastings has referred to it in that fashion. I suggest that it will require about six such references before eventually, by effluxion of time, he is right about something being an election matter. Indeed, the hon. member for Kootenay West (Mr. Harding) has spoken about the responsibility and the opportunity to make parliament work. It seems to me that there should be a good, long time between now and the next election, so long as parliament assumes all its responsibilities and faces all the challenges which now face it to do work and produce good legislation for this country. I think it will be up to members in this House to make sure that the country understands from where any obstruction is coming, from where the delay is coming and who are those who do not want to see parliament work but, through their attitudes and actions, wish to delay good legislation brought forward by this government for the benefit of this country.

• (1600)

I was interested in observing in this debate a number of interesting differences of view expressed by members of the official opposition about what should have been done or should not have been done in connection with the economy. The hon. member for Don Valley (Mr. Gillies) has spoken of the importance of considering threats that this country faces from things over which it has no control. He was talking about matters of international concern and about the policies of other countries. Neither he nor his colleagues have so far repeated what formerly had been the position of his party, namely, that the reduction in taxation for manufacturing businesses and accelerated depreciation allowances were necessary protection measures for particularly vulnerable areas in secondary manufacturing. This area is particularly vulnerable because of the smallness of our national market and it is important, therefore, for us to meet international competition both at home and abroad. That was that party's position.

Indeed, rather than come out flatly and say that their position is still that of supporting assistance to industries in these vulnerable areas, some hon. members, particularly the hon. member for Prince Edward-Hastings (Mr. Hees) have come forward with a new idea. It is not unusual for each Conservative spokesman on finance to introduce a new major plank as he goes along. Only some of those members are allowed to say that they are speaking on behalf of the party when they do that.

Mr. Dinsdale: And the government steals all those good ideas.

Mr. Lang: I take it the hon. member's remarks do not fall into that category. He talked about windfalls in our policy. He did not seem to see the windfalls in his. He suggests that there should be a direct bonus to employers in all sectors of industry, for increasing employment. I wonder how he would distinguish between those increases which would take place in any event and those which take place as a result of special effort on the part of the employer? I do not know how he would do that. Indeed, he did not deal with the rather strange situation that would result from those industries which are strongest, most able to grow and most able to hold their own in international competition, receiving the maximum of help under such a plan, whereas those which are most vulnerable and are struggling to survive in the face of competition would receive almost none. I take it that in this idea he has not received the blessing of his colleagues who seem to be more responsible in matters of finance. They are busy, in the meantime, trying to decide what size of deficit would be appropriate in present circumstances to provide a sufficient degree of expansion through the budget.

In making his proposals in the budget, the Minister of Finance (Mr. Turner) tried to strike a balance between stimulation for purposes of employment and undue stimulation which would encourage inflation. He was exercising important judgment on what was the right amount of expansion needed for our economy. Hon. members opposite suggested that the deficit should be greater, which is not surprising, since, when the government does anything, the tendency of the opposition is to say that it should do more.

The hon. member for Edmonton West (Mr. Lambert) was provoked during his speech to name a figure. When asked how large a deficit the Minister of Finance ought to have brought in, the hon. member suggested that it should be, "perhaps $2.5 million or perhaps $3 billion". I see a spread of half a billion dollars there, yet I suppose we are to believe that the half billion dollars difference between the suggestion of the hon. member for Edmonton West and the proposal of the Minister of Finance in the budget is crucial, or very important. I note that the hon. member for Don Valley did not name a similar figure. No doubt he will, one of these days, come in with a new and different version of what ought to be done. I understand the hon. member for Saint-Hyacinthe (Mr. Wagner) was more generous in this regard, having suggested that $4 billion perhaps is the right figure. So, the Minister of Finance had better take note before he prepares his next budget; the bidding is under way, and almost any figure seems to be right. The figure that the Minister of Finance included in his budget was one that he had arrived at after judging carefully what was right for the country.

The hon. member for Prince Edward-Hastings did something else which I found remarkable and interesting. He talked about the negligible difference between the proposed income tax reductions and the situation if the 3 per cent reduction had remained in force from the previous year. Perhaps he suggests that the reductions are negligible, because for those with incomes over $50,000 a year the reduction in income tax under this budget is 3 per cent, which is what it would have been if the 3 per cent surtax had remained in place. So, for those with incomes of over $50,000 a year, there is no change. However, it is significant that for a great number of other Canadians, namely, those with the lowest incomes, the reductions are much more significant and, as the Minister of Finance has pointed out, they are in total worth about four times as much as the previous 3 per cent reduction would have been worth.

Hon. members of this House should focus their attention carefully on reductions in the total amount of tax for those in the lowest brackets. Those reductions are significant. The reductions are also significant for those in the middle income brackets. The wage earner with $7,000 income is to receive a tax reduction of approximately 10 per cent. This is important and this is the right direction in which tax reductions ought to go. It is that aspect of the budget to which I particularly want to direct the attention of hon. members. It is specifically in keeping with the traditions of the Liberal party of the past that we continue to improve the progressive nature of our tax system and attempt to reduce the burden on those in the lower income categories who can bear it least.

Mr. Dinsdale: Oh, come off it!

Mr. Lang: In doing this at this time the Minister of Finance has given the greatest part of the benefit to the lower income Canadians who are wage earners, or to Canadians with low incomes, wherever they may be.

Mr. Dinsdale: The minister begins to sound more and more like Edgar Benson.

Mr. Lang: Therefore, the greatest amount of tax reduction will affect those regions where the taxpayers are in the lowest income categories. The minister has thereby provided for a tendency for greater expansion in those areas where incomes are lowest, where unemployment normally is highest and where expansion is most needed.

Mr. Dinsdale: But this budget will not cure unemployment, Mr. Speaker.

Mr. Lang: In keeping with that principle this budget provides for an increase in equalization payments; for here, too, the government is following traditions which were developed by previous Liberal governments and saying to all Canadians that, just as individuals who have most must bear the greatest burden of running this country so, too, those provinces, those areas, which are most prosperous when taken as a whole should assist those other areas where cost payments are highest and where tax revenue is proportionately lowest.

At present our government pays large sums of money to provinces under a variety of programs, many of which are cost-shared. Under those programs we pay as much as 50 cents on the dollar for post secondary education, hospital and medical care and the Canada Assistance Plan, to name the principal programs. Under all these programs, the payment made is equal to half the cost. Many of the poorer provinces have proportionately higher responsibilities than the more wealthy provinces, because of the

nature of these programs. Under the equalization program, moneys are made available to the provinces, particularly to those which need money most. Under this budget, for instance, $190 million has been added by way of equalization payments. Of this amount, I am happy to say $26.4 million is to go to Saskatchewan, a province which has been going through economic difficulties and population decline as a result. It will receive an amount of money which should help it reduce tax burdens further on many provincial taxpayers, particularly upon property owners, as property taxes in some ways are the most regressive of taxes.

I hope the provincial authorities will take the suggestion of the Minister of Finance and make sure this money is used for the reduction of these taxes. As a citizen of Saskatchewan, I was pleased to note the increase in equalization, Mr. Speaker, especially as a number of years ago it appeared that Saskatchewan might be moving out of the so-called "have-not" category and into the "have" category, and might cease to receive equalization payments. I hope that day will come again. I want to say, now, that I shall continue always to support the equalization principle under which money is taken from across the country to help areas where available tax revenues are lowest. This is a fair and decent program, and one which is an extremely important part of the budget. It means that the provinces which have the lowest incomes and, often, the highest unemployment, find themselves in a better financial position to do something about it.

• (1610)

The budget contained another feature of direct interest to me and to people in my part of the country—the removal of the capital gains tax on family farms passing from father to son. This is an important measure psychologically and it leads me, again, to say to governments of provinces where estate taxes still apply in these circumstances, that it would be well for them to follow the lead of the federal government in this budget and to remove estate taxes, at least in this area, so that those succeeding to family farms need not fear a demand for taxes at that particular point.

Many hon. members will say, of course, that old age pensions should have been further increased. They should bear in mind the freedom which provincial governments have to pay more money to pensioners in their provinces where they see the need, and notice how few of the provinces have taken up this challenge or possibility. As far as a national program is concerned, consideration must be given to the needs of people across this country. There are other groups whose needs are also great and if there are additional funds to spend we must consider their needs also. But the challenge to the provinces is there—to pay more to those who need more in whichever province they are found. Not only does the challenge exist, but because of the arrangements made with the provinces under the Canada Assistance Plan it is easy for provinces to set up programs in such a way that the federal government pays 50 cents on every dollar made available. However, under the national plan, this is an important step to protect our old age pensioners and it is another part of this extremely significant budget. It is a budget which, as I have said through you, Mr. Speaker, to the hon. member for Prince Edward-Hastings is one of many which the present Minister of Finance will be bringing before the House before the election.

[Mr. Lang.]

Mr. Deputy Speaker: I regret to interrupt the minister but the time allotted to him has expired.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, on rising to speak for the first time in parliament, I wish to pay tribute to the excellent manner in which you preside over this House, along with the Deputy Speaker and your other officials. It is a privilege for any Canadian to be able to speak in this chamber and to take his place among so many distinguished parliamentarians from all parties.

I want my first words to be addressed to the youth of Canada. I want to reassure young people who are legitimately questioning the validity of old institutions that parliament is the preserver of their freedom. I want to tell them to have faith in this institution and to participate, in some way, in the continued development of our country and to help make our society more human in an age when the computer threatens to submerge the individual. We are not at the end but only the beginning of a new century of development in Canada.

Little did I realize, Mr. Speaker, as I sat in the Commons public gallery many of an afternoon in my youth, that I would one day stand here. The fact that I am here, as an ordinary Canadian, ought to be but one example to young people that there is room for them in society. We need their ideas and their energy.

One of the most important functions of a member of parliament is to reconcile the divergent interests in the community so that we can move forward together. It is necessary, therefore, as Edmund Burke has said "to unite circumspection with vigor". For we live in a time of exciting change and new possibilities, and parliament must show that it is responsive to people's needs if people are to continue to believe in it. Our job is to rule and not to wrangle.

Let me say at the outset that I believe the cornerstone of public policy in Canada today must be the rights and dignity of the individual human being. That is the principle which will reinvigorate Canada with economic prosperity, human freedom and national independence. Thus, I am convinced that the federal government today is too big, too dominant, too expensive and imposes itself too much in people's lives. Look at the government estimates for 1973-74 as the latest reflection of this: a federal budget tripled in 10 years; government spending up 17 per cent in one year; a 10 per cent increase in civil servants in one year and $300 million more for their salaries; a public works program of $97 million in the City of Ottawa alone.

Little wonder that the Economic Council of Canada has warned us against this government extravaganza. With 47 cents out of every dollar earned going to the three levels of government, federal, provincial and municipal, we have too much government in Canada. Too many people are made overly dependent on government; those who truly need help, the handicapped, the aged, the infirm, are hurt in the process. I advocate a hold-the-line approach on government spending so that, as our economy expands over the next decade, the percentage of government in the

gross national product can be reduced. Mr. Speaker, it is time to blow the whistle on big government in Canada, and the people of Edmonton-Strathcona have sent me here to do a lot of whistling.

Many people today are asking, "What does Western Canada want?" What we want, in brief, is an even break in the opportunity to participate in industrialization, in scientific, technological and economic endeavours. Western Canada, with its tremendous agriculture, resource and energy base, is of vital importance to Canada's total wellbeing. Yet the over-centralized operation of the federal government treats the west as a hinterland. Tariff, transportation and marketing policies of the federal government work to the disadvantage of the west. There must be a better economic balance between the prosperous centre of Canada and the western provinces. We want economic justice. That is the central message the Lougheed government is transmitting to the country. That message will be at the heart of the forthcoming conference between the governments of the four western provinces and the federal government to discuss "western economic opportunities". It is imperative that this conference produce action and not just another report for the already overloaded library shelves.

Precisely because the distance from Parliament Hill is so great, the federal government must pay constant attention to the modernizing of the west so that westerners feel the spirit of confidence that is necessary for economic success. The Ottawa-Toronto-Montreal triangle has dominated Canada for too long; the future lies with the western, building end of Canada where the spectacular openings to the north and Pacific will be concentrated. I hope the government will not discount the urgency of my message because I am a member of the Progressive Conservative party. Western development must transcend politics. For my part I endorse the stand of Manitoba Liberal leader I. H. Asper, who criticizes "the freight rate structures, the custom tariff situation, the centralized banking system, the tax laws which create no incentive for western development, the immigration laws which presently create no impetus for settling in the west, and a host of other instruments of federal authority."

The situation of Edmonton today is an example of why stronger western influence is needed in Ottawa. Edmonton, host to the 1978 British Commonwealth Games, is witnessing the rapid beginnings of a five-year boom. Because of oil, gas and mineral finds in Northern areas, Edmonton is now the pivotal city in western Canada. We are not only a major distribution centre and staging area for the Arctic developments, we are strategically located to take advantage of great new markets opening up in the Pacific. Because of the Yellowhead highway, we are the only western Canadian city directly linked to two coastal cities, Vancouver and Prince Rupert.

• (1620)

The new trading opportunities waiting for Canada in Asia are bound to add to the Edmonton boom. Similarly, the coming direct link between Edmonton and Tuktoyaktuk in the Arctic and the development of the Mackenzie valley energy corridor will make Edmonton one of the great action centres of North America. But we are hurt by inadequate transportation. The Yellowhead highway must be upgraded immediately to trans-Canada specifications. There must be more equitable trans-Canada air service. For example, Edmonton has more annual passengers than Winnipeg—780,885 to 702,375—yet Winnipeg has twice as many domestic flights as Edmonton, 29,006 to 15,412.

The opening of direct air service to the United States is long overdue. It is vital that Edmonton be included in daily jet service from Twin Cities, Minnesota, to Anchorage. Northwest Airlines has agreed to fly this route. This will give Edmonton a connection to the central United States and gives Canada its first connection to Alaska. Also any bilateral trading involving an air bridge from Alberta to California must include both Edmonton and Calgary. We are a north-south oriented province, not an east-west strip. Air route negotiators must recognize that Edmonton is the largest city in the province and Calgary the second largest.

In the past quarter century more than 3,500,000 people have come to Canada from other lands. Canadians whose mother tongue is neither English nor French now comprise 26 per cent of the population. In Alberta, a province whose "rugged grandeur" is praised by author James MacGregor, there are more than 50 ethnic cultures which have enriched our total life style. These groups have added to the scope and beauty of our music, our dance, our art, our films. The intellectual, cultural and construction achievements of new Canadians have been an important factor in the maturing of the Canadian society. They have brought instant skills to a country that needs those skills.

Yet the federal government has been slow to recognize the value to Canada of cultural groups that are neither English nor French in background. Ethnic groups have received little in government grants. Our goal must be nothing less than the recognition that cultural diversity is a basic human right, a fundamental human value which must be encouraged by government. The Canadian constitution, now in the process of revision, should spell out that Canada is a multicultural country with many languages, two of which, English and French, are official; and that every ethnic group in Canada has a natural right to the pursuit of its own language, religion and cultural identity.

[*Translation*]

In the Edmonton areas, the French fact is reflected through new structures. In the last 25 years, we have seen the establishment of radio station CHFA and C.B.C. French TV station CBX-FT. The high school sections of the Collège Saint-Jean and the Académie de L'Assomption have been replaced by a new bilingual institution, the J.-H. Picard School. It is attended by over 500 students some of whom are from English-speaking families.

In short, the present structures recognize the French fact in my constituency and endeavours to contribute to its fulfilment. There is still some progress to be made. On the other hand, the recent achievements are quite important and show the official acceptance of the French fact in Alberta, especially in Edmonton.

[*English*]

A discussion of the problems and potential of Canada inevitably brings us back to our constitution. The joint Senate-Commons committee on the constitution gave us

an excellent report on necessary revisions to meet modern demands. Why do we not implement it? The joint committee struck at the heart of the Canadian problem when it said:

> A new Canadian constitution should be based on functional considerations, which would lead to a greater decentralization of government powers in all areas touching culture and social policy and to a greater centralization in powers which have important economic effects at the national level.

Here is the situation in brief. The federal government has the main access to the growth fields of taxation, such as personal and corporation income taxes. The provinces and the municipalities are boxed in by such slower growth taxes as retail sales taxes and property taxes. At the same time, the provinces and the municipalities are the levels of government which are faced with the most rapidly expanding demand for services. This situation has been intensified by the vast growth in welfare costs borne by big urban municipalities as a direct result of unemployment.

The lack of government co-ordination in urban planning is shocking. We now have an intergovernmental jungle in Canada with all three levels of government clamouring for more money. Their competition, and the lack of consultation, weakens government programs; meanwhile, the taxpayer is financing an expanding bureaucracy. This produces a spirit of confrontation throughout the country. The role of the federal government should be one of co-ordination and support, not domination. Decentralization means shifting as much power as is compatible with the national interest to provincial levels of government and from the provinces to the municipalities. That is the way to give people more control over their own lives and a greater say in their own destinies. Ottawa should lead, not dictate.

The constitutional committee has told us: "More communications and fuller co-operation among all levels of government are imperative needs . . ." That is what we are putting into practice in Edmonton-Strathcona. We have an informal intergovernmental team consisting of Mayor Dent, Aldermen Menzies, Purves, McLean and Olsen and MLA's Getty, Crawford, Schmid and Koziak and myself. Essentially, the same voters elected all of us to the three levels of government, and we are trying to find ways to co-ordinate our service. Last Friday we held our second meeting to plan co-operative action on a senior citizens high rise, co-ordinated social services and the introduction of rapid transit without damaging communities. We hope to give a report on intergovernmental co-operation in this one federal constituency at the next national trilevel meeting.

The immediate problems of unemployment, inflation and taxation are undoubtedly pressing us, but we must not be diverted from global problems. Parliament must focus national attention on the opportunities and responsibilities Canada faces in contributing to world order. The astronauts have shown us that the whole of humanity is compressed into a global village. The central question today is whether our world will become a community or a wasteland. There is no alternative to the United Nations as the major focus for building a world order guaranteeing peace, justice and progress for all peoples. The only wars we can now tolerate are the wars on poverty, injustice, discrimination, ignorance, disease and the befoulment of the planet. Yet the United Nations is struggling for its existence and the gulf between the "haves" and "have-nots" is growing in an unbalanced world economy. Sixteen per cent of the world's population, largely North American, has 75 per cent of the wealth; the number of illiterate people in the world is actually growing, liberation struggles are common.

World aid programs total $7 billion annually, but the value of that aid is diminished by inflation and the world's population is growing by 78 million people per year. By the year 2000 the world will be inhabited by eight billion people, six billion in underdeveloped countries and two billion in the developed zone. The last quarter of this century will be dominated by people under 25, largely alienated and living in ghetto continents. We have the ability in Canada to make a vital contribution to the survival of man in the new age. We can decide whether to build a system of economic humanism on this planet or to blindly allow technology to widen the gaps between men. Canadian leadership can stimulate a new era of world co-operation.

Our goal should be to become an international nation, pioneering research and training through an expanded Canadian International Development Agency. Canada could stimulate an alliance of middle states, north and south, east and west, to move policies for world development and conciliation to the prime place that human survival demands. Our goal should be to move beyond the concept of foreign aid, necessary as that is; world development demands organized trading systems under which the poorer countries may enjoy a fairer share of export earnings. Canada has made a modest beginning in tariff cuts, but we must do more to open our markets so that developing countries can sell their primary products to us. Canadian industries affected by increasing imports would be given adjustment assistance.

A strong Canadian economy is a prerequisite to Canada playing a larger international role. But if a strong domestic economy is our only goal, we will be failing to recognize that international social justice is the only route to world peace. Thus, I want to see a higher Canadian government priority given to involvement in United Nations programs for food growth and distribution, literacy development and health services.

Finally, the Science Council of Canada has recently given us a very controversial report questioning the growth syndrome as the criterion of national success. The council wants us to use the same energy and genius that built this country "to create new social organizations, new transportation mechanisms, new waste disposal systems and the whole panoply of new services which our emerging life style will demand". In other words, we must put the national spotlight onto improving the quality of life rather than just increasing the abundance of goods. This ties in with the international examination of our life support systems now going on through the Club of Rome.

Population, industrialization, food production, depletion of non-renewable resources and pollution can no longer be viewed as separate things; they are interconnected in many ways. The resources of this planet are limited and the demands made on them increasing. Thus, the protec-

tion of the environment demands constructive political action and creative social change. I believe it is possible to establish a condition of ecological and economic stability and justice that is sustainable far into the future.

Canada cannot remain oblivious to this global problem. We need to re-define our national priorities. Parliament is the place to do it.

Mr. Deputy Speaker: Order. I regret having to interrupt the hon. member, but the time allotted to him by the House order the other day has expired and it cannot be extended.

• (1630)

[*Translation*]

Mr. Francis Fox (Argenteuil-Deux-Montagnes): I am particularly pleased, Mr. Speaker, to participate today in the debate on the budget.

As member for Argenteuil-Deux-Montagnes, a riding which incidentally has sent to this House a Prime Minister, Sir John Abbott, and several other distinguished parliamentaries, Progressive Conservatives as well as Liberals, I would like first to congratulate you for your election as Speaker of the House of Commons. You are known both inside and outside this chamber, for what you are: an honest, fair and impartial man whose contribution to the efficient work of this House is above criticism.

Mr. Speaker, my fellow citizens and I believe in a strong, united, wealthy and humane Canada. The legislation that we pass in this House must be considered in the light of these criteria.

One criterium, Mr. Speaker, underlies all others, includes them and gives them their meaning: the human criterium.

Our constituents entrust us with a rather general mandate. We are responsible for public welfare, for the conduct of government affairs geared to improving the lot of the population. However, our constituents also vest in us a specific duty: to see that the ever more powerful government remains and becomes increasingly aware of the aspirations of the individuals it is to serve.

I believe, Mr. Speaker, that the budget the Minister of Finance (Mr. Turner) has brought forward on behalf of the Canadian government does meet this very concept.

[*English*]

I do not believe it is necessary to repeat the highlights of the budget. It will suffice to underline that the main objectives of the budget are to reduce unemployment and encourage faster growth, to reduce inflationary pressures and offset the effects of past inflation, to increase real income and ensure older Canadians of a fairer share of prosperity and to contribute to more balanced economic expansion among all regions of Canada.

I was particularly pleased to see increases in both old age pensions and in war veterans allowances. I have always felt that parliament has a special responsibility toward those who have made a contribution to the building of this nation, and I am particularly proud to be a member of parliament at this time.

The budget before the House can justly be called a family budget. Along with increased pensions for Canadians aged 65 and over, basic tax exemptions have been increased for all taxpayers effective January 1, 1973, and a tax decrease of 5 per cent is proposed.

Perhaps the most important long-term innovation is the indexing of the tax system beginning in 1974. It will raise tax brackets and income tax exemptions each year by an inflation factor based on the consumer price index. Reductions in tariffs and cuts in sales tax should also help curtail the rise in the cost of living.

Furthermore, the government has come to the help of the ratepayer. The general equalization system will be broadened in the next fiscal year to include grants on account of municipal taxes. This should enable provinces to come to the relief of hard pressed property owners and tenants who have had to carry an increasing burden of local school taxes. Under this program, the province of Quebec will receive an additional $78.6 million in equalization payments from the federal treasury in 1973-74.

I was also pleased to note the undertaking by the Minister of Finance (Mr. Turner) that measures will soon be announced for assisting small business. I find this area to be of utmost importance, as approximately 60 per cent of the Canadian labour force is working in establishments having the characteristics of small businesses. The Minister of Industry, Trade and Commerce (Mr. Gillespie) recently noted that 3,500,000 Canadians are employed by businesses with 15 or fewer employees. Small business provides the economic livelihood of the majority of working Canadians. Small business constitutes a source of entrepreneurial activity and growth that should be tapped when seeking increased job opportunities and greater regional development.

The Minister of Finance also proposed a change to the Income Tax Act which is important for the preservation of the family farm. Under the present legislation, when a farmer dies and leaves his farm to his children, his farm is deemed to have been sold and there may be a capital gains tax liability. Under the proposed changes, effective January 1, 1973, if adopted by parliament, there would be no deemed sale on the death of a farmer and hence no capital gains tax liability if the farm is left to the family.

[*Translation*]

Mr. Speaker, it should not be expected that the budget will solve all the problems of Canadian society. Its purpose is to promote an expanding economy and the development of an economic climate allowing our citizens to progress towards achievement of their destiny.

Conversely, one short and long-term problem which we must face is that of employment. I did notice with great pleasure the following paragraph of the masterly speech delivered in this House on January 11 last by the Minister of National Health and Welfare (Mr. Lalonde), and I quote:

> the social security system as it applies to people who can work must contain incentives to work and a greater emphasis on the need to get people who are on social aid back to work.

I believe that most Canadians agree in this regard.

The employment problem brings forward challenges that politicians of the 70's will have to take up. As years go

by, the number of Canadians and technological innovations increase. New plants incorporate these technological advances which demand more and more investments and less and less labour.

It is time for us to begin to think seriously about benefits and other consequences of this post-industrial era.

Will our present work ethic be able to solve these problems? Should our society not get prepared at once for such changes? We must try without delay to find answers to those questions.

To palliate these problems forthwith, the government introduces a highly expansionary and innovating budget, a student employment program, the Local Initiatives Program and winter works projects. All these programs are excellent, though I suggest that the Local Initiatives Program could be improved. In my view, its criteria should be altered in order to bring more incentive to municipalities. We are all aware of financial problems encountered by municipalities. I suggest that we might take advantage of such a program to try to bring along the decentralization of decision making process which might be very valuable.

Mr. Speaker, I do not want, in my first statement in this House, to let aside the fact that at the beginning of 1975, Mirabel, the new Montreal international airport, located in the riding of Argenteuil-Deux-Montagnes, will welcome its first passengers. Its effects have been felt since 1969 in the riding of Argenteuil-Deux-Montagnes.

The airport area being designated as a "special area", many projects have been achieved which are designed to improve the infrastructure of this riding.

For the expropriated people the airport is not a future development but a reality of every day and it has been so since the expropriation plans were tabled in 1969.

Mr. Speaker, the Canadian Parliament must not forget in his concern to see this country move ahead that men and women, even whole families, have and still have to move to make room to that progress. Houses, land held by the same families from time immemorial, neighbourhood relations dating to the beginning of our history are wiped out by bulldozers and concrete runways.

The federal government has expropriated over 3,000 owners many of whom have now become government tenants.

These people who used to be owners are now in daily contact with federal government officials responsible for the management of the expropriated territory.

And I say to all those officials, Mr. Speaker, that they must remember that they are essentially at the service of the public and that it is their main raison d'être.

Mr. Speaker, Ste. Scholastique, now Mirabel, is not a land concession for the administration of a few civil servants; Ste. Scholastique is people, men, women, children who were upset in their daily life and who have a right to be treated with all the dignity that their pride as Canadians calls for.

In addition to a fair expropriation allowance, these people want clear and specific information inasmuch as it is possible on what their territory is to become.

[Mr. Fox.]

I know, Mr. Speaker, that the Minister of Transport (M. Marchand) is very concerned about those problems. Last week he met in his office with the Ste. Scholastique community information and animation committee and the citizen help committee. In the light of those meetings I am confident that some of the problems will soon be solved.

• (1640)

[*English*]

In conclusion let me reiterate my fundamental belief in people-oriented government. "Policies for people" is a motto to which I wholeheartedly subscribe. It is a motto which ensures our responsiveness to the aspirations of the Canadian people whom we have the honour to represent in this parliament.

Mr. Tom Cossitt (Leeds): Mr. Speaker, it is a privilege to represent the historic eastern Ontario riding of Leeds, famous for its dairy farming and its cheddar cheese, known for its tourist resorts and its fishing, yet at the same time being a beehive of bustling industrial activity. This partly rural, partly urban riding was represented in this House for two decades by the Hon. Hugh Stewart, a member of the Bennett government. The Hon. George P. Graham from Brockville served with distinction in the governments of Laurier and King, and his descendants play an active part in the Leeds of today. And naturally I cannot help but recall another Leeds man, a great grandfather of mine, William H. Comstock, who was elected to this House on April 20, 1899. A further distinguished son of Leeds I will mention later in my remarks for some very special reasons.

I was a member of the party opposite until January 15 last year, and like many others across the country I left it when it became obvious that its policies, or perhaps I should say lack of policies, were destroying this nation. Almost from the beginning, this government ceased to be genuinely interested in people and their problems. Everything was subjugated to the new image. Everything became a matter of slogans. Blinded by a false euphoria, this country was swept down a road toward disaster in the greatest con game ever perpetrated on the Canadian people. Our major problems went unsolved and grew steadily worse. In most cases they were not even tackled. Unemployment has stalked the land in ever-increasing proportions since this government took office. A couple of years ago, the Prime Minister (Mr. Trudeau) pronounced inflation dead and since then it has been the most active dead body in the history of Canada. Everything looked so easy through those rose coloured glasses held before our eyes in 1968. But the dream has been shattered. We still have our problems. It takes more than an image to run a country.

What about those great slogans, participatory democracy and the just society? Participatory democracy turned out to mean the privilege of plugging in for orders from above. There has been less and less participation in the democratic process of government by the people of this country, and that has been accompanied by a down-grading of parliament as well as an attempt by the Prime Minister's office to create government. The just society turned out to be a society of gross economic mismanagement and social injustice.

For the past five years we have been governed by "Father knows best-ism". And what is even worse, we have been governed by a group for whom maintenance of power is the only real consideration. I do not believe there has ever been in the history of Canada a government more concerned with its own survival than this one. It has shown itself prepared to sacrifice any principle, change any policy, jump in any direction and promise anything it is asked—all since October 30, 1972 when the people of this country clearly declared they were not prepared to accept autocracy in the place of democracy, that they would not accept any longer government by bumbling bureaucrats and heartless technocrats.

The President of the Treasury Board (Mr. Drury) was one of the first to adopt a changed attitude when he announced in December that the supposedly perfect public service bilingual program, in effect, was not so perfect after all. Then, the Minister of National Health and Welfare (Mr. Lalonde) acknowledged the necessity of raising the old age security pension. There are dozens of other examples, not the least of which was the sudden conversion of the Prime Minister on the subject of the monarchy, followed by his dash to London for tea with Her Majesty the Queen. Then, in a discovery worthy only of a Christopher Columbus, the Prime Minister found western Canada after all these years. Recently, he daringly called for "Manitoba Power" in Ottawa. And now, in this budget, this inept government proposes all sorts of things in a last desperate effort to remain in office.

Last fall the Progressive Conservative party called for income tax cuts to stimulate the economy. "Impossible", they said, but now they take a somewhat inadequate step in that direction. "The capital gains tax on the family farm should go" said those on this side of the House. "Nonsense", the government replied. Yet now they say it should be done. The Liberals laughed when the leader of this party said that an inflation factor should be applied to the income tax system. Now, they advocate just such a thing. The pensioner did not need more assistance before election day, but the government suddenly recognizes there is a need.

I recall when this House first met that a member of the opposition suggested a theme for this government called, I believe, "Those Nobodies are a Bunch of Somebodies Now". I should like to suggest as a theme for this government, "What a Difference a Day Makes". Politicians who will turn in any direction in order to maintain power demonstrate all too clearly that the welfare of their own needs is more important to them than the welfare of the Canadian people. It is not very difficult to imagine what would be the fate of this country if a group which operates on such a level of motivation was again ever able to obtain a majority of seats in this House.

As one who was a member of the Liberal party for over 30 years and who served in the executive side of that party on the local, provincial and national levels, I believe I can claim some accuracy in assessing its steady destruction in the hands of those who have controlled its destiny—and unfortunately the destiny of this country as well—since April 20, 1968, a destruction that has proceeded to the point where the so-called Liberal party of today is not even an unworthy shadow of its former self, while at the same time, as the government of this country, it has utterly failed in its responsibilities to the Canadian people.

When I was a young boy, Prime Minister Mackenzie King came to Leeds to officially open the Thousand Island Bridge with President Roosevelt. The afternoon before the ceremony Mr. King came to Brockville in his private railway car and I remember asking a man at the entrance to the car if I could take the Prime Minister's picture. A few minutes later, to the wonder and delight of a small boy, Mr. King stepped from the car and talked for a while about Canada and how every individual and the problems of every person in this nation were important. It was not rhetoric for a crowd, as he sat for a few minutes on a pile of railways ties and talked about the Liberal party and his hopes for Canada. There was no one there but a small boy. The so-called Liberal government of today is a sad reflection of its predecessors. The individual and the problems of people are no concern except at moments when fear of losing power engulfs this heartless machine. Then, this government, in the traitorous style of a Judas, is prepared to sell what principles it has left for the support of the socialists in a fantastic display of its belief it has a divine right to govern at any cost.

• (1650)

When I asked that man years ago at the entrance to Mr. King's railway car if I could take the Prime Minister's picture, I assumed he was a member of Mr. King's staff. In later years I came to know him when he served nine years in this House as the Liberal member for my riding of Leeds. I refer to one of my predecessors, George T. Fulford of Brockville who is in the gallery today and who, last year, put his country ahead of the Liberal party. He is now a member of the Progressive Conservative party and, like so many former Liberals in Leeds and across Canada, he is working for an end to the folly that calls itself the government of Canada.

Some hon. Members: Hear, hear!

Mr. Cossitt: The sense of democracy and the love of the House of Commons so often displayed over the years by the right hon. member for Prince Albert (Mr. Diefenbaker), who is still such a vital presence in the House today, is something this government could never comprehend, let alone emulate.

There must be a return to the days when the individual member of parliament was the link between government and people instead of the regional desks in the Prime Minister's office. The government of Canada must be returned to the House from the Prime Minister's office. There must be an end to persons sitting on the Treasury Benches guided by methods of the technocrat and the autocrat instead of being guided by a feeling and an understanding of people. There must be an end to the financial irresponsibility that has been the most outstanding feature of the last five years.

Since last October, we have been witnessing an effort to cover up the impossible. We are told the Prime Minister is indulging in a new-found love affair with the Canadian people. The latest grey eminence in the Prime Minister's office has promised us that things will be different in the

future. But nothing has really changed. The leopard has not changed his spots. It is the same stale old piece of cake with a little new icing smeared across the surface.

Some hon. Members: Hear, hear!

Mr. Cossitt: The Prime Minister has said that he will now listen to the people. It is as if the emperor had suddenly decided to give the people his ear. It is a mixture of gross condescension and demogoguery. This is a floundering government that has staggered aimlessly for five years in a sea of problems it is incapable of facing. On its deathbed, it indulges in the sickening performance of trying to buy and hoodwink the people of Canada by flip-flopping all over the place, and if there ever was a time for the people of Canada to get whatever they want, let them just come to Ottawa and ask for it now.

In conclusion, I believe that this country stands at a vital crossroads, and the seriousness of the situation cannot be over-emphasized. I can think of no better way to close these remarks than to quote words that were spoken in the British House of Commons on July 22, 1803 because they seem to me to be so applicable to the situation existing in Canada today. These words were spoken by the prime minister of the day, William Pitt, and they are as follows:

> We must recollect what it is we have at stake, what it is we have to contend for. It is our property, it is our liberty, it is our independence. It is our existence as a nation. It is our character. It is our very name. It is everything dear and valuable to man on this side of the grave.

[*Translation*]

Mr. Gaston Clermont (Gatineau): Mr. Speaker, in his budget speech of last February 19, the Minister of Finance (Mr. Turner) spoke of several aspects of Canadian society.

In the area of social security, he recommended that parliament bring the basic old age security pension to $100 a month from April 1, 1973, which, added to the guaranteed income supplement, will give single people who have no other income, $170 a month and married couples in the same financial situation who get both the old age pension, $325 a month.

Some people say that it is not sufficient, that the government should have given much more but if I examine the basic pension and the guaranteed income supplement paid on April 1, 1970, that is to say $111.41 a month, I notice that, in the case of single people, there is an increase of 52.5 per cent and for married couples, an increase of 46 per cent. I think it is a very appreciable increase within three years. We are right when we say, Mr. Speaker, that Canada offers its elderly citizens the highest old age security pension in the world.

Other people claim that the pension should be paid to persons who are 60 or more, that it should be also paid to the wife of a man who receives it, even if she is not 65. These two measures would no doubt be of great help to a good many people and I am quite convinced that the Liberal government will implement them, as was the case for nearly all benefits under the Canadian social security plan.

Moreover, when Parliament will adopt the recommendation enclosed in the budget of May 1972, concerning the

increase from the special exemption of $650 to $1,000 which applies to persons aged 65 or over, fewer of those persons will have to pay income tax.

We find also an increase in veterans' allowances and war allowances for civilians.

In the field of individual income tax, it is recommended to raise the basic exemption for all taxpayers from $1,500 to $1,600 and for married couples from $2,850 to $3,000 effective January 1, 1973. We proposed to Parliament a 5 per cent reduction on basic federal income tax effective January 1, 1973, and the maximum will be $500 and the minimum $100.

From 1974, individual income tax will be related to the cost of living; this will put an end to the purchasing power erosion which comes from the combined action of inflation and the progressive taxation system. The escalation will be made effective by raising tax brackets and increasing each year basic exemptions with an inflation coefficient based on consumer price index.

• (1700)

When Bill C-259 entitled "An Act to amend the Income Tax Act" was under consideration the former Minister of Finance, the hon. Edgar Benson, made it clear that in his opinion changes should be brought to the taxation system in the light of this new law. The present Minister of Finance has recommended some changes in his budget of May 1972 and again in the budget of February 19, 1973. A change is more particularly needed for small businesses. The Income Tax Act contains a feature of prime interest to the businessmen concerned. It deals with the deduction granted to small ventures. A provision allows a reduced tax rate on business incomes.

Provisions of Part V of the Income Tax Act annul the effect of the deduction granted to small businesses inasmuch as such undertakings are using the operating excess to make long term investments not related to their activities. The policy serving as a basis for those investments is doubtless sound, but its application is very complex. In most cases, the small businesses to which the reduced rate will apply, will use the resulting savings to expand, improve their techniques and create more jobs. As a study of the eligibility of the investments seems useless, its abolition, retroactive to January 1, 1972, will be proposed to the House.

The second change proposed, that dealing with protecting family farms, is very important. Under the present regulation, the farmer who leaves his farm to his children before he dies is deemed to have sold it for a fair market price. A capital gains tax can be levied. For many farmers, the problem is serious because it can lead to many complications. Now, to remedy those problems, it will be recommended that, retroactive to January 1, 1972, any farmer, who at death leaves his farm to his children, not be deemed to have sold his farm. Consequently, the capital gains tax will be applicable only if the farm is sold, that it is not being developed at time of death and that it is not bequeathed to the family.

A third amendment to be introduced has to do with the taxing of retirement pensions.

Furthermore, it is recommended by the Minister of Finance that temporary custom reductions be granted immediately on a five percentage points average on imported consumer goods evaluated at $1.3 billion. Such decreases are intended to counterbalance the inflationary trend on prices. Besides, those reductions are not likely to produce unfavourable results on production or employment. They involve mostly consumer goods which are relatively more heavily taxed than the average products and they will apply to products which are not grown or manufactured in Canada.

In so far as sales taxes are concerned, some will be abolished, namely in the case of children's clothing, shoes, near-food products such as candies, chocolate bars, soft drinks and fruit drinks. The special 10 per cent excise duty on toilet articles, cosmetics, clocks and watches, except if the manufacturing price of the latter is more than $50, will be abolished.

It is said that retailers across Canada are already offering some of those products at reduced prices.

Mr. Speaker, I would now like to comment on the prices and distribution of cattle feed. The situation of cattle feed prices is detrimental to eastern Canada farmers, especially those of Quebec and the Atlantic provinces. I agree that the present situation is not as discriminatory as it was in 1969, 1970 and 1971, but the problem remains nevertheless and solutions must be found as soon as possible. The representatives of the Union des producteurs agricoles of the province of Quebec recently walked out of the annual meeting of the Canadian Federation of Agriculture. For some of us, the struggle has been going on for a number of years, but there exist great possibilities towards a solution.

The Speech of the Throne deals with the matter as follows:

> The government supports the principle of an equitable relationship of prices of feed grain to livestock feeders in various areas of Canada.

Of course, Mr. Speaker, this includes eastern Canada.

On many occasions, the minister responsible for the Canadian Wheat Board (Mr. Lang) as well as the Minister of Agriculture (Mr. Whelan) have also made statements in this House and elsewhere about this. They undertook to introduce a fair and equitable solution for all regions of this country about such an important matter, before next crops.

Mr. Speaker, when I read through the main estimates for the fiscal year ending March 31, 1974, which was introduced in the House of Commons by the President of the Treasury Board (Mr. Drury) on Tuesday, February 20, 1973, I am pleased to note that the Department of Public Works and the National Capital Commission are asking from parliament important amounts to build up new federal buildings and the infrastructure within the boundary of the national capital on the other side of the Ottawa River. We remember that the Prime Minister of Canada (Mr. Trudeau) as well as the hon. Minister of Transport (Mr. Marchand), then minister responsible for the National Capital Commission, announced together a wide spread program of about $250 million, over a period of 25 years, designed to build federal public buildings as well as infrastructure works on the Quebec side.

Following this statement, construction of the Portage bridge began by the end of 1970, at an approximate cost of $13 million which are entirely paid out by the federal government.

In 1971, phase 1 of the construction of federal public buildings began. This is for Place du Portage, a building whose first two floors should soon be occupied by business firms and the rest by the federal government. Phases II and III are underway and the votes required in fiscal year 1973-74 for its continuation are of about $15,450,000. Votes of $8,535,000 are required for other projects in the same area for the same fiscal year.

Additional votes of roughly $830,000 are required for the construction of two federal buildings, one in Buckingham where work has already started and the other in Gatineau where I strongly hope that work will begin during the next fiscal year of 1973-74.

Mr. Speaker, some will ask why does the member for Gatineau mention work which is or will be carried out for a large part in the riding of Hull. I find it easy to explain. The economic effects resulting from the transfer of federal departments to the city of Hull will benefit not only the people of that city but the whole population of western Quebec.

Furthermore, in the future, the authorities of the Department of Public Works of Canada will have to consider erecting such buildings east of the Gatineau river, as I have already mentioned to former minister of public works as well as to the present minister. With an improved public transport system on both sides of the river and a rapid transit system on the Quebec side it will be as easy to move from communities east of the Gatineau river as it is from certain parts of the cities of Ottawa and Hull.

In January 1972, an agreement in principle of about $130 million was signed on a cost sharing basis between the province of Quebec and the National Capital Commission and included the construction of 45 miles of highway on the Quebec side of the Ottawa area as well as the development of a rapid transit system and urban arteries in Hull and the surrounding municipalities. This vast road-building program should be undertaken on a six-year schedule that could be extended if necessary. Credits of about $4 million has already been approved by parliament under the terms of this agreement, and the 1973-74 budget forecasts contain further credit of around $8 million. Work has been done or started as a result of this agreement.

Highway 8 has been widened between Maloney Boulevard in Gatineau and Archambault Boulevard in Pointe-Gatineau. Work has begun on the bridge over the Gatineau River, near Leamy Lake, to be called the "Pont des Draveurs". Work is in progress on the interchange between Highway 8 and the new "Pont des Draveurs", and also on Highway 11.

There can be no doubt that the agreement reached between the National Capital Commission and the government of the province of Quebec will speed up the construction of expressways 5 and 50 in the part of the national capital area that is in Quebec.

I have only a minute or two left, but I wanted also to speak about small businesses and ways of financing them. I have discussed this several times in the past, both in the House and in committee. It is a complex subject, but a solution must be found as soon as possible. The following is a direct quotation from the Speech from the Throne:

—aid to small businesses through new initiatives to strengthen management and consulting services and to improve access to financing facilities.

I believe this is what small and medium-sized businesses mainly need, although I do not mean to minimize the importance of new measures to improve management and consulting services, which would be new sources of working and investment capital which these businesses badly need in order to broaden their operations.

• (1710)

[*English*]

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, it is a great privilege for me to rise in this House. This is virtually my first chance to speak in the House of Commons, although I have had the opportunity to ask one or two questions even though I am not a parliamentary secretary. I have also had the opportunity once to speak briefly in the late show at a time when the House was slightly less full than it is now, if that could be imagined.

When one takes his place in this chamber it is with some feeling of trepidation. One cannot help but be aware of the traditions of this chamber, and one cannot help either but be aware that this is one of the few institutions in the country that is capable of drawing together citizens from across a wide and varied land. I just wanted to note in passing how appropriate it seemed to me the other day to hear the hon. member for York South (Mr. Lewis) talking about dinosaurs. That is obviously a subject of natural interest to his party. Indeed, it is difficult to think of any other group in this House which has a greater philosophic affinity to that era, or a better prospect of becoming extinct.

It is a remarkable coincidence that whenever the leadership of the NDP encounters a crisis of conscience at home, they suddenly perceive some greater evil at another hand. Faced with the challenge of principle embodied in the Waffle, their leadership conjured up the corporate bum, whom they have now embraced. And now, caught in an alliance which they consider a lesser treachery than electoral defeat, their leadership has decided that we are dinosaurs. They remind me of the itinerant evangelists we used to get, from time to time, in the towns on the Prairies. They would come in the night, usually having just created their own theology, and proceed to bilk the wealthy widows of the town with promises either of a new cathedral or a new Jerusalem, and when suspicion grew about their purposes, they would suddenly be seized of the great dangers of fluoridation, or Argentina, or some other scare. They usually lasted about five months, these prophets of phony fear, and then were never heard of again. So, in every particular, they remind one of the NDP.

On February 15, I asked the Prime Minister what plans his government had to find jobs for young Canadians. He replied with characteristic boldness and foresight and said his plan was to wait for the budget. Now, we have the budget and presumably the government's answer—which is that it intends to do nothing at all to break the pattern which has made Canadians under 24 the chief victims of unemployment in Canada throughout the life of the Trudeau government.

The most recent figures for January this year, indicate that a total of 688,000 Canadians were unemployed. Fully 300,000 of those were under the age of 24—almost half of the total number of unemployed in the country and one in nine of the people in that age group who wanted to work. That figure is appalling enough on its own. What is worse is that it is part of a clear and evident pattern that even the government has recognized. The proportion of unemployed in that age group has been rising gradually for several years. But in recent years it has been nearly 45 per cent of the total, despite the fact that many people of that age who might have been looking for work have been drained off into technical schools or CEGEPS, or colleges and universities. There is some indication now that this safety valve is closing, because young people who go into training for better jobs are finding too often that they graduate into unemployment. The result of their diversion is just that they have better skills to waste.

That pattern has been clear throughout the life of this ministry. They were warned by the Economic Council of Canada. They were warned by the Canadian Council on Social Development, by the Committee on Youth of their own Secretary of State (Mr. Faulkner), and frequently by editorialists and by spokesmen of this party. Their only answer has been to fake a response. They claim that Opportunities for Youth was created to meet this problem. But Opportunities for Youth last year employed about 3,000 non-students for the summer. If applied today to the January figures, that would amount to the stirring figure of one per cent—a one per cent response—except that OFY does not work in the winter. That is about the only thing that program has in common with the young people it is supposed to help.

The government's only other response to unemployment in Canada, the LIP program, works less well among the young than among other age groups of the unemployed. In 1971-72, 41 per cent of LIP workers were under age 24 but 46 per cent to 47 per cent of the unemployed were under that age. In hard figures, LIP that year created only 37,000 temporary jobs for Canadians under 24 and there are 300,000 out of work today.

The more serious fault of the LIP and OFY programs in relation to youth employment is that they provide the government with an excuse for doing nothing effective about the problem. LIP and OFY embody a potential for innovation and involvement which is as important now as it was when that principle was introduced into Canadian legislation in the ARDA program. They are important programs. But they are not youth employment programs. Yet every time the statistics are cited in this House which prove that this government's economic programs are victimizing the young, the government answers by pointing to LIP and OFY. The most innovative aspect of these programs is the use the government makes of them to avoid meeting their responsibility to young Canadians who want to work. In so far as youth employment is concerned, LIP and OFY have been used principally not

to innovate action but to avoid it. It is very easy when discussing unemployment statistics to lose sight of the human consequence involved, and forget that each one of these 300,000 young Canadians is a single case of need.

One way to gain perspective on the youth employment problem is to realize there are about twice as many young Canadians out of work today as there were in the great depression. Now, if you treat people as statistics, you can say that is not significant, because the work force has grown but if you regard people as people, you might remember the record of personal hardship and bitterness spawned in that period when so many people started what should have been their working lives without work to do. What is particularly cruel about unemployment among the young is that so many young people have no other resources to fall back on and no real preparation for being unwanted as workers. And what is particularly dangerous about unemployment among the young is that the experience and attitudes which young Canadians develop now will last their lifetime. If they are herded into welfare or if they are taught that their energies are unwanted, that will shape their lives and could deprive our nation and themselves of their creative participation.

There is another aspect of this question. It is a myth that has grown up, the myth that kids in Canada are lazy. I think that the existence of that myth protects the government against its clear responsibility to take action to end the high and unacceptable rates of unemployment among the young. One of the tragic aspects of this is that the Prime Minister himself has contributed, perhaps not deliberately, to the view that kids in Canada do not want to work when he made his offhand remarks that anyone who wanted work in Canada should go to Thompson, Manitoba or some other distant spot. The people who suffer most from this misleading suggestion are the young people in the country.

Prior to those comments, there was some substantial sympathy for the problems of the unemployed young, but that sympathy evaporated when the Prime Minister casually entered the fray. In fact, Mr. Speaker, while the work ethic may not recommend itself to a barefoot boy from Outremont, a study by the Canadian Council on Social Development of young Canadians who applied for social assistance in November, 1971 indicated:

> The young social assistance applicants who were interviewed have by no means rejected the concept of work and its central importance to their development and self-fulfillment.

They do not reject work, they just cannot find any. So long as the government caters or contributes to the opinion that they do not want work, their problems will continue to be ignored.

We are dealing here with a budget which will do much less than it pretends. It is the budget of a parlour magician, relying on illusion, trying to trick the people who are watching. The minister held out the illusion of using tax cuts to put more purchasing power into the economy, yet in reality the total revenues of the government will be $1.7 billion higher this year than last. He talks buoyantly of creating 300,000 new jobs as he has talked before and failed, yet in reality is accepting unnecessarily high levels of unemployment. He talks about expansion, yet understimulates. He worries about inflation, yet has no response except a so-called contingency plan which he proposes to produce like a rabbit from a hat.

What is wrong with this budget is its purpose. At a time when the government should be preoccupied with providing jobs and growth and some stability, it is instead preoccupied with its own political survival. So, instead of introducing measures which are bold enough to work, the government relies instead on measures which seem safe enough to serve. Other speakers in this debate have indicated how far short the minister will fall of his stated goals. My particular concern today is to underline the urgency of a goal he did not state, the goal of helping young Canadians put their energies to work and to review some of the steps which the government's own advisers have urged as a means to break the shackling pattern of high unemployment among the young.

• (1720)

The Hunter Committee on Youth published its report 19 months ago, and it was heralded with that special enthusiasm this government reserves for reports it proposes to ignore. One simple, but highly valuable, recommendation of that report was that the government at least recognize that youth unemployment constitutes a special problem in Canada. At the moment, we have virtually no hard information about the special causes of high youth unemployment, about its relation to the education system, about the effectiveness of counselling or manpower, about the need and scope for new kinds and definitions of work. The Hunter Committee recommended establishing a Canadian youth employment directorate, and generally we in this party approve of that initiative, at least as an interim measure. The government has done nothing about the directorate.

The report of the Canadian Council on Social Development, entitled "A Right to Opportunity" reveals a chaos in the counselling and social assistance services available to young Canadians out of work. They recommend an early federal-provincial conference, to bring some order and equity to that field. The government has done nothing. This party has suggested that LIP and OFY be given statutory authority, so that their purposes can be debated and understood in parliament and so that they can assume some permanent place in the program structure of various government and voluntary agencies, instead of being expensive itinerants whose present status prohibits integrated national programming. The government declines that commitment as, indeed, it declines any commitment to do anything at all about the continuing crisis of youth unemployment. The government has been running away from the problem and the running has to stop. We cannot afford the enormous human cost of training hundreds of thousands of young people to be out of work and on welfare. We are wasting lives and wasting potential.

The problem of youth employment would be less acute in an economy performing nearer its potential. So, the approach of this party, outlined Thursday by the hon. member for Don Valley (Mr. Gillies), will help the young to find jobs and will help other Canadians. Even so, it will be necessary to take special measures to arrest or reverse the trends towards higher and higher levels of unemployment among Canadians age 24.

The Budget—Mr. Allard

Speaking Friday, the Leader of the Opposition (Mr. Stanfield) underlined the most dangerous consequence of this budget, that the country will continue to mark time, because we are governed by a party more intent upon its own survival than upon the growth or progress of the nation. That is harmful to many parts and people of Canada; but no group suffers more from this government or this budget than the hundreds of thousands of young Canadians who are looking for work in this rich country and finding only frustration. If we continue to deny them the chance to contribute their best to Canada, they will quickly become accustomed to contributing their least. That is a tragedy we have in our power to avoid if this government would only put the nation's priorities ahead of its own.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, one of the admitted concerns of the hon. Minister of Finance (Mr. Turner) when he read his budget speech last Monday evening was to reduce the unemployment rate and stimulate economic development.

A well known fact is that Canada has almost 700,000 registered and catalogued unemployed people. It is also true that thousands of workers who have now no job because they cannot find any are not included in the official statistics on the number of unemployed. It can therefore be said that the unemployment rate is higher than it actually looks and that measures far more drastic and important than those proposed by the Minister of Finance should be put in application if unemployment is to disappear.

The Minister of Finance also expects that 300,000 new jobs should be created thanks to the measures proposed in the budget. These new jobs would be available for the new comers to the labour market in 1973.

But if the measures announced by the Minister of Finance have no other result than to provide jobs to the newcomers to the labour market, nothing effective will be left to give a strong stimulus to the economy so that it will provide work for the 700,000 or so unemployed at present.

The Minister of Finance recognizes also that the way to create employment is to increase demand. Products are plentiful to such a point that we despair of exporting them.

Here is what was said at the 32nd annual conference on agricultural outlook held in Ottawa November 20 and 21 last. I quote:

On the whole, the outlook seems more favourable for western farmers than for farmers in eastern Canada.

Actually, Canada is already assured of record wheat sales as a result of agreements signed this year with Russia and China.

Conversely, sales of cheese will be down again this year in eastern Canada, again we shall have to import small quantities of butter to maintain reasonable prices, and the price of hogs will be approximately the same as in 1972.

In this field, prices will often be identical with those in the United States.

According to a participant in the conference, the only way to control these price variations would be to set up a national hog products marketing board, just like the one it is intended to establish for eggs.

[Mr. Clark.]

However, three provinces do not even have a hog Marketing Board, namely Quebec, Saskatchewan and British Columbia.

As far as exports are concerned, it was clearly determined during the conference that Canada should continue prospecting international markets so that its agriculture may progress.

According to Mr. Neufeld, of the Department of Economics of the University of Toronto, the matter is so important that unless new markets are discovered Canadian agriculture is hound to decline.

Mr. Speaker, if new markets cannot be found for eggs, pork, beef, wheat and all our other agricultural products, agriculture is going to decline, because farmers are going to be stuck with their crops. This will bring about a decrease or a stagnation in farm incomes. This is also being forecast by the Canadian Agricultural Outlook Conference. It is also noted that the yearly income of Eastern farmers averages a poor $2,500.

This was stated at the Conference by officials of the Department of Agriculture. A Canadian Press release published in the newspaper *Le Droit*, on November 22, 1972, was not very encouraging for Canadian farmers. This is how it reads:

Farm incomes in 1973 should reach just about the same level as in 1972, according to Mr. W. L. Porteous, of the Canadian Department of Agriculture.

Speaking before the 33rd Canadian Agricultural OUtlook Conference which ended yesterday in Ottawa, Mr. Porteous said he expected the total farm income to net $1.9 billion.

The record year for agriculture was 1966, when farm incomes totalled $2 billion.

As compared with 1972, however, farm expenses will increase in all areas except building repairs, the end result being a decrease of approximately 4.4 per cent in the income.

Prairie farmers and those of Prince Edward Island can expect a decrease in income, however.

Even if the income of western farmers on the whole should increase as a result of record sales of wheat to Russia, more especially, the speaker stressed the fact that a decline should be expected for 1974. He does not believe, however, that Canada will experience conditions like those of the 1960's.

A participant stated that, in his opinion, every farmer must incur annual expenses of $10,000 or so.

In order to have a net income of approximately $5,000 per year, according to him, every farmer must have a gross income of almost $15,000.

Following that intervention, a discussion was held on the definition of an economic farm.

• (1730)

As one can see, we are heading for disaster. Instead of suggesting that Canadian consumers do with a little, thighten their belts and get used to the poor's menu, at $28 a week, the government should see to it that Canadians have the necessary purchasing power to do justice to Canadian production, which would have the effect of stimulating demand, encourage agricultural production and secure at the same time supplementary income to Canadian farmers.

Government members voted several times against the proposals aiming at the implementation of a guaranteed minimum income which would make it possible for each Canadian to live decently, according to the possibilities of Canadian production.

A Creditist government would not hesitate to implement such measures; one of the first measures would be to abolish all income tax on an income of less than $3,000 for

single people and $5,000 for a married person and to fill the gap between personal income and guaranteed annual income by means of corresponding allowances.

Another measure which is easily applicable would consist in bringing old age security pension payments up to $200 a month for all citizens who are 60, while giving $150 a month to the spouse of a retired person. It would increase the purchasing power of consumers, stimulate production and put up a barrier against unemployment.

Finally, according to Creditist proposals, one should secure a decent family income. This measure could take the form of higher family allowances which are geared to prices.

"Every tax reform which does not take the price problem into consideration will end up in failure" Major Douglas tells us. That is easy to understand. Our friends of the other parties of the opposition often speak of inflation. We recognize that it may constitute a real danger, under our present system, but we deny that it would really be dangerous under a Créditiste system, applied in its integrity, as we suggest it.

Indeed, why should the monetary units in the hands of the consumers be increased if, at the same time, the price of goods keeps going up at the same rate?

That is why, under our present economic system, any increase in the personal income which is included in the cost of the goods that are manufactured and sold can only be reflected in higher prices.

Whether it be an increase in the profits of the contractor, the rates of interest, salaries, or taxes, they all lead to higher total costs and higher consumer prices.

That is why the Créditistes suggest a way to adjust prices which would leave the producers free to set their prices at a reasonable level. We say that the producers must continue to produce goods and riches on his own terms for the other members of the community. However, it is not up to him to set the conditions under which the consumers will obtain the products. In other words, the producer must be paid according to his sales price, but he does not care whether the money he claims or he receives comes from the buyers of his products or whether part of his sales money comes under the form of new credits issued by an agency certified for that purpose.

This price adjustment could be made, every year, every six months or every three months. It would be similar to what is called a discount, which would be the opposite of a sales tax.

This compensated discount would be paid to the retailer through an issue of credit equivalent to the total of bills showing that a similar discount was granted to the consumers. That is how producers would be paid according to their own sales price, whereas consumers could obtain the whole production while paying only a fraction of the prices appearing on the tags.

How would this discount rate be calculated? It would be calculated according to the lack of purchasing power, taken as a whole, after deduction of the amounts paid in social allowances that would not result from taxes, as well as the amounts paid as social dividends.

Let us suppose, for example, that the total price of the goods offered amount to $80 billion and that during a given period, Canadians have only bought $60 million worth of products; then, the National Credit Office would decide for the next production period a discount of 25 per cent.

That price adjustment technique would work automatically, according to the calculations of the accountants of Statistics Canada and of the National Credit Office, somewhat like a thermostat in a heating system. Therefore, we would automatically avoid inflation and deflation.

No doubt these measures would have some negative effects, such as cutting out financial dictatorship, wording off infringement on the producers' rights to private property, eliminating the dangers of social upheaval and quelling feelings of revolt among people.

However, the positive sides would be much more important: applying the Social Credit measures would cause goods to meet the citizens' needs and to pass from the producers' firms to the consumers' households. This would allow the economy to achieve its goal, which is to meet the needs of the human beings. This would be something new and unprecedented in this world.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when the hon. member for Ottawa-Carleton (Mr. Turner) made his first speech as Minister of Finance in February, 1972, he said:

> Our most urgent and pressing task is to bring about a substantial reduction in the level of unemployment. Our objective must be the provision of a job to every Canadian who is seeking work.

When the Minister of Finance made that speech in February he had before him the unemployment figures for the month of January, 1972, which showed that the rate of unemployment was 6.2 per cent, seasonally adjusted. In May the minister presented a budget which he called an expansionary budget, a budget which he predicted, because of the concessions he was proposing to industry by way of lower corporation taxes, fast write-offs in respect of the purchase of machinery, and so on, would produce a large number of jobs and reduce the number of unemployed.

For more than three years unemployment had hovered at 6 per cent or more of the labour force, on a seasonally adjusted basis. I said then that the minister was a bad predictor, that the advice he was getting from senior officials of the Department of Finance and the Bank of Canada was the wrong kind of advice, and that he would not succeed in his stated objective of reducing the number of unemployed.

The record is clear, Mr. Speaker. For the month of January, 1973, the rate of unemployment was precisely what it was for January, 1972—6.2 per cent of the labour force, on a seasonally adjusted basis. In the Atlantic provinces the number of unemployed was higher in January of this year than in January of last year. There were more people unemployed in Quebec this year than last year; there were more people unemployed on the Prairies and in British Columbia. The only province which showed a decrease was Ontario.

We said last year's budget was not expansionary enough. I suggest to you, Mr. Speaker, and to the Minister of Finance that this year's budget is not an expansionary budget. The *Financial Times* dated February 26, 1973, which arrived in my office today, contains an article dealing with the economy under the heading, "A less stimulating budget". The article reads:

> Last week's budget, billed as a strong stimulus for the economy, may turn out to be less stimulating than the government says it is. On a national accounts basis the budget is less expansionary than last year's was.
>
> When the federal government's revenue and expenditure is converted to a national accounts basis, the deficit for the coming fiscal year turns out to be $640 million, compared with $1,075 million this year. On this basis, Finance Minister Turner does not seem to be running the risk of overheating the economy.

• (1740)

The minister is not really thinking of an expansionary budget because, as has been the case with Liberal finance ministers for the last four years, he is still worried about his belief that inflation is a more serious problem than unemployment. We in this party have been opposing that kind of belief since it was first proposed by the Prime Minister (Mr. Trudeau) in December 1969. We said then, and we say today, that the cost of dealing with inflation has been put on the backs of those least able to bear it, namely, the unemployed. We said then, and we say now, that this country has 2 or 3 per cent more unemployed than it should have because governments have refused to introduce programs that are expansionary.

If the Minister of Finance wanted to do something about unemployment, his budget should have proposed a deficit in the neighbourhood of $500 million or $1 billion more than is the case. He ought to have proposed expenditures, in co-operation with provinces and municipalities, of large sums of money to put people to work on projects that the provinces and municipalities know require to be done and for which they need assistance from the federal government.

The budget should also have provided for larger cuts in income tax. We have said for years that we are opposed to flat percentage cuts in income tax. That is the kind of income tax cut that has been proposed by members of the official opposition. We oppose that kind of cut because a flat cut of 5 per cent, 7 per cent or 9 per cent—the kind proposed by my hon. friend from Edmonton West (Mr. Lambert) and the hon. member for Don Valley (Mr. Gillies)—would benefit, in the main, people in the upper income bracket. One need only look at the income tax table to see what a 5 per cent income tax cut means to people in the $50,000 a year class if no maximum is placed on the size of the reduction.

We have also said that a flat 5 per cent or 7 per cent cut in income tax for people in the lower income bracket would mean very little. While we do not think that the cut in income tax proposed in the minister's budget is enough and we would like it to be more, we nevertheless welcome the fact that for the first time the government has adopted a basic principle that we have been proposing for four or five years at least, namely, that income tax cuts should be of a selective nature.

[Mr. Orlikow.]

The 5 per cent income tax cut proposed by the minister, when coupled with the minimum reduction in income tax of $100, means, for a married man with two dependent children earning $8,000 a year or less, a cut of 13 per cent. For someone with an income of $5,000, it is a tax cut of almost 50 per cent. That is the kind of tax cut we welcome and which is included in the proposal for a 5 per cent income tax cut means that people in the upper income bracket will receive, not 5 per cent but an income tax reduction of probably not more than 2 or 3 per cent. To the extent that this reduction in income tax goes mainly to people in the low income bracket, we in the New Democratic Party welcome it.

Similarly, we welcome the proposed increase in the basic old age pension to $100 from the former $82.88, and the increase to $170 from $150 in supplementary benefits paid to old age pensioners who qualify. We are still of the opinion that this is insufficient and that the old age pension should be $150 a month for everyone 65 years of age. We are still of the opinion that the old age pension should be extended to people below age 65. There are too many people in their sixties who are getting along with very little since they do not qualify for the old age pension and are unable to work.

Nevertheless, we greet with a good deal of satisfaction the increases proposed by the Minister of Finance. We greet them with some enthusiasm because those of us who were here before the election of 1968 remember the speeches of the former minister of national health and welfare when he rejected our suggestion that the basic pension should be increased and insisted that the only increase should be by way of supplementary benefit.

We also welcome this increase because we know that the official opposition have consistently refused, and still refuse, to indicate precisely what they would do for the old age pensioners should they form the government. On one occasion during the election campaign the Leader of the Official Opposition (Mr. Stanfield) was asked whether he would support the proposal made by our party that pensions be increased to $150 a month, and he indicated that he would not. He was asked what increases he would agree to, and very grudgingly he agreed to an increase to take care of the increase in the cost of living, which would have meant an increase to $90 a month.

The members of this party who have always insisted, inside parliament and outside, that the old age pensioners need to have their pension increased, are now told by members of the official opposition that we are betraying the interests of the elderly. I do not know when I have heard such gall in the years I have been in politics. A party that has consistently refused to indicate what it will do for the old age pensioners now says that if we support an increase to $100 a month, we are supporting an increase that is a good deal less than we should support. Where were these members, Mr. Speaker, when we were calling for substantial increases in old age pensions? Where have they been until today? They have been playing both ends of the political game, telling people that taxes are too high, that we cannot afford to do more for people in need, while at the same time trying to create the impression that they are on the side of the old age pensioner.

Having said that the budget is not expansionary enough and that we think a good deal more needs to be done, may I say it is still the best budget we have seen in the last half-dozen years. I do not think that is an accident. I think the government is reacting to the fact that it has lost its majority—and so it should. I believe the government is reacting to the fact that it is in a minority position, so it is willing, as it should be, to listen to what the people of Canada are saying to us both inside and outside parliament. It is prepared to do something minimal to meet some of the needs of the Canadian people. It will do something in order to hang on to power and continue in government.

• (1750)

Let me say that this budget is not an NDP budget. It does not begin to meet the needs of the people of Canada in terms of dealing with unemployment, a problem with which Canada has been plagued for many years under Liberal and Conservative governments.

The hon. member for Rocky Mountain (Mr. Clark) talked about this party being a party of dinosaurs. I suggest the hon. member should look at what is happening in the world, particularly in western Europe. We find a socialist democratic government in Germany, Sweden and Denmark, a labour party in Norway which has been in power for most of the past 30 years, and very likely a socialist party in power in France after the next election, with a labour opposition in Great Britain that will probably come back into office after the next election. These are parties with which we are associated on the international scene. If the hon. member for Rocky Mountain wants to talk about dinosaurs, he should look at his own party because that is the party going out of style. Before I finish, let me say one more thing.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am pleased to have the opportunity to say a few words in respect of the budget presented to the House by the Minister of Finance (Mr. Turner). In my opinion it is the best budget we have had because it contains so many things of benefit to the citizens of this country, particularly those with lower incomes. It will also help in solving problems associated with unemployment.

I was very pleased to see included in the budget increases in old age security benefits and the basic supplementary pension. I am also pleased to note that there is an increase in the appropriations for the Department of Veterans Affairs to cover the costs arising from the committee's study of the recommendations of Canadian veterans' associations. These associations unanimously recommended adoption of the report of the committee, which would mean an increase in veterans pensions which they so rightfully deserve. I hope members of this House will adopt the same attitude as members of the committee and will accept the recommendations so that veterans or their widows will receive these benefits as soon as possible.

Mr. Knowles (Winnipeg North Centre): Tell the government to bring in the bill.

An hon. Member: It is coming.

Mr. Foster: Wait until Friday, Stanley.

Mr. Guay (St. Boniface): The hon. member for Winnipeg North Centre (Mr. Knowles) has always played an important role in the field of pensions, and I wholeheartedly support his request to the government to present this bill as soon as possible.

I was also pleased by the recommendation of the veterans affairs committee in respect of pensions based on the recommendations of the joint committee regarding standard of living. It was my hope that there would be in the budget an announcement in respect of railroad pensioners, particularly in view of the recommendations of many members of this side of the House and the fact that the Minister of Transport (Mr. Marchand) had a chance to speak to the presidents of both railways regarding parity of railroad pensions with those of Air Canada. I await with anticipation such an announcement. The national president of the Railway Pension Association, Mr. Jack Pickett, in one of his recent letters urged Members of Parliament to support changes in the CNR pension plan. He said:

> I would urge all MPs to support changes in the CNR pension plan—now. We want the same as those employed by other Crown corporations. We are prepared to pay the same, no more, no less, and it must be on a retroactive basis.

I should like to raise another important matter which has no reference to the budget. Members on the government side, including parliamentary secretaries, are not given the same opportunity as opposition Members of Parliament to ask questions during the question period. It is true that members on this side can ask questions of ministers outside this House and receive appropriate answers. It is also true that members of the opposition, regardless of party affiliation, can ask questions of ministers outside the House and receive satisfactory answers: they can do so verbally or in writing.

I was told this afternoon by two ministers that in some instances their departments provided written answers to written questions by opposition members, yet very often the questions are also asked orally during the question period. In this way, opposition members can have their questions and answers recorded in *Hansard* and use *Hansard* to supply information to their constituents. Surely backbenchers on the government side, and parliamentary secretaries, should have equal rights because they are also Members of Parliament.

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

The Acting Speaker (Mr. Laniel): It being six o'clock, I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Guay (St. Boniface): Mr. Speaker, to continue my speech from before the dinner hour, I should like to read

a question I put to the Minister of National Revenue (Mr. Stanbury) which I believe is very important not only to members of this House but to all taxpayers of Canada. Even though I am a parliamentary secretary, I believe, as I said earlier, that in this regard I should be on an equal basis with all other elected hon. members. It is because I believe my question is of importance that I should like to have it incorporated in *Hansard*, just as questions of hon. members opposite are incorporated in *Hansard*. It is directed to the Minister of National Revenue and reads as follows:

Bearing in mind the deadline for income tax returns, which is coming up shortly, and with reference to my question of February 8, reported in *Hansard* at page 1076, with regard to the possibility of extending the office hours of income tax offices throughout the country in order to assist taxpayers seeking information in connection with income tax returns, may I ask whether the minister has now had time in which to consider this matter?

The answer is:

For the benefit of people unable to use the inquiry service during the day because they are at work, we are extending both the local and long-distance toll-free telephone inquiry service until 8 p.m. every Monday and Tuesday until April 30.

An hon. Member: What does the minister have to do with that?

Mr. Guay (St. Boniface): If hon. members wish to ask questions when I have finished, I shall be glad to be of assistance on any matters in respect of which they are in doubt or do not know anything.

This information no doubt will be repeated by the minister at a later date so that the people of Canada will be aware of the additional service available to them. I do not believe any parliamentary secretary should have to remain silent. I do not believe, also, as some hon. members on the other side have suggested, that members on this side should be muzzled merely because they happen to hold office. I think all of us have a responsibility to our constituents. There is no reason why a parliamentary secretary should not ask a question, have it placed on the record in *Hansard* and thus be able to represent his constituents on a basis equal to that of hon. members opposite, provided the question is not directed to the department or to the minister he represents as parliamentary secretary.

As elected members of the common people—and this is what parliament is all about—notwithstanding the party to which we happen to belong, surely Members of Parliament on the government side have a right to be heard, whether backbenchers or parliamentary secretaries, and a right to have their remarks reported in the official record of this House on a basis equal to that of other Members of Parliament.

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I have followed the proceedings during this session in the hopeful anticipation that the government would come forward with new proposals to deal with the problem of the non-medical use of drugs, a problem which I feel is national in scope and certainly deserving of immediate attention.

I listened to the debate on the supplementary estimates. I heard the presentation of the budget, and I have reviewed the estimates for the fiscal year ending March 31, 1974. I have found nothing to suggest that there are any new proposals. What bothers me even more is that I am confident this government has in its possession authoritative information indicating that we are indeed dealing with a national problem of epidemic proportions.

I am certain this government is aware of the economic implications not only in terms of loss of productivity but in terms of actual dollars spent in respect of costly hospital admissions related to the effects of these drugs or their complications. I am also certain this government is aware of the social implications and the growing evidence of self-destruction which too frequently involves the youth of our society. I cannot understand the position of this government and its lack of initiative to accept leadership.

I cannot accept answers such as, "This is a matter which is the responsibility of the provincial governments" or, "We must await the report of the LeDain commission." I interpret such responses as clearly indicating that this government has not developed a policy to deal with this national crisis. Time does not permit me to review in detail the statistical data which indicates the magnitude of the problem. I am sure hon. members have read many articles in this regard. However, in order to place the problem in proper perspective I should like to refer hon. members to two articles. The first appeared in *Canadian Magazine* February 10, 1973. I shall quote from pages 2 and 3. The article is entitled "The Poppy's Evil Harvest" and reads in part:

• (2010)

"Five years ago," the briefing book said, "the RCMP estimated the number of heroin addicts at 500. Today their modest estimate is 10,000 addicts and 100,000 users." The book also advised the Prime Minister, somewhat ominously that "many young users of heroin do not even realize how dangerous this drug is."

It goes on to indicate that in Edmonton there are 900 users, in Calgary 500, in Vancouver 5,000, in Winnipeg 350, in Montreal 1,000, in Halifax 100, in Toronto 3,000. If I may make one additional reference, Mr. Speaker, I should like to refer to the publication *Addictions*, the summer edition of 1972, by the Addiction Research Foundation of Ontario. At page 47 of the publication the following is written:

Figures for the city, province and country are as elusive as dandelion seeds in the wind. Those available are usually subject to some kind of qualification. James Moore of the Le Dain commission puts the national figure at 10,000—published in *Treatment: A Report of the Commission of Inquiry into the Non-Medical Use of Drugs* (Ottawa: Information Canada, 1972). p. 30—and calls it a conservative figure. According to the narcotic control division of the Department of National Health and Welfare, heroin addicts in 1971 numbered 6,696. This figure is computed by counting those who come to the attention of the police—therefore it's inevitably a low one. (American figures indicate that over 2,000,000 in the U.S.A. have *tried* heroin; 1,500,000 of high school age—6 per cent of all young people between 12 and 17).

Let me repeat, Sir, that 6 per cent of all young people between 12 and 17 in the United States have tried heroin. There is one point which I should like to make in passing. I am impressed by the fact—I think this is a reflection on the federal government, in terms of educational programs—that when the problem is being discussed, the discussion invariably comes around to addiction; rarely do we hear about the complications as a result of the

abuse of drugs, and specifically in this instance, the abuse of heroin.

I can assure you, Sir, that many of the reportable cases of death are due either to respiratory failure or overwhelming infections such as septicaemia, endocarditis, etc. This is but one example which reflects the inadequate educational program which is actually undertaken by the federal government. I do not intend to discuss the penal aspects of the non-medical use of drugs but, rather, I would like to develop the concept in terms of research, treatment and rehabilitation.

Let me say at the outset that I was concerned by statements made in the House on February 13 when a question was asked concerning the development of a national institute for alcoholism and drug abuse. On that day the Minister of National Health and Welfare (Mr. Lalonde) indicated that his department must await the final report of the LeDain commission before action could be taken. I believe that such an institute should receive top priority and that this government has a responsibility to provide leadership in dealing with this problem which is national is scope.

Some hon. Members: Hear, hear!

Mr. Holmes: If I may, Sir, I would like to review briefly some of the background material that forms the framework for the development of a national institute for alcoholism and drug abuse. We know that following the interim report of the LeDain commission the Department of National Health and Welfare established the non-medical use of drugs directorate. Since 1968, the problem of drug abuse has accelerated, and continues to do so. I can assure you that this is the consensus of those at the federal level and those at the provincial level.

During this time we have seen the utilization of various drugs including marijuana, the hallucinogens, amphetamines, heroin and cocaine. More recently there has been greater experimentation, particularly by large numbers of young people, with alcohol, notably cheaper wines and beer. At present in Canada there exists a lack of organized information with two notable exceptions—the one I referred to earlier, namely, the Alcohol and Drug Addiction Foundation of Ontario, and the Narcotic Addiction Foundation of British Columbia.

We are all aware of the increasing cost of medical services and it therefore becomes imperative that we avoid costly duplication and fragmentation of our efforts. Instead, co-ordination of activities is desirable. It is in the context of this background that the concept of a national institute was born and I believe that enthusiasm, acceptance and co-operation can be found among the provinces and indeed among all those who are dealing with the problem of drug abuse.

In addition, there is a pressing need for an expert centre of scientific knowledge, technical information and professional advice to deal with this special health problem. This need is not likely to be met in the foreseeable future by the often isolated and fragmented approach of official provincial agencies, universities or the Department of National Health and Welfare. I believe that such an institute presupposes a union between the federal and provincial governments, official professional agencies, voluntary agencies, private enterprise and university expertise.

It is obvious that direct attempts in the past to develop problem solving programs at the federal level have not been successful. The difficulties appear to have been, and continue to be due to conflicts and confusion which arise when staffs and programs which ought to be primarily professional and scientific in their aims and methods come under misguided political direction and cumbersome bureaucratic control. Therefore, I believe that such an agency, which would be operationally independent and national in scope may be the only certain and satisfactory way of attracting and holding highly competent medical and social scientists and other critical professional disciplines that are needed to develop an effective long-term program.

It is clear to experts working in this field across the country that drug and alcohol abuse knows no conventional and no provincial boundaries, and it is therefore truly a national health problem. Because of lack of co-ordinated, well planned federal leadership the programs in some provinces, particularly the smaller provinces, are poorly financed and therefore fragmented in their approach and certainly cannot cope with the problem.

The need for centres of expert knowledge and advice in particular and specialized health problem areas has not been well met by the divisions or directorates that are harboured within the Department of National Health and Welfare. Such an institute would be a body or association of bodies authorized and financed under government legislation to be a national agency for research, development, education, training and information in this particular health science.

I believe it should be an agency independent of the government, free from bureaucratic controls but with its professional and scientific operation consistent with the public responsibilities and functions of the Department of National Health and Welfare. Many of the responsibilities of the present non-medical use of drugs directorate and of other agencies of the Department of National Health and Welfare could be undertaken by this new institute.

This does not imply that the directorate would not be involved, and indeed it would play a responsible role in the development of the program. In general, the directorate would be the federal government's bureau for underwriting in part the policies and operations of the national institute, and in addition would discharge those larger responsibilities in the fields of education, public information, mental health and social science research to bear upon the social, economic and cultural causes of all forms of social alienation as well as self-destructive behaviour.

The directorate, in the interests of speed and economy, should direct its activities in such a way as to avoid the unnecessary duplication of staff and facilities by utilizing the existing facilities, agencies, persons and resources to the fullest extent. The directorate would ensure the co-operation and involvement of directors of related programs at the federal and provincial levels, as well as professional and voluntary agencies, by active representation. In general terms, the institute would be responsible for research, development, education, training and accumulation synthesis, extraction and dissemination of

information relative to drug and alcohol abuse on a national and international basis. The highest priority should be given to development of programs of prevention, with task-oriented research in this area.

• (2020)

Programs of behavioural science research would be undertaken which would focus upon Canadian cultural implications as well as psychological identification of personality abnormalities. In effect, we should seek answers to questions such as: What is the impact inherent in the rapid movement of young people across the country? What role does peer group pressure play in drug abuse? I could go on to outline additional questions that should be asked.

In addition, research would be directed to evaluate programs of treatment and rehabilitation already available in some areas of the country leading to identification and implementation of specific treatment facilities, including crisis centres, street clinics, therapeutic communities and industrial rehabilitation programs where required at the provincial level.

Research in the pharmaceutical and biochemical areas should expand simply beyond marijuana to include longer-acting new products or polymers to replace methadone; discovery of new and safer, longer-acting narcotic, alcohol, amphetamine, blocking agents to combat the euphoric effects of these drugs. We should also study the effects of drugs on locomotor, sensory and reflex systems as they apply to operating motor vehicles, and the effects of drug use on industrial productivity, etc.

Such an institute should be involved with the identification of innovative programs in the field of drug abuse, with consequent evaluation and implementation. An information centre would be an important component which would receive information from the World Health Organization, from American experience and from actual operating Canadian sources which would then be synthesized, evaluated and distributed to specific target audiences including elementary and high school students, teachers, law enforcement agencies, physicians, hospitals, parents, treatment and rehabilitation professionals including pyschologists, public health personnel, voluntary agencies, organized community action groups, etc.

I feel that an important component of such an institute would be a national training centre to develop meaningful programs to train manpower to deal with the treatment and rehabilitation of drug abusers in crisis centres, hospital location departments, medical practices and other professional locations, halfway houses, therapeutic communities, etc. Finally, such an institute would be charged with identifying, describing and implementing, wherever required, programs relative to development of alternatives to drug and alcohol abuse by the young people of Canada.

[*Translation*]

Mr. Antonio Yanakis (Berthier): Mr. Speaker, I am glad to have the privilege of taking part in the debate on the budget that the Minister of Finance (Mr. Turner) so brilliantly presented, and to be able, on behalf of my constituents, to express my approval of the positive steps the government has put forward so as to fight unemployment and reduce taxation in the interests of those who have been hit the hardest by successive rises in the cost of living.

The substantial increase in the basic old age security pension is undoubtedly one of the most welcome measures, for it benefits the group of people in the third age of life, one might say the golden age, who were the most affected by the loss of purchasing power of the dollar due to inflation.

The removal of tax from children's clothing, confectionery, soft drinks and cosmetics, and the lowering of customs tarifs, etc., have no doubt come at the right time, and I hope that the manufacturers will pass these benefits on to consumers.

In his speech, the Minister of Finance described it as a positive budget, aimed at holding back inflation and fighting unemployment, and he predicted that it would create 300,000 new jobs. This certainly augurs well, and should bring renewed confidence to industrialists and businessmen on whom we largely depend, since their investments are needed to bring about these new jobs.

In this connection, Mr. Speaker, I can say that the industrial expansion of the Berthier constituency has greatly benefited from subsidies from the Department of Regional Economic Expansion; in the last few years, several millions of dollars have been invested, and more than 2,000 jobs created. I hope that when these programs are reviewed soon, even more generous benefits will be granted to industrialists, to get them more interested in investing in areas that are suffering from the regional disparities that we all deplore.

On this subject, Mr. Speaker, I think it was stupid on the part of hon. members opposite to run a disparaging election campaign, the last time, charging the government with granting too much money to Quebec and giving this province more favours which were at the expense of the rest of Canada. That was untrue and the now Minister of Transport (Mr. Marchand) who was then Minister of Regional Economic Expansion did not fail to state the facts with the actual figures.

Mr. Speaker, there will soon be a statement made, on the government's new dairy policy. We know how hard it has been over the years for the dairy producers to operate without any hope of ever drawing decent profits from this industry. For the past couple of years, under the leadership of this liberal government, the situation has improved, but not enough to allow the dairy producers to keep up with increasing production costs and their own cost of living.

For some time, people have been complaining about consumer food prices. But, is it not the middle men who, most of the time, are pocketing these increases whereas farmers are left to fend for themselves?

In my opinion, Mr. Speaker, farmers do not receive their fair share of those increases and that is sheer inequity. We must once again make sure that farmers obtain a just and decent income.

I am pleased to note that the Throne Speech included a provision to the effect that the feed grain problem would be settled during this session, thus bringing to an end a

discriminating situation which has lasted too long and which compels our farmers to pay more for their feed grain than the Western farmers.

• (2030)

I also hope, Mr. Speaker, that the Quebec government will accept, as several provinces have already done, the federal-provincial arrangement which enables the farmer who wishes to sell his farm for health reasons or due to his advanced age, or because he can no longer make a decent living there, to take advantage of the special legislation passed to that effect. Thus he can sell his farm, thanks to the guarantee of a farm loan and the subsidy provided up to $3,500, payable to the owner, so that he may settle elsewhere.

Mr. Speaker, I wish to point out that I am most upset about the injustice made to the farmers of the Maskinongé and Saint-Maurice constituencies, which are part of the federal constituency of Bethier, concerning the $400 subsidy made available to them by the federal Department of Agriculture.

It is known that the provincial Department of Agriculture has already designated a certain number of constituencies where the damage caused to harvests by the heavy rains of last summer has been most disastrous. However, the constituency of Bethier has been included since it is part of zone No. 10. That leads one to believe that when it rains in Bethier, it does not rain in the neighbouring constituency, particularly over a period of three or four months. I have seen myself harvests damaged to the extent of 50 or 60 per cent, and a good part of them burnt in the fields in those two constituencies.

That discrimination between constituencies has been most unfortunate, and I only hope that the provincial Department of Agriculture will reconsider its decision, for the federal Department of Agriculture informed me that that decision must come from Quebec City and that the federal government would be ready to compensate those who suffered losses.

Mr. Speaker, as we all know, although winter makes some people happy, nevertheless it causes problems to several others because of the increased unemployment it brings. I think the government has found a good solution with its Local Initiatives Program to create temporary jobs. My riding of Berthier received a great deal of encouragement because more than 50 projects were recently accepted in an equal number of parishes for an amount of $1,500,000 which created 805 jobs this winter. It is an efficient program which will have beneficial socio-economic effects in the whole riding.

Now, what about the Opportunities for Youth Program presently being carried out, under which a good number of students will find jobs to pay for their education next year, the New Horizons Program for older people which provides occupations for them, student exchanges to allow them to know their country better or learn a second language and youth hostels providing holidays at a low cost for the young?

Is that not a positive record liable to improve the social climate in a country, or area or riding? Judging from the opinions of the members of the opposition, one would have the impression of living in the most tyrannized country in the world when it is exactly the opposite!

In the past few weeks I was called upon to participate in the work of the Special Committee of the House of Commons on Food Prices. There is discomfort among the public because of the unjustified increase in food prices, and I think that Parliament was right in setting up that committee.

In his analysis of the budget, the financial critic of the Progressive Conservative Party reaches the conclusion that we should immediately freeze all salaries, prices, interests and dividends for a 90-day period and then impose general controls. How can he reach such a sudden conclusion when the committee has not even submitted its preliminary report to the House, as it was asked to after 60 days?

On the same occasion, the leader of the Progressive Conservative Party (Mr. Stanfield) was never categorical in his speech; he was content to say that he would not hesitate to apply this control "if necessary".

Where does that conclusion come from then, that the situation is now critical, and that the government should control salaries and prices for both workers and producers?

We must bear in mind that price and wage control would create many more problems that it would solve. Already, the United States and Great Britain who had implemented them are hastening to repeal them.

This government has other means of bringing to reason manufacturers, wholesalers and retailers who abuse the consumers.

Mr. Speaker, tomorrow is the deadline for those who want to appear before the Electoral Boundaries Commission and state their case and that of their constituents concerning the changes proposed by the commissioners.

I am convinced that not only my riding, but all rural ridings should have almost no change.

The rural characteristics and the homogeneity of the Berthier riding which I represent must remain as they are if we want the member to represent it efficiently.

Mr. Speaker, the time put at my disposal will soon end and I want to conclude by expressing to my constituents the pride which I feel representing them and all the optimism and trust which I feel toward the economic and social future of the riding of Berthier. Under the direction of the Prime Minister (Mr. Trudeau), under whom I have the honour to serve, I hope for still better days.

[*English*]

Mr. Jake Epp (Provencher): Mr. Speaker, in rising to speak in the budget debate one is faced not so much with the question of what has gone before but, principally, what will the budget do for us in the future? Despite that, Canadians are asked by this government to put their trust in the government and its economic planning. It still insists on wistfully looking into the cracked crystal-ball of the Liberal party and coming to the conclusion that it muddled through before, and if it hangs on it may just muddle through again.

I suggest, Mr. Speaker, that we need a lot more courage, a lot more foresight and close scrutiny of the government's economic policies rather than simply a "wait and see" attitude. Across the country this government had a reputation for not listening, a reputation of being arrogant. Suddenly it is listening, and what it is hearing is the voice of discontent, specifically on its handling of the Canadian economy.

Some hon. Members: Hear, hear!

Mr. Epp: It is hearing this discontent from farmers, from small business people, from over half a million unemployed. But it is hearing another voice, that is, the small voice of its socialist colleagues saying, "Let's stay together; let's hang together, and we might muddle through". This being the case, Mr. Speaker, it is simply a continuation of arrogance for the government now to ask this House and the Canadian people to once again put their trust in it and in the economic policies it has espoused.

The party to my extreme left has generally been known as a party of principles—misplaced principles very often. Yet they have that reputation. For the moment they are willing to give up those principles. In order not to have to face an election, they are willing to follow a policy which their leader has said they cannot trust, a policy which they simply cannot accept. Yet they say they will endorse it unequivocally. I say, Mr. Speaker, that they have endorsed this government's economic policies for a mess of pottage, and nothing more.

In this budget speech on Monday last, the Minister of Finance (Mr. Turner) said there were two principal aims in his budget: first, to reduce unemployment and, second, to curb inflation. This government is asking Canadians to trust it to reduce unemployment, yet as a result of its policies for the last three or four years the unemployment figure has been hovering around 6 per cent or 7 per cent. How can it ask us to support that kind of record? It simply staggers the imagination, Mr. Speaker.

Our unemployment rate is amongst the highest in the western world, and along with that we have to contend with inflation. This inflationary rate cuts into the savings of our old people, many of whom saved during hard times, and it cuts into the incomes of those who live on modest or low incomes. These groups are hit hardest by inflation. This is an inflationary cycle, Mr. Speaker, which the Canadian worker feels he can only combat by asking for higher wages and salaries in order to stay ahead. It often happens that the people who cannot defend themselves against inflation are the weak and the old, those who cannot organize themselves. I suggest that the government has to look again at this segment of our population. An increase in the old age pension is not completely the answer.

The Canadian farmer, who must sell on an open market economy and must face competition, is hit hard by inflation. Why is this, Mr. Speaker? The farmer must buy manufactured goods. The labour costs connected with these goods are high, often following inflationary trends. He must recover the high prices he pays through returns for products which he sells. Farmers are surviving only because of the increased efficiency they have brought to their industry.

• (2040)

Despite these conditions, what has the Minister of Finance done except adopt a "wait and see" attitude. That there were some acceptable measures in the budget, I admit openly. I nevertheless suggest that, considering his record of forecasting, the minister should not rely on divine providence to any great degree.

You might describe the minister's approach to economics in this country in this way: he considers the economy much as a doctor might consider a sick patient who is in need of drastic and immediate medical help. Instead of being decisive and taking appropriate action, the minister quickly runs to the medical chest for a whole fistful of patent medicines which he offers to the patient. In this case, instead of "aspirin" read "tax cuts" and "higher exemptions," and instead of "sedatives" read "higher old age pensions." Having administered these medicines, the minister sits back and says, "I have done my job. Hopefully, the patient will be cured. If not, at least I tried." I suggest that is not enough.

Further, the Minister of Finance has asked for restraints on the part of the wage earner, on the part of businessmen and on the part of provinces. He has asked them to restrain their spending, hoping that this will cure inflation. At the same time, despite tax cuts, or whatever you may call them, this government will spend $2.76 billion more this next fiscal year then it did the year before.

The Minister of National Defence (Mr. Richardson) has acquired the reputation in western Canada of being one of the spokesmen in cabinet for western Canada. If he will examine the estimates he will find that more is to be spent on public services in the capital region of Canada than in the four western provinces, the Yukon and Northwest Territories combined. Is that recognition of the west? If so, I suggest it is on a very small scale indeed.

I suggest, also, that the government is the single largest inflationary agent in the economy. If there is to be economic restraint and, hopefully, a reduction in our inflation rate, and if we are to ask the Canadian taxpayer to bear that burden, I suggest that the government first and foremost should follow its own advice and show leadership to the Canadian people.

On the CBC program "Encounter" aired last Sunday, the Minister of Finance talked about the indexed tax plan and mentioned that certain western European countries are adopting it. I suggest that we in the opposition have brought forward constructive ideas, which I am happy to say the Minister of Finance—

Mr. Alexander: Stole.

Mr. Epp: —incorporated or stole when presenting his budget. I therefore ask, why was there ridicule and arrogance last fall when we were debating this idea? Why did the minister not have the foresight to adopt it at an earlier date?

Some hon. Members: Hear, hear!

Mr. Epp: In the time remaining to me I will not be able to delve deeply into economic policy. However, there are a few points I wish to make. The government has embarked upon a program for relieving regional economic disparities. Perhaps some time in the future we will see the results of those economic policies. Our problem in western Canada is one of geography. For instance, why must western Canadians pay more for freight? Why does it cost more to ship goods from west to east than from east to west?

If we are to do something positive about regional economic disparities, let us not only do something through DREE programs; let us do something to improve the economic base of the regions from which we come. In my area we are not asking for anything special; we are only asking for the same deal to be given to all Canadians.

Mr. Paproski: How about more flights from Edmonton?

Mr. Epp: We could include those, too. The economy of western Canada has been largely agricultural. In order to expand that economy, we must introduce to the region secondary manufacturing and processing industries. I suggest we have made a good start in this direction. If that industry is to expand and be competitive, it must be placed on the same footing as the eastern manufacturing industry.

The Minister of Finance mentioned in his budget speech the removal of tariffs on specific out-of-season fruits and vegetables. I will let my friends representing areas of horticultural production discuss this matter. I only ask the minister this question: Why must Canadian farmers cross the American border and buy Canadian fertilizer from American companies at $20 per ton less than they would have to pay in Canada?

An hon. Member: Shame.

Mr. Epp: Why must they bring it back to Canada, to their own communities, having paid less than they would have paid if they had bought it in those communities? Does that represent the type of economic policy this government endorses?

The third point I wish to make is this. It would have been much more equitable if the minister had removed the 11 per cent sales tax on building materials. Because the construction industry is a seasonal industry there are high unemployment rates associated with it. I suggest that such a tax cut would have created incentives for that industry and, apart from bringing down the high cost of housing in Canada, would have affected with advantage some of the other areas to which the minister referred.

Lastly, Mr. Speaker, may I mention incentives for small businesses. I might mention, parenthetically that when dealing with the Department of Regional Economic Expansion one almost needs professional guidance to cope with the red tape in assessing the status of grant applications. If we are to create jobs over the long term, we must provide incentives for the small businessmen who produce jobs. If we provide incentives for farmers to produce, they will expand production and we shall expand the economy—because it is private initiative that counts, Mr. Speaker. I suggest that as well as abolishing inheritance taxes and capital gains on farms that pass to members of a family, the government should treat small businesses in much the same way so that they may be transferred from generation to generation and enjoy the same sort of tax forgiveness so long as they remain within the family.

Some hon. Members: Hear, hear!

Mr. Epp: So if this government wants the people to have confidence in its economic policies, I suggest it should look once again at the two basic areas of free enterprise and personal initiative instead of indulging in another band-aid approach to spending. Let the government not think that by giving hand-outs it will induce the economy to pull itself out of its current difficulties. Let the government create a climate in which individuals can produce and in which the economy can begin rolling forward again, instead of the type of climate which the government is proposing in the budget.

• (2050)

[*Translation*]

Mr. Gaston Isabelle (Hull): Mr. Speaker, I am pleased to speak this evening, because I feel that it is a privilege which all members should avail themselves following the presentation of the budget.

Mr. Speaker, I think that the constituency which I represent is well-known. When I heard in this House some members say that the federal government was spending too much money in the national capital, that regionalization should be out of question, that no more funds should be allotted under this item, I felt that they could examine a map of Canada to realize that our country is a continent.

Canada has naturally multiple callings; moreover, if we compare the various provinces, we see right away that their economy is different and that some are richer than others. This is why the government has established the so-called equalization payments, in order to enable the poorer provinces to get a little more money, so that all provinces may enjoy the same standard of living.

Mr. Speaker, it has often been said that if the country must have a heart as human beings, that heart must be found in the national capital which has been Ottawa up to now. Some members came to Ottawa for the first time after their election; when Ottawa was referred to as the national capital of Canada, they did not care, because they had never been there. I would like them once again to immerse in the history of the capital of Canada. They will soon realize that the capital of Canada is not just Ottawa, although Queen Victoria did decide to choose it—because Parliament also decided that there would be a National Capital region including the cities of Ottawa and Hull and the neighbouring municipalities.

For many years, Mr. Speaker, it was always felt that the part of the National Capital including Hull and its environs was systematically overlooked by the central government and even by the Quebec government.

There is no need for me, Mr. Speaker, to prove to what extent we have been forgotten for years by the province of Quebec and by the central government, to recall that a Quebec minister even came over to Hull to see Mayor

D'Amour, who had just won a splendid victory; and he shook his hands congratulating him for having defeated Miss Whitton, who was then Mayor of Ottawa.

Mr. Speaker, a newspaper for intellectuals, *Le Devoir* of Montréal, reporting in 1962 or 1964 a golf tournament at the Rivermead Club, had the following title in its sports columns: "Hull, Ontario".

By all means, Mr. Speaker, I think that we have been systematically forgotten because we are far from Quebec and close to Ottawa. Since we were too far from Quebec, Quebec was forgetting us; since we were too close to Ottawa, Ottawa was snobbing us to some extent, by telling us all the time: Because you belong to a provincial jurisdiction, we cannot do anything whatever in your favour.

Mr. Speaker, 1968 was a turning point in the history of the national capital region. The present federal government, through the Prime Minister (Mr. Trudeau) and the then Minister of Regional Economic Expansion (Mr. Marchand) decided to remove economic disparities which existed between these two communities which make up the national capital region. And if investments from the federal government had not been announced, we would still be a hamlet in the shadow of the Peace Tower.

These clever people decided to act in order to give us what we had been claiming and which had been due to us for years.

I remember, Mr. Speaker, reading speeches made by Dr. Fontaine, who was the first member of Parliament from Hull, having been elected in 1917, and who spoke exactly to the same point as I am tonight; but instead of saying that there were now things being achieved, he urged that something be done for Hull.

Mr. Speaker, we are now going through a great economic upsurge. The results will be felt around us. We have been experiencing difficulties from all sides. We will experience others, but we are sure that we are on the right path and that the present government will go through history, simply because they wanted to have the national capital represented by its elements, that is Francophones and Anglophones.

Mr. Speaker, I have often said that a country's capital is the seat of its central gouvernement and national institutions. The capital city must reflect the soul of its people, its validity, its strength and its future aspirations. I have said it at all times and if I may say more, its importance is more of a matter of its role than its area or its importance on both the industrial and commercial levels. It is a legislative and administrative center as well as the heart of its national institutions. It is a community without definite boundaries, because every citizen is part of it and all share its activities, responsibilities, problems and aspirations.

• (2100)

Mr. Speaker, I have always been in favour—and maybe because of that my name shall be remembered through history in a way or another—of some sort of a federal district, and I would like to be well understood. Actually, I don't want to talk about a federal district like the one in Washington, for the administrative problems they have there are well known. We know that the city authorities of Washington are appointed by the White House. What I would wish, for this economically identical area on both sides of the Ottawa river, is for the people of Hull and area who work in Ottawa not to be penalized.

Mr. Speaker, we are penalized by double public transportation tariffs; we are more penalized in the field of income tax than those who do the same work and live in Ontario.

We are penalized in the field of health, because we live in the Province of Quebec.

The Province of Quebec passes its own legislation concerning tax collection, and I am all for it; but for the National Capital area, one should try to amend the existing laws, so that the Hull people who work in Ottawa, are not penalized, but covered by laws identical to those in effect in Ontario, and likewise that the Ontario residents who work in Hull are not be penalized for the same reason.

Mr. Speaker, it would not be a special status, but a kind of economic arrangement, with the setting up of an identical economic region, in order that the citizens of one side of the river not be classified as first class citizens and those on the other side as second class citizens.

One could quote a good number of cases where people in the area are penalized precisely because they are civil servants.

Very soon, with the new buildings scheduled for Hull, several thousands of federal civil servants from Ottawa and the area will have to go and work in the Hull area. I would like to say here that we are faced with a crucial problem which may seem of little consequence but which is particularly important for those who will have to pay for their transportation. Here again, the Ottawa Regional Community Transit Commission will be penalized. I know that the National Capital Commission is presently trying by all means available to eliminate double fares which we have been paying for 50 years, but I hope this will not be done only to favour the people of Ottawa who will be working in Hull. This anomaly should have been corrected a long time ago. I hope it will become a priority and that this problem will be dealt with without delay.

Federal civil servants living in the area must pay between $200 and $1,200 more in income tax per year than their colleagues from Ontario who do exactly the same work. I think that in the national capital area such a thing should not exist and that governments should set up a federal district where laws would be uniform and where all citizens would have the same privileges and would be subject to the same taxes.

Although the separation of Quebec is not yet for tomorrow, an economic separation which I consider serious is slowly taking place. Again recently, car dealers were fighting so that a person from Ontario do not have to pay an 8 per cent sales tax when buying a car in Hull. That is what they tried to do, Mr. Speaker, on two occasions, by tricks that I do not want to qualify tonight. In any event, this situation was settled at the very last minute, because 30 to 35 per cent of customers of car dealers in Hull come from Ottawa.

I could quote many examples in the health area, Mr. Speaker, where no planning was made on the Quebec side. Never. It was done in a haphazard manner and today one can hear: People go and "see a doctor" in Ontario. People do not go and "see a doctor" in Ontario, Mr. Speaker. They do not have any other alternative because, as I said earlier, they have always been forgotten. The federal government pays 50 per cent, Mr. Speaker—

The Acting Speaker (Mr. Boulanger): Order, please. I regret to have to interrupt the hon. member, but his time has expired.

[*English*]

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, a few years ago when I was a new member in the House of Commons one of the old timers in the House was talking to a bunch of us young fellows and said, "I want to give you a bit of advice. Don't mail your mail, if it is a nasty letter, until the morning. Think it through and wait until morning, because perhaps your initial reaction might not be the one that governs your behaviour eventually". That kind of attitude might well have been adopted by the leader of the New Democratic Party and his colleagues last Monday evening, and especially before Friday when the leader of the New Democratic Party took part in this debate.

One thing I have noticed from watching this debate in the last few days is the change in attitude, not on the part of hon. members on this side of the House but on the part of those on the other side. Consistently throughout the speeches that we have heard in the last three or four days hon. members on that side of the House have been on the defensive. We are now one week from the glamour budget of last Monday night, and many on that side of the House have voiced different ideas. I think that within the next several months this attitude will not only be felt across the way but throughout the whole country.

I want to touch on a little bit of history. My colleague from Provencher (Mr. Epp) has touched on the fact that Canada is a difficult country to govern. He said that we are a rather unique country. We are the second largest in the world, have very few people, who are dispersed across a large land, and we are situated next to the most powerful nation in the world. We are a country that depends heavily on exports, a country that is made up of many regions with regional differences and difficulties. Those who have held the reins of office in this country since 1867, when confederation was born, have come to recognize that Canada is a difficult country to govern. It is also an exciting country to govern, a country that provides a great challenge to its parliamentarians.

In 1968 even the members of the opposition came to this House of Commons with a little bit of the excitement that many Canadians felt regarding the leadership they expected to be provided by the then brand new Prime Minister (Mr. Trudeau) who had literally swept Canadians off their feet. It was not much more than one year later that the members of this party received what I consider was a profound shock when they started to hear of the economic revelations of the Prime Minister.

I am not an economist, Mr. Speaker. I have had no connection with economics and I doubt whether I could even spell the word. However, I know that if you want to help people who are on fixed or low incomes, people who are seasonally employed, those who are among the most disadvantaged in the nation, you do not help them by putting them out of work. Yet the Prime Minister stated that we must adopt an economic model to take care of inflation. He said that if we are to protect people who make only $2,000 a year, or those who are on fixed incomes, or those who are only employed for five or six months a year—the little people of Canada—we must control inflation. The method that he used to control that inflation was to put these people out of work. If political parties could collectively be held responsible for certain acts under the Criminal Code, then I suggest there would certainly be a place for the Prime Minister and his cabinet.

I should like to say something to the few NDP members who are present tonight. There is one difference between what the Prime Minister did and other disasters that have overtaken us. Everyone knows that a plague, a war or pestilence either destroys or disadvantageously affects the economy of a country, but such a thing is usually accepted for what it is since it is beyond our means to control. The difference between that kind of situation and the attitude of the Prime Minister is that the Prime Minister decided deliberately that this was the model which had to be accepted in order to cure inflation in the country. The evidence of this is in the fact that since 1967—I will give the statistics a little later to prove this—we have had approximately a 50 per cent increase in unemployment across the nation.

• (2110)

During three years, members of this party have constantly during budget debates, question periods and speeches in the House taken issue with the policies of the government—but there has been no moving this Prime Minister during these years; he has been so carried away by his own omnipotence. The Canadian people, labour unions, consumers groups, provinces, municipalities and various provincial premiers, such as the NDP premier of Manitoba, have been criticized because they suggested there was an unemployment problem. In any event, nobody could budge the Prime Minister. We all know his attitude and how it became manifested.

It is unfortunate that during the past three or four years someone has not got inside the House with a camera in order that the people of Canada might see what was happening. Had that been the case, I am sure we would have 200 seats here now. The people would then know of the Prime Minister's reaction, perhaps unwittingly, to the Lapalme workers and to members of this House on the occasion when he used the expression "fuddle-duddle". Canadians would then know the attitude adopted by this unbudging Prime Minister, and I am sure it would have had an adverse effect for him in the results of the last election. In any event, the Prime Minister cannot be budged.

Last year, instead of the inflation-unemployment trade-off we had the Benson-Turner trade-off. Last February we had the Benson trade-off with Turner and everybody got the feeling that we were going to have someone new from the east, but it turned out to be someone new from

Ottawa. Instead of coming with gold, frankincense and myrrh, this new man came with a cosmetic kit. Basically, what we got last Monday evening was another cosmetic kit.

The new Minister of Finance would not talk about unemployment rates. We asked him to tell us what the rate of unemployment was that the government would tolerate. His reply was that he would not talk statistics but intended to talk in human terms from now on in respect of unemployment. He said the government would not be satisfied until every Canadian who was willing to work had a job. Everyone on this side of the House felt on many occasions that we had a new glamour boy who was going to do a job across Canada and that this new Minister of Finance really meant business.

Until last May 8, members of the House of Commons and the Canadian public were half convinced that the prognosis and the prediction of the new Minister of Finance might come true. He was suggesting that we were again turning a corner, to quote the hon. member for Verdun (Mr. Mackasey) who sits now, lonely and deserted, in the front benches. That hon. member made a significant contribution in one way to which I will refer in a few minutes. We were again turning a corner, this was the suggestion of the Minister of Finance. He indicated that we were going to control inflation and solve the unemployment problem.

The Minister of Finance predicted substantial increases in employment in the manufacturing sector. The end result was that from May to December, 1972, there was a reduction of 1.6 per cent in employment in the manufacturing sector of the enonomy. In the previous year, when we had no Turner budget, we had an increase in employment in the manufacturing sector of .53 per cent.

It was that the minister's new budget would have a dramatic, perverse effect on the economy of Canada. That is exactly what happened. In that sector of the economy which he talked about stimulating, the situation got worse. Toward the end of the year the government made predictions about employment and inflation. I do not need to refer to inflation because the statistics are obvious and need not be put on the record again.

Last Monday night everyone knew there was to be a new kind of budget to cure the ills of the Canadian nation. Everybody anticipated that the Minister of Finance had a pocketful of money. Nobody knew it better than the hon. member for Verdun. That hon. member, who was previously minister of manpower and immigration, knew that even though his unemployment insurance scheme cost $2 billion, it would not bankrupt the nation. As a matter of fact, some say it was fortunate for the Liberal party that this $2 billion got into the economy. Had it not been ingested into the economy we might very well have had another 100,000 Canadians out of work.

With that kind of contribution to the just society, we can thank the hon. member for Verdun for what happened. He was one of the few humanitarians left in the cabinet. I shall be watching that hon. member and other members on that side of the House to see how they vote tonight. I am aware of his feelings and I am confident that he will show Mr. Turner, through his vote, that he does not believe he went far enough in stimulating the economy.

[Mr. Lundrigan.]

Let us see what happens. We are all conscious of this feeling, so let us see how they vote.

Last Monday night we knew there would be something of benefit to Canada. We welcome the increase in pensions and the tax adjustments of a beneficial nature. As the hon. member for Provencher has said, we have a Canadian economic anatomy that is undernourished. Perhaps this is an allegorical analogy that indicates all kinds of defects. Our economy is basically undernourished and plagued by government overspending in areas such as Information Canada and others. We have an economic rupture in the Atlantic region, an economic ulcer in Quebec and a general malaise across the whole nation. On Monday the Minister of Finance presented a budget which will keep this nation's economic anatomy in the same malnourished condition in terms of regional disparity.

In case there is an hon. member in the House of Commons who is not aware of what has happened to unemployment rates since the Liberal party took office in 1968 under this Prime Minister, let me place on the record a few statistics that show the seasonally adjusted rates across Canada. In 1967 we had an unemployment rate of 4.1 per cent. In 1968 that rate increased to 4.8 per cent. In 1969 the rate was 4.7 per cent, in 1970 it was 5.9 per cent, in 1971 it was 6.4 per cent and in 1972, after last year's expansionary budget, it was 6.3 per cent. That is an increase from 4.1 per cent to 6.3 per cent in a period of six years—a 50 per cent increase in the unemployment rate in this country.

In the Atlantic region, with the new regional economic expansion project, that two-pronged effort to gain equality and eliminate regional disparity, in 1967 the unemployment rate was 6.6 per cent. The next year we had an increase to 7.3 per cent, the next year it was 7.5 per cent, the next year 7.6 per cent, the next year 8.6 per cent, and last year it went up to 9 per cent. That indicates the result of the efforts of the Department of Regional Economic Expansion in the Atlantic region. Even with the Organization for Economic Co-operation and Development, this government has not been able to come up with any positive regional development policy in the last four or five years.

Lest anyone thinks my attitude is predicated on the fact that I am from the Atlantic region, let us look at the figures for the province of Quebec. In 1967 we find an unemployment rate of 5.3 per cent, in 1968 a rate of 6.5 per cent, the next year 6.9 per cent, the next year 7.9 per cent the next year 8.2 per cent, and in 1972 a rate of 8.3 per cent. This shows a steady increase in the level of unemployment since 1967. If I can add correctly, this shows an increase of 3 per cent in the rate of unemployment in the province of Quebec.

Without putting all the statistics on the record, we find for the province of Ontario an increase from 3.1 per cent in 1967 to 4.8 per cent in 1972. In the prairie region the rate of unemployment went from 2.3 per cent to 4.5 per cent, and British Columbia—a province that had not heard of unemployment for a number of years—had an increase, from 1967 to 1972, from 5.1 per cent to 7.6 per cent. These are the national averages up to 1972.

• (2120)

I do not like offering statistics except to prove a point. However, for the benefit of the Minister of Finance may I say that in Canada unemployment goes beyond statistics. In Canada, unemployment has a twofold effect. The first effect almost everybody understands. There is the cost of unemployment in terms of its strain on the national treasury, which does not have to be explained after the $2 billion deficit we experienced last year. Then there is the cost of unemployment in terms of loss of productivity. On the one hand we have the case of a man sitting at home drawing benefits from the system, and another fellow at the other end who is working every day.

This does not have to be explained to anybody; one does not have to be an economist or a minister to understand it. The fellow who sits at home may be a farmer or a fisherman. The fellow sitting at home is eating out of the vegetable bin, and the other fellow has to produce. Can you imagine the difference in productivity on the farm?

In material terms we have the drain of unemployment on the Canadian nation. In economic terms we lose several billion dollars because of lack of productivity due to unemployment. There is another side to this situation which every member must have observed. I wonder whether anyone can imagine the impact on a family when a man has to sit at home doing nothing. What impact does this have on the individual and on his children? The children come home from school day after day, having mingled with children whose fathers are employed, and look around at the old skipper sitting back in the corner receiving the benefits given by the state. I ask hon. member to consider the impact on a family which in this situation has to obtain the necessities of life in an environment where prices are increasing very dramatically. I happen to come from an environment where this is a common occurrence. There is insecurity involved in having a half million people sitting home not knowing what will happen. They do not know whether or not they will be working tomorrow. Then there is another group of people. There are the hundreds of thousands who are just scraping by, people who may work today and not tomorrow.

The total impact of unemployment on this nation is worse than any pestilence, war or disease. This is a matter in respect of which we think differently from the people in the party across the House. I believe the party opposite has shown that over the last four years it has not understood that unemployment is a problem in Canada. It seems to believe it is something which can be cured. I do not believe the people sitting across the House, the Prime Minister or the Minister of Finance really believe unemployment can be cured. I do not believe they even think it should be cured. There is a difference between our party and the party opposite on the matter of conviction. We are convinced we cannot continue to tolerate the unemployment levels we have had.

Some hon. Members: Hear, hear!

Mr. Lundrigan: The Minister of Finance in his budget last Monday night told me, at least, as one Canadian that he does not believe this situation needs curing. He has painted a black picture. I am amazed that a man of the integrity and intelligence of the hon. member for York South (Mr. Lewis), who leads the party to my left, would be willing to go along with a budget which he considers will not work.

As one who comes from one of the poorer regions of Canada, I say that unemployment and inflation problems, with the present approach, will be no better in the future than they are today. The hon. member for Verdun agrees with me. He has had the same attitude for a number of years. Since 1969, when we first heard of the inflation-employment trade-off where jobs are given away to cure inflation, people have asked what the alternative is. I heard the leader of the New Democratic Party say that if we gave them an alternative, they would support us. He said that if we could provide some way to control the problem, they would support us.

We have offered an approach. I need not reiterate what my colleague, the hon. member for Edmonton West (Mr. Lambert), the hon. member for Don Valley (Mr. Gillies) or the Leader of the Official Opposition (Mr. Stanfield) have said: we have said there must be more substantial cuts and more reduction in taxation to provide real expansion. We have said that the deficit of the Minister of Finance, which is a little more than half the deficit of last year, is not enough.

The minister quoted people from the Toronto Institute of Quantitative Analysis, Messrs. Jump and Wilson. They said that sales tax reduction is the best way to provide stimulus on the one hand, employment on the other hand, cool off inflation and provide the equity of taxation that would benefit the poor people in this country. This is what the experts have concluded, not in 1962 but in 1972 and 1973, in this decade. Therefore on that basis, for the benefit of my NDP colleagues, may I say we have said we do not want only a reduction of the tax applicable to the clothing of small children but would eliminate the entire taxation on clothing. That is one approach we have recommended. Sales of clothing in Canada in the past year amounted to $3 billion. We have gone further—I take issue with the Minister of Finance on this—and said that it is absolutely essential that the 11 per cent building tax be eliminated.

Some hon. Members: Hear, hear!

Mr. Lundrigan: Today, in response to a question from this side of the House, the minister indicated there is no need for this. He said he was completely satisfied that his budget of last Monday night would provide the necessary stimulus. We have gone further. We mention the building tax, not only because of the stimulus on its own but because of the very critical housing problem in this nation. We also believe a reduction in sales tax and building materials tax, because they are at the manufacturing level, will result in savings passed on to the consumer.

We have gone beyond this and said that in this country we as a party believe the most important part of the economic fibre is the small business community. We recommended in October, 1972, and have reiterated since, that there must be a program designed to provide incentive for the small businessman. We have talked about tax credits. We have talked about being able to invest and receive credit for one's investment on a tax basis or

through elimination or lowering of what really is taxable income.

The result of this, for the benefit of my NDP colleagues, is that there would be a further billion dollar incentive in the Canadian economy. Perhaps the leader of the NDP might ask, "What's a billion?" Unlike my colleagues across the way, we say this type of expansion with another billion dollars in the economy would have a very beneficial effect. Given the fact that we have that kind of expansion, we have agreed that it would be of little avail to have that kind of expansionary policy on the one hand and on the other hand to have some kind of system of inflation that would eat away the real value to the consumer.

We are taking a stand which I believe is dramatic in Canadian history. We have said that given that type of expansionary approach on the one hand, we would be prepared to impose a 90-day freeze on prices and wages in this country, with one or two exceptions. It was indicated that by using the 90 days as a short-term approach, with consultation which we believe to be absolutely essential with the provinces, unions, consumer groups and other groups in Canada, we could come up with guidelines that would satisfy many of the question marks people have in their minds.

• (2130)

We realize that there are many question marks. I have heard my colleagues in the House and people in various groups talk about the many problems that are raised when prices and wages are frozen or controlled. With this in mind, we have recommended a 90-day freeze, with proper consultation for longer term planning. With this combination I can stand here tonight before members of the House, and I will stand anywhere in Canada, and say to my friends in the NDP and to the voters for the NDP—and gain votes with this kind of approach—that this will have a beneficial effect on the Canadian nation.

Some hon. Members: Hear, hear!

Mr. Lundrigan: I spoke earlier of the time in May of 1972 when we had the man from the east coming before us with his cosmetic kit. That is what we saw last Monday evening. He presented Canadians with a beautiful make-up job, with all the rouges, eyebrow-pencils and all the stuff that some ladies put on their faces—and perhaps some gentlemen too, for all I know. He painted this beautiful face; he did a good face-lifting job. This is what he gave us. We say that a face-lifting job is inadequate. We say that now, in 1973, after five years of this type of approach, we need a body building effort and that is what we have offered the Canadian people.

Some hon. Members: Hear, hear!

Mr. Lundrigan: That is what we have offered them in the program outlined by the Leader of the Opposition, the hon. member for Don Valley and the hon. member for Edmonton West. In conclusion, just in case there are any members to my left who did not understand what I have just said and what we have been saying in the last week and in the last four years, I should like to say something for the record. I can hardly believe that politics can get down to this level and that this is the approach of my friends to the left who have spoken the same language that we speak on this side of the House. Here we have the hon. member for Oshawa-Whitby (Mr. Broadbent). We know where he will be, depending on the way he votes tonight.

[Mr. Lundrigan.]

An hon. Member: He will be in Oshawa.

Mr. Lundrigan: It sounds as if he is getting homesick. I want to say, in conclusion, that tonight will be a real test of the position of individual members of the NDP. I predict that a good number of the members of that party—I do not know exactly how many—will realize the calling that was referred to again by my colleague, the hon. member for Provencher, and stand up for their principles. I predict that some members of that party will stand on their convictions rather than follow the lack of leadership given by the hon. member for York South.

Some hon. Members: Hear, hear!

Mr. Lundrigan: I want to read again the motion of the hon. member for Edmonton West and that of the Minister of Finance on which they will be voting. The motion reads:

> That this House approves in general the budgetary policy of the government.

The hon. member for Edmonton West moved an amendment that all the words after "That" be deleted and the following substituted therefor:

> while acknowledging certain beneficial provisions in the budget proposals, this House regrets that they do not contain measures that will substantially reduce continuing high unemployment, effectively contain the spiralling cost of living or provide any incentives to Canadians to increase their participation in Canadian business enterprise and development.

That motion should provide no difficulty for members who are interested in the future development of our nation to support the hon. member for Edmonton West.

Some hon. Members: Hear, hear!

Hon. Bryce Mackasey (Verdun): Mr. Speaker, I regret missing a few minutes—I hope it was only a few minutes—of the beginning of the address of the hon. member for Gander-Twillingate (Mr. Lundrigan) who is obviously one of the better debaters in the House of Commons. He showed very early in his remarks—at least when I was in the House—a real and sincere concern for the effects of unemployment. He spoke eloquently and with conviction about the dramatic and the traumatic effects which unemployment has on family life.

He pointed out something that most of us who remember the depression years know, namely, the degradation that the father or the chief breadwinner feels when he is out of work through no fault of his own. He spoke with great feeling about the effects of unemployment. He could have gone on to describe the 1930s as I did the other day, the soup kitchens, the bread lines and my community which the hon. member for Saint-Hyacinthe (Mr. Wagner) knows so well, where people burned their cupboard doors in the winter in order to prevent the pipes from freezing and to provide some heat.

Having said this, it is hard to reconcile this eloquence with his inability to drive home to his own party in caucus that the only thing standing between the type of existence which he describes so eloquently and the same thing happening today is unemployment insurance. How does he reconcile the fact that his party did its best during the election campaign to destroy the very act which prevented the return of the hungry thirties?

An hon. Member: That is nonsense.

Mr. Mackasey: I have never hidden my concern for unemployment. I have expressed support in the House, as did the former leader of the NDP, when the former minister of finance was here and a discussion took place on selected wage and price controls to endorse it as an alternative to a fiscal and monetary policy which drives 500,000 or 600,000 people out of work. We can no longer return to this type of policy in the future if we ever reduce unemployment to a decent level.

It is very hard to reconcile the position of a party which has now discovered the social implications of mass unemployment with their attitude during the election campaign when they were prepared to destroy the only plan that stood between degradation and at least a decent income while people were waiting for the economy to pick up.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Mackasey: The hon. member for Edmonton West (Mr. Lambert) has shown the people how callous he is and what little concern he has for the unemployed. At least the hon. member for Gander-Twillingate, the hon. member from Cape Breton and the hon. member from Newfoundland had the courage of their convictions when they voted for the unemployment insurance amendments, because they know what unemployment is and they know that above all else, the coal miner in Cape Breton and the fisherman in Newfoundland deserve a job; and if it is not there, through no fault of his own, he is entitled to a decent unemployment insurance plan that is not reduced to the level of welfare.

Some hon. Members: Oh, oh!

Mr. Mackasey: If we had listened to the advice of the Leader of the Opposition (Mr. Stanfield) and raised the level of the unemployment insurance qualification to 20 weeks, we would have thrown hundreds or thousands of people in the Maritimes on the welfare rolls. And now the Tory party has suddenly discovered the social effects of unemployment! Only a few months ago, last October, they were prepared to disown the unemployed and, if possible, to rise to power on the backs of the unemployed.

• (2140)

Mr. Alexander: You are less than honest.

Mr. Mackasey: The hon. member for Hamilton West (Mr. Alexander) was the first to disown the very act which, until his speech on Bill C-124, was a monument to his own progressive thinking, to the same extent as it was to the former minister who introduced the bill in the first place. I will vote for the budget; and if there is not enough stimulus for the economy, then in a few months the Minister of Finance (Mr. Turner) can certainly provide more: he is a flexible individual. There is no reason why we should be stuck to one budget a year, as used to be the case. As a matter of fact, the trend now is toward introducing two or three budgets a year.

One of the hon. gentlemen opposite who made a fine speech a few days ago forgot to mention in this debate that the most effective means of reducing unemployment is an across the board reduction in sales tax, as indicated by the econometric model computer in the University of Toronto. Not coupled with personal income tax reductions, which the party opposite endorsed; nor did it include a reduction of the sales tax on building materials. There were three different, fundamental formulae fed into that model. The first was a reduction of sales tax, excluding a personal income tax reduction, the second was a reduction in the building materials tax alone and the third was a personal income tax reduction. The first, a general reduction in sales tax, proved to have the most stimulus on the manufacturing sector. But, in addition, we have reduced personal income tax because it was obvious, as a result of inflation and the growth of the wage rate pattern in the country, as indicated by the Minister of Finance yesterday, that in effect we were overtaxing people.

As a consequence we have reduced income tax and at the same time the Minister of Finance has reduced sales tax on certain commodities. As I say, if we need more stimulus for the economy in a matter of three, four or five months there will be nothing to prevent the Minister of Finance from further reducing sales tax on clothing and on other items in order to assist manufacturing. But it is very hard to reconcile the very emotional concern for the unemployed expressed by the hon. member for Gander-Twillingate tonight on behalf of his party with the callous, indiscriminate and vehement way in which that party tried to destroy the unemployment insurance scheme during the election campaign.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Mackasey: Hon. members opposite may holler, but I say to them that one of your own members tonight had the courage to tell you about unemployment. He had the courage to explain to you exactly the degradation of unemployment. He had the courage to tell you its effect on the family unit. He had the courage to remind you of the hungry thirties. And you don't want to be reminded because you know in your hearts that you voted the wrong way on unemployment insurance. You cannot turn the clock back on your action, and sooner or later when the next election comes around, in the Atlantic provinces you will have to answer for your attitude to the unemployed and the unemployment insurance scheme. You cannot have it both ways.

One hon. member who can have it both ways is the hon. gentleman from Gander-Twillingate, because he voted according to his conscience. He knew it would be embarrassing to stand and vote against his own party, but he did

that the other day, as did another hon. member from Cape Breton and one from Newfoundland. They know that the unemployment insurance scheme means the difference between turning to welfare or possible starvation to the unemployed in their communities, and they at least showed their concern.

The Acting Speaker (Mr. Boulanger): Order. It being 9.45 o'clock p.m., it is my duty, pursuant to section 7 of Standing Order 60, to interrupt these proceedings and put forthwith the question necessary to dispose of the amendment now before the House. The question is on the amendment. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Boulanger): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Boulanger): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Boulanger): Call in the members.

The House divided on the amendment (Mr. Lambert, Edmonton West) which was negatived on the following division:

• (2150)

(Division No. 12)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre
Arrol
Atkey
Baker
Baldwin
Balfour
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bell
Blenkarn
Boisvert
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Danforth
Darling
Dick
Dinsdale
Ellis
Epp
Fairweather
Forrestall
Fortin
Frank
Fraser
Gauthier (Roberval)
Gillies
Godin
Grafftey
Hales
Haliburton
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift-Current-Maple Creek)
Hargrave
Hees
Hellyer
Higson
Hollands
Holmes
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Howie
Hueglin
Hurlburt
Jarvis
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Kuntz
Lambert (Edmonton West)
Laprise
Lawrence
Lundrigan
MacDonald (Egmont)
MacDonald (Miss) (Kingston and The Islands)
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
Madill
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Morgan
Muir
Munro (Esquimalt-Saanich)
Murta
Neil (Moose Jaw)
Nesbitt
Nielsen
Nowlan
O'Connor
O'Sullivan
Paproski
Patterson
Reilly
Reynolds
Ritchie
Roche
Rynard
Schellenberger
Schumacher
Scott
Skoreyko
Stackhouse
Stanfield
Stevens
Stewart (Marquette)
Taylor
Thomas (Moncton)
Towers
Wagner
Whittaker
Wise
Woolliams
Yewchuk—111.

NAYS

Messrs.

Allmand
Andras
Barnett
Basford
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blaker
Blouin
Boulanger
Breau
Brewin
Broadbent
Buchanan
Caccia
Cafik
Campbell
Caron
Chrétien
Clermont
Comtois
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Firth
Fleming
Foster
Fox
Gauthier (Ottawa East)
Gendron
Gilbert
Gillespie
Gleave
Goyer
Gray
Grier
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Harney
Herbert
Hopkins
Howard
Hymmen
Isabelle
Jamieson
Jerome
Knight
Knowles (Winnipeg North Centre)
Lachance
Laflamme
Lajoie
Lalonde
Lang
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.)
Mackasey
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mather
McRae
Morin (Mrs.)
Munro (Hamilton East)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
Olaussen
Olivier
Orlikow
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Peters
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rodriguez
Rompkey
Rooney
Rose
Rowland
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)

Division

Messrs:

Stanbury	Thomas (Maisonneuve-Rosemont)	Turner (Ottawa-Carleton)
Stewart (Okanagan-Kootenay)	Trudeau	Walker
Stewart (Cochrane)	Trudel	Watson
Stollery	Turner (London East)	Whelan
Symes		Whicher
		Yanakis—140.

• (2210)

Mr. Speaker: I declare the amendment lost. The House will now adjourn until two o'clock tomorrow afternoon.

At 10.15 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, February 27, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

FISHERIES

PROPOSED INQUIRY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, pursuant to Standing Order 43, and in light of the increasing backlog of crisis situations in the east coast, west coast and inland fisheries of Canada, which are being left unresolved by the Minister of Fisheries (Mr. Davis) and the government, I ask leave of the House, seconded by the hon. member for Coast Chilcotin (Mr. Olaussen), to move as a matter of urgent and pressing necessity the following motion:

That in the opinion of this House the government should establish immediately an independent commission to make a public investigation of the fishing industry of Canada and of the role of the federal fisheries service; and that by its terms of reference the commission be instructed first to examine the ban on commercial salmon fishing in New Brunswick and Newfoundland, its impact on the livelihood of the people involved, and whether continuance of the ban is justifiable or necessary.

Mr. Speaker: The hon. member for Comox-Alberni proposes a motion under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

PUBLIC WORKS

PER CAPITA EXPENDITURES ON PROVINCIAL BASIS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise pursuant to Standing Order 43 to request the unanimous consent of the House on a matter of urgent and pressing necessity. Whereas the 1973-74 estimates of the Department of Public Works reveal that, despite the principle of equitable distribution as articulated by the present Minister of National Defence (Mr. Richardson) on behalf of the government, British Columbia will receive $1.56 per capita of these expenditures, and whereas the province of Ontario will receive $9 per capita excluding expenditures in the national capital, and in view of the high rate of unemployment in the province of British Columbia, I therefore move, seconded by the hon. member for Fraser Valley West (Mr. Rose):

That the question of inequity in the per capita distribution of public works expenditures be referred to the Standing Committee on National Resources and Public Works to throw light on the real criteria used in determining the 1973-74 expenditures.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

DECENTRALIZATION OF BENEFIT PAYMENT SYSTEM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. René Matte (Champlain): Mr. Speaker, in view of the difficulties encountered by those in receipt of unemployment insurance benefits, particularly due to inadmissible delays in payments, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the Standing Committee on Labour, Manpower and Immigration recommend the decentralization of the benefit payment system.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Champlain. Under the Standing Orders, that motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

SPORTS

FINANCIAL ASSISTANCE TO TRAIN ATHLETES FOR 1976 OLYMPIC GAMES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Roland Godin (Portneuf): Mr. Speaker, pursuant to Standing Order 43, I ask for the unanimous consent of the House to move a motion of urgent and pressing necessity.

In view of the poor support given to our Canadian amateur athletes in their training and the mediocre per-

formance of Canada in international competitions, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That this House create a special committee which will consider the possibility of direct financial assistance by the federal government to help amateur sport present qualified athletes at the Montreal Olympic Games in 1976, the said committee being asked to report within six months of its establishment.

Mr. Speaker: Hon. members have heard the motion of the hon. member for Portneuf. Under our rules, this motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is not unanimity, the motion cannot be put.

* * *

• (1410)

[*English*]

MAIN ESTIMATES, 1973-74

REFERENCE OF ITEMS TO STANDING COMMITTEES

Hon. Allan J. MacEachen (President of the Privy Council): Mr.Speaker, pursuant to Standing Order 59 I move, seconded by the President of the Treasury Board (Mr. Drury):

That the estimates of the sums required for the service of Canada for the year ending March 31, 1974, be referred to the several standing committees of the House as follows:

I have circulated some copies of this motion which is very detailed. It would take a very long time to read it. I hope we can dispense with the reading of the votes.

[*Editor's Note: The balance of the motion follows:*]

To the Standing Committee on Agriculture

Votes 1, 5, 10, 15, L20, 25 and 30 relating to the Department of Agriculture.

Vote 35 relating to the Canadian Dairy Commission.

Votes 40 and 45 relating to the Canadian Livestock Feed Board.

Vote 50 relating to the Farm Credit Corporation.

To the Standing Committee on Broadcasting, Films and Assistance to the Arts

Votes 1, 5, 10, 15, 20, 25, 30, 35 and 40 relating to the Department of the Secretary of State.

Vote 45 relating to the Canada Council.

Votes 50 and L55 relating to the Canadian Broadcasting Corporation.

Vote 5 relating to Information Canada.

Vote 60 relating to the Company of Young Canadians.

Vote 65 relating to the National Arts Centre Corporation.

Votes 70 and L75 relating to the National Film Board.

Vote 80 relating to the National Library.

Votes 85 and 90 relating to the National Museums of Canada.

Votes 95 and L100 relating to the Public Archives.

To the Standing Committee on External Affairs and National Defence

Votes 1, 5, 10 and 15 relating to the Department of External Affairs.

[Mr. Godin.]

Votes 20, 25 and L30, relating to the Canadian International Development Agency.

Vote 35 relating to the International Joint Commission.

Votes 1, 5, 10, 15, 20 and 25 relating to the Department of National Defence.

Vote 30 relating to Defence Construction (1951) Limited.

To the Standing Committee on Finance, Trade and Economic Affairs

Votes 1, 5 and 10 relating to the Department of Finance.

Vote 20 relating to the Department of Insurance.

Vote 25 relating to the Tariff Board.

Votes 1, 5, 10, L15, L20, 25, 30 and 35 relating to the Department of Industry, Trade and Commerce.

Vote 40 relating to the Standards Council of Canada.

Vote 45 relating to Statistics Canada.

Vote 20 relating to the Economic Council of Canada.

Votes 1 and 5 relating to the Department of National Revenue.

To the Standing Committee on Fisheries and Forestry

Votes, 1, 5, 10, 15, 20 and 25 relating to the Department of the Environment.

To the Standing Committee on Health, Welfare and Social Affairs

Votes 1, 5, 10, 15 and 20 relating to the Department of Consumer and Corporate Affairs.

Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45 and 50 relating to the Department of National Health and Welfare.

Votes 55 and 60 relating to the Medical Research Council.

Votes 1 and 5 relating to the Ministry of State for Urban Affairs.

Votes 10 and L15 relating to Central Mortgage and Housing Corporation.

Votes 20, 25 and L30 relating to the National Capital Commission.

To the Standing Committee on Indian Affairs and Northern Development

Votes 1, 5, 10, L15, L20, 25, 30, 35, L40, L45, L50, L55, L60, L65, 70, 75 and 80 relating to the Department of Indian Affairs and Northern Development.

Vote L85 relating to the Northern Canada Power Commission.

To the Standing Committee on National Resources and Public Works

Votes 1, 5, 10, L15 and 20 relating to the Department of Energy, Mines and Resources.

Votes 25 and 30 relating to the Atomic Energy Control Board.

Votes 35, 40, L45 and L50 relating to Atomic Energy of Canada Limited.

Vote 55 relating to the National Energy Board.

Votes 1, 5, 10, 15, 20, 25, L30, 35 and 40 relating to the Department of Public Works.

To the Standing Committee on Justice and Legal Affairs

Vote 1 relating to the Department of Justice.

Vote 5 relating to the Law Reform Commission of Canada.

Vote 10 relating to the Tax Review Board.

Vote 1 relating to the Department of the Solicitor General.

Votes 5, 10 and 15 relating to Correctional Services.

Votes 20 and 25 relating to the Royal Canadian Mounted Police.

To the Standing Committee on Labour, Manpower and Immigration

Vote 1 relating to the Department of Labour.

Vote 30 relating to the Unemployment Insurance Commission.

Votes 1, 5, 10, 15 and 20 relating to the Department of Manpower and Immigration.

Vote 25 relating to the Immigration Appeal Board.

To the Standing Committee on Regional Development

Votes 1, 5, 10, L15, L20, L25 and L30 relating to the Department of Regional Economic Expansion.

Votes 35, 40 and 45 relating to the Cape Breton Development Corporation.

To the Standing Committee on Transport and Communications

Votes 1 and 5 relating to the Department of Communications.

Vote 15 relating to the Canadian Radio-Television Commission.

Vote L10 relating to the Canadian Overseas Telecommunication Corporation.

Votes 1 and 5 relating to the Post Office.

Votes 1, 5, 10, 15, 20, 25, L30, 35, 40, 45, 50 and 55 relating to the Department of Transport.

Vote 60 relating to the Atlantic Pilotage Authority.

Votes 65 and 70 relating to the Canadian Transport Commission.

Vote 75 relating to the Great Lakes Pilotage Authority Ltd.

Vote 80 relating to the Laurentian Pilotage Authority.

Votes 85 and L90 relating to the National Harbours Board.

Vote L95 relating to Northern Transportation Company Limited.

Vote 100 relating to the Pacific Pilotage Authority.

Votes 105 and 110 relating to the St. Lawrence Seaway Authority.

To the Standing Committee on Privileges and Elections

Vote 10 relating to the Chief Electoral Officer.

To the Standing Committee on Veterans Affairs

Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50 and 55 relating to the Department of Veterans Affairs.

To the Standing Committee on Miscellaneous Estimates

Vote 1 relating to the Governor General and Lieutenant Governors.

Votes 1 and 5 relating to the Privy Council Office.

Vote 15 relating to the Commissioner of Official Languages.

Vote 25 relating to the Public Service Staff Relations Board.

Vote 1 relating to the Ministry of State for Science and Technology.

Vote 5 relating to the Science Council of Canada.

Vote 105 relating to the Public Service Commission.

Votes 1 and 5 relating to the Department of Supply and Services.

Vote 10 relating to Canadian Arsenals Limited.

Vote 15 relating to the Auditor General.

Vote 15 relating to the Canadian Commercial Corporation.

Votes 1, 5, 10, 15 and 20 relating to the Treasury Board.

Votes 25, 30 and 35 relating to the National Research Council of Canada.

To the Standing Committee on Procedure and Organization

Vote 1 relating to the Senate.

Vote 5 relating to the House of Commons.

Vote 10 relating to the Library of Parliament.

Mr. Baldwin: Mr. Speaker, I have spent two hours looking through the list and it would seem to be reasonably well in order. However, I should like to take a moment on a point of order. I realize this is not a debatable motion and I do not intend to debate it. I have a very serious suggestion to make to the government House leader and in fact to all hon. members. We have had one parliament in which we have had experience with this method of dealing with the estimates. I have reason to believe we are rapidly approaching the end of another parliament which will be the second experience. There is no doubt in the minds of all hon. members who have participated in committees that we have developed a committee jungle. I am not saying that disparagingly of any party or any hon. member, but it is a fact of life. We have discovered it. Your Honour knows as well as I do the complaints, requests, points of order and questions of privilege that have been raised in the House and have made it abundantly plain that this is the case. In addition, an increasingly large number of votes in the estimates are of a legislative nature but are not based on legislation, thereby preventing hon. members from having that opportunity for discussion they would normally have on the second reading, report and third reading stages of a bill.

For these reasons, while we do not intend to oppose this motion—we did toy with the idea—I urge the government House leader to give some consideration to the proposition which has been discussed on a number of occasions that several departments might well be dealt with by the House under conditions that would supply ample safeguards so that there can be a reasonable method of dealing with some of the departments that by their nature need to be discussed in the House as well as in committees.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as the hon. member for Peace River (Mr. Baldwin) has pointed out, this motion is not debatable. However, I wonder if I could be permitted to ask the government House leader one question so that the point will be clear to all hon. members. Can the government House leader indicate whether there are any changes in this motion from the comparable motion of last session? In other words, are the estimates of any department or agency being referred to a different committee than was the case last year?

Mr. MacEachen: Mr. Speaker, as I went through the votes I believe there was one vote which had been shifted from a former standing committee to reflect new ministerial responsibilities. It is not a matter of principle with me, and I will advise my hon. friend in detail about it. If the House wishes to have anything altered there would be no objection.

If I may, Your Honour, I should like to comment briefly on the point of order raised by the hon. member for Peace River. The supply Standing Orders under which we are working may be a jungle and the committee system may be a jungle, but it was a jungle into which we voluntarily entered as a House of Commons. There were certain controversial aspects of the rules changes but the House as a whole did accept the new supply procedures and the new committee structure with, I believe, a sincere hope that they would improve the situation.

Having said that, Mr. Speaker, I am quite happy to co-operate with hon. members to bring estimates before the House of Commons provided there are certain safeguards. It seems to me that was a point of view I held when the procedure committee examined the matter of estimates, but wiser heads prevailed, including that of my hon. friend from Peace River, and that advice was not followed. However, I am glad to see that he has reached the same destination after four or five years.

Mr. Speaker: Order, please. The Chair recognizes the hon. member for Lotbinière on the point of order.

[*Translation*]

Mr. Fortin: Mr. Speaker, I will not repeat what the hon. member for Peace River (Mr. Baldwin) and the hon. member for Winnipeg North Centre (Mr. Knowles) have said, since I share their fears and opinions on this matter.

I could speak at length about the committee system and about the way in which the government uses committees for referring budget estimates; I want it to know that this party does not approve of this procedure. Even though there were special circumstances that led to this budget's being presented earlier than expected, the fact remains, Mr. Speaker, that the government acts unilaterally when it refers these estimates to committee in this way, and thus prevents those of some departments from being studied by the committees.

[*English*]

Mr. Nielsen: Mr. Speaker, I rise on the point of order but my remarks are in a slightly different direction. The point concerns the government House leader and it should also concern the Minister of Justice (Mr. Lang). My point of order concerns the requirements of Standing Order 82 (1) having to do with reports and returns which it is mandatory that public officers and private corporations make to the House of Commons. In order to have any intelligent discussion of the estimates, either here or in committee, it seems to me that the law should be complied with and the reports required to be tabled in the House tabled on time.

The Department of Consumer and Corporate Affairs tabled its report on January 4 last year for the year ended March 31, 1971. The Department of Energy, Mines and Resources tabled its report on January 30 last year for the year ended March 31, 1971. The Department of External Affairs tabled its report on January 4 of this year for the year ended December 31, 1971. The Department of National Health and Welfare tabled its report on January 4 of this year for the year ended March 31, 1971. The Department of Public Works tabled its report on January 4 of this year for the year ended March 31, 1971. We can see that all of these reports for these departments are at least a year old and should have been tabled a year ago. We cannot have intelligent discussion of estimates under these conditions.

The report on the fitness and amateur sport program was tabled on January 4, 1973, for the year ended March 31, 1971. The report on the Canada Assistance Plan was tabled on January 4 of this year for the year ended March 31, 1971. The report on the Canada Pension Plan was tabled on April 25, 1972 for the year ended March 31, 1971. The report on old age assistance was tabled on June 14, 1972 for the year ended March 31, 1971. The report on the Unemployment Insurance Act was tabled on January 4 of this year for the year ended March 31, 1971.

Here, Sir, my point of order resolves itself into a question of privilege concerning documents which, contrary to the legal requirements, have been tabled late. The Department of Agriculture is to table its report within the first 21 days after a session of parliament commences. It was tabled on February 7, 1973. The Department of Communications is supposed to table its report on or before January 31 following the end of the fiscal year, or within the first five days of the next session. It was tabled on February 12, 1973. The Department of the Environment did the same, its report being tabled on February 21, 1973. The Department of Regional Economic Expansion also did the same; its report was tabled on February 9, 1973. The Department of the Secretary of State was supposed to table its report within the first ten days of the next session; it was tabled on January 4, 1973, for the fiscal year ended March 31, 1971, and on February 16, 1973, for the fiscal year ended March 31, 1972. This, of course, only treats of departmental reports.

[Mr. Speaker.]

• (1420)

The other day the Minister of State for Urban Affairs (Mr. Basford) had something to say about his capital budget. According to my reading of the rules, under Standing Order 82(1) the budget of Central Mortgage and Housing Corporation should have been tabled at the end of the year, and that has gone by.

We cannot function properly and conduct the business of the House or of the standing committees efficiently unless the government complies with the law and tables these reports as required.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if I may rephrase the question I asked a few minutes ago, in the hope that I may get the answer I feel the House is entitled to have at this time. Is it a fact that the estimates of the Canadian Radio-Television Commission are being referred this time to the Standing Committee on Transport and Communications rather than to the Standing Committee on Broadcasting, Films and Assistance to the Arts, but that otherwise all of the estimates are being referred to the same committees to which they were referred last session?

Mr. MacEachen: I believe that is the particular vote I had in mind, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): That is what I wanted you to say the first time.

Mr. Baldwin: What's the matter? Is your telephone line to him broken down?

Motion agreed to.

* * *

COMBINES INVESTIGATION ACT

AMENDMENT TO ENSURE RETURN OF OPERATION OF SERVICE STATIONS TO INDIVIDUAL PROPRIETORS

Mr. Max Saltsman (Waterloo) moved for leave to introduce Bill C-153, to regulate trade and commerce.

Some hon. Members: Explain.

Mr. Saltsman: Mr. Speaker, the purpose of this bill is to put into effect certain conclusions arrived at by a number of commissions that have examined the operations and structure of the oil industry. The aim is to ensure the return of the operation of service stations to the individual proprietors and to permit the further expansion of small business.

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

ORAL QUESTION PERIOD

FINANCE

WHOLESALE PRICE INDEX INCREASE—ACTION TO AVERT RETAIL PRICE INCREASES—SUGGESTED CONFERENCE WITH PROVINCES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, one of our main concerns today is the increasing wholesale prices index. My question is therefore directed to the Minister of Finance. In light of the fact that the government's own figures show that wholesale prices rose by a full 2.5 per cent last month, an increase, I may say, Sir, of 12.3 per cent over January, 1972—

Some hon. Members: Question!

Mr. Lawrence: My question to the minister is this: in light of the fact that this index has been rising at an accelerating annual rate since last August—

Some hon. Members: Question!

Mr. Lawrence: —would the Minister of Finance advise the House what action the government is now going to take to avert the accelerating retail price increases that will ultimately follow these wholesale price increases?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in the budget last week we took steps to increase the disposable income of all Canadians, particularly lower and middle income Canadians, in order to compensate them for the rise in cost of living, particularly food prices, and we lowered the sales tax and tariff on several food and near food items in order to increase the average Canadian budget to meet this situation.

Mr. Lawrence: If that is the only action the Minister of Finance intends to take, Mr. Speaker, I wonder if I could pose a question to the second in command, the Prime Minister. Is he prepared to hold emergency conferences—this is an emergency we are facing right now—with the provinces at this time to see if common targets and common policies for stabilizing prices can be established?

Mr. Hees: No fuddle-duddle, now.

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

FOOD PRICES—GOVERNMENT DEFINITION OF ACCEPTABLE INCREASE—CONTINGENCY PLAN

Mr. James A. McGrath (St. John's East): I have a supplementary for the Minister of Finance, Mr. Speaker. In response to the growing inflationary expectation in the economy, may I ask whether the minister is prepared to advise the House and the country that he has now arrived at a definition of reasonable price increases for 1973, and is he prepared to state that he is now going to act to keep prices within such a level?

Hon. John N. Turner (Minister of Finance): I think I have already dealt with that question in answer to the same hon. member, Mr. Speaker.

Mr. McGrath: May I ask the minister—perhaps he did not understand my question—if he is prepared to tell the House and the country at what level the government expects an emergency to arise in regard to price increases? In other words, at what level of price increases will the government's so-called contingency plan be put into effect?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I said before that present circumstances do not warrant the imposition of any sort of price and wage controls, particularly as it relates to food. That could not be achieved unless there was a strong public consensus to that effect. I do not find that consensus with labour, with the farmers or with other significant groups, including provincial governments.

TARIFF AND SALES TAX REDUCTIONS—MONITORING SYSTEM TO ENSURE CONSUMERS GET BENEFIT

Mr. Ron Atkey (St. Paul's): Mr. Speaker, I have a supplementary for the Minister of Finance. In light of the declared intention of the tariff and sales tax reductions to reduce prices in certain areas, can the minister tell the House whether machinery has been set up to ensure that these reductions are passed on to the consumer?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we are setting up a monitoring system. I am satisfied that the initial reaction to the sales tax reductions has been good. Many of the major retailers across the country have taken 15 per cent to 10 per cent off children's clothing and food and near food commodities. I think it has been very encouraging to this stage.

PRICE INCREASES—IMPACT OF MONOPOLY POWER ON ECONOMY

Mr. Ron Atkey (St. Paul's): I have a supplementary question for the Minister of Consumer and Corporate Affairs. What steps has the minister taken or is he prepared to take to investigate the impact of monopoly power on the economy as a contributing factor in the shocking price increases?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: A real socialist.

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will continue to see that the officials of the combines branch of my department carry out the statutory duties imposed upon them by parliament.

Oral Questions

PRICE INCREASES—POSSIBILITY OF ESTABLISHMENT OF PRICES REVIEW BOARD

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary is directed to the Minister of Finance. In view of the price increases referred to earlier as well as increases in areas such as farm machinery, can the minister state whether the government or his department is considering the institution of a prices review board to monitor and act on unjustified increases in prices?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have already dealt with that situation very fully on budget night.

• (1430)

[*Translation*]

REQUEST FOR GRANTS TO AVOID INCREASE IN PRICE OF MILK PRODUCTS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a supplementary for the hon. Minister of Finance.

In view of the reduction of sales tax on soft drinks announced in the recent budget, would the minister consider granting subsidies to the producers to prevent a rise in the prices of dairy products?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that comes under my colleague's jurisdiction. I will discuss it with him in any case.

[*English*]

Mr. Speaker: Order, please. Three or four members are seeking supplementaries on this subject. Perhaps the Chair might be allowed to recognize the hon. member for Edmonton Centre on a last supplementary for the moment, and then we will try to conclude the first round of questioning. If hon. members think we should spend more time on this subject, I will return to hon. members who are seeking to ask supplementaries.

* * *

CONSUMER AFFAIRS

PRICE OF DIETARY FOODS—REQUEST FOR INVESTIGATION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed either to the Minister of Finance or to the Minister of Consumer and Corporate Affairs. I would ask those ministers to please have their officials check into the price of dietary and low calorie foods—

Some hon. Members: Oh, oh!

Mr. Paproski: —so that unfortunates who are diabetic and overweight will not be discriminated against, as the price of these foods has risen between 50 and 80 per cent?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will be happy to consult with my colleague, the Minister of Finance, on this. It is my impression that the reductions he announced with respect to sales tax and customs duties will apply to those categories of foods as well as to those more specifically referred to in the budget.

[Mr. Gray.]

Mr. Paproski: Would the minister make a statement on motions as soon as he has gathered all the information? This is an unfortunate situation in that sugar is taken out of these foods but the prices still keep going up.

* * *

TRADE

CANADA-UNITED STATES—SUGGESTED RESUMPTION OF NEGOTIATIONS IN LIGHT OF STATEMENT BY U.S. OFFICIAL ON CANADIAN ASSISTANCE TO EXPORT INDUSTRIES

Mr. David Lewis (York South): Mr. Speaker, I am afraid I am still chortling about the last question. I should like to direct a question to the Minister of Industry, Trade and Commerce arising out of a report I have received that the executive director of the President's Council on International Economic Policy, giving evidence before a Senate committee this morning, informed the committee that the President of the United States intends to use every effort to discourage countries like Canada from subsidizing, as he called it, export industries such as Michelin. I would ask the minister whether negotiations have now been resumed between the two countries, since such a policy declaration would affect not only the grants given to Michelin but a good many other policies and programs of the Canadian government?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, on previous occasions I have told the House of our concern with respect to the decision on Michelin and the reasons why we think the United States government should review that decision. All this was put before the House in a note tabled on January 19. The other point I would make, in answer to the hon. member, is simply that in that note we asked for formal consultations with the United States under article 22-1 of GATT.

Mr. Lewis: I knew that, of course, and I would therefore like to ask the minister whether there has been any reply from the administration in Washington to the note that has been sent?

Mr. Gillespie: Mr. Speaker, we are still awaiting that reply and hope to receive it shortly so that we can enter into the formal consultations we have requested.

Mr. Lewis: In view of the extreme importance of this development to Canada and its future and the necessity to try to exert some influence before a decision is made which may then become irreversible, is the government taking steps to expedite the negotiations with Washington and to see to it that answers are given not in due course but with some expedition?

Mr. Gillespie: Mr. Speaker, of course we have followed up the formal note with further representations at the official level, and we are awaiting the reply, as I told the hon. member. I do not want to create the impression that we are likely to be able immediately to effect a reversal,

because the settlement of this issue may well have to go to the United States courts and that may well be a lengthy process.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a supplementary question to the Minister of Industry, Trade and Commerce. As testimony in Washington this morning by a key official of the senior advisory body to the President constituted in effect a repudiation of the Canadian government's position, whether or not the Americans have yet replied formally to the Canadian note, will the minister undertake now to make a direct appeal to GATT on the U.S. decision?

Mr. Gillespie: Mr. Speaker, under GATT the rules require that there first be formal consultations between the two parties to the dispute, and then and only after that can there be a registration under the multilateral provisions.

Hon. Paul Hellyer (Trinity): Mr. Speaker, may I direct a supplementary question to the Minister of Industry, Trade and Commerce. Does the minister not feel, in the circumstances, that it is absolutely essential to recommence negotiations at the ministerial level at once in order to reach some accord which would allow Canadian businessmen, provinces and other interested parties to plan effectively?

Mr. Gillespie: Mr. Speaker, I do not think it is essential that the Secretary of the Treasury and I meet immediately on this point. I think the Canadian government's position has been put very clearly in more than one way and at more than one time. I would hope that this message has got through. I look forward, let me assure the House, to meeting with the Secretary of the Treasury in the near future.

Mr. Hellyer: In view of Mr. Flanigan's further suggestion that Mr. Nixon should be given strong powers to raise or lower tariffs as bargaining chips in trade negotiations, does the minister still feel that the Canadian government played Canada's chips well in making unilateral reductions in tariffs in the budget of last week?

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

C.I.P. PLANT, TEMISCAMING—APPLICATION OF TEMBEC TO OPERATE MILL—POSSIBLE ECOLOGICAL EFFECTS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I thank my hon. colleagues for their welcome: they were as anxious to see me again as I was to see them. As a French Canadian, I suffered from bilingualism for a few weeks; I had the English flu.

In any event, Mr. Speaker, London is not bothering me now.

I should like to put a question to the Minister of Regional Economic Expansion.

Can he tell the House about the study undertaken by his department into the request for a subsidy made by those in charge of TEMBEC with a view to reopening the pulp and paper mill at Temiscaming? Can he tell us when he will be in a position to advise us of the decision that will be made in this regard?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I will be pleased, subsequent to the House sitting, to confer with the hon. member in detail on the state of the negotiations. If I may answer as briefly as I know Your Honour will permit, the situation is that there have been a number of meetings, that we are prepared in this particular case to interpret the mandate of the department as broadly as possible in order to accommodate this situation, that the difficulty at the moment is with pollution standards and that we are consulting with the Department of the Environment and with the promoters of the project as well as with the union in an effort to resolve the pollution question. If that question can be resolved with reasonable satisfaction, then I am hopeful the project may be able to go ahead.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, has the minister met recently the TEMBEC authorities precisely in connection with pollution?

[*English*]

Mr. Jamieson: Mr. Speaker, I personally have not met with them since about three weeks ago, but officials have been meeting virtually on a daily basis. I believe there was a meeting yesterday and I had a report this morning. I am looking forward to receiving further information within the next two or three days.

* * *

[*Translation*]

EXTERNAL AFFAIRS

VIET NAM—INQUIRY RESPECTING EXTENSION OF SERVICE OF CANADIAN ELEMENT IN SUPERVISION COMMISSION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to ask a question of the government leader.

In the light of the remarks made by the Secretary of State for External Affairs, could the Prime Minister inform the House if in fact a decision has been taken to extend from 60 to 90 days our initial commitment in Viet Nam and, if so, when was such a decision taken?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the position of the Secretary of State for External Affairs is that should we have to withdraw at the end of the 60 days, and should it be agreeable to other countries that we extend our stay for 30 more days to allow them time to find a substitute, we would give consideration to this 30-day extension.

[*English*]

VIET NAM—PROTECTION OF CANADIAN NEWSPAPER REPORTERS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, may I direct a supplementary question to the Prime Minister. In view of the brief detention of Canadian Press

photographer, Peter Bregg, yesterday, could the Prime Minister undertake to assure maximum protection for Canadian reporters on duty in Viet Nam?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure our officials and personnel there are doing their best to protect every member of the press, particularly my friend, Pierre Bregg.

• (1440)

VIET NAM—CANADIAN ELEMENT IN SUPERVISORY COMMISSION—INQUIRY AS TO RECOMMENDATIONS FOR WITHDRAWAL

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct a supplementary question to the Minister of National Defence. In view of the decision of Red Cross officials to return home almost immediately as a result of a lack of co-operation on the part of the authorities in Viet Nam, can the minister inform the House whether he has received similar recommendations from Canadian officers in the field and, if so, what action does he intend to pursue in this matter?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, we have received no such recommendations from our commander.

INDOCHINA—METHOD OF EXTENDING AID FOR RECONSTRUCTION AND REHABILITATION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. What success has the government had in getting agreement from other countries for the principle that aid for reconstruction and rehabilitation in Indochina be multilateral, through the specialized agencies of the United Nations, rather than bilateral?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am afraid I cannot help the hon. member on this, but I will ask the Secretary of State for External Affairs to consider the question.

[*Translation*]

VIET NAM—INQUIRY RESPECTING LIST OF CANADIAN PRISONERS OF WAR

Mr. Donald W. Munro (Esquimalt-Saanich): I should like to put a question to the Prime Minister, Mr. Speaker.

My question deals with Viet Nam and particularly Canadian prisoners who are held there.

The protocol on the freeing of prisoners stipulates that lists of prisoners were to be exchanged on the very day of the signature of the agreement.

Is the list of Canadian prisoners in the hands of Canadian authorities?

Right Hon. P. E. Trudeau (Prime Minister): I am going to inquire, Mr. Speaker.

[Mr. Wagner.]

[*English*]

SOCIAL SECURITY

FAMILY ALLOWANCES—PRESERVATION OF UNIVERSALITY

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, my question is for the Minister of National Health and Welfare. It is with regard to the proposed bill on family allowances which the minister referred to last week. In light of the fact that universality has been a longstanding feature of the family allowance system, is the minister prepared to indicate to the House and the Canadian public what consideration is being given to preserving universality in the future?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, we are reviewing all aspects of this matter now and I regret not being able to say right now what specific option I shall recommend to my colleagues and to the House.

* * *

[*English*]

HARBOURS

LADNER, B.C.—DATE OF EXPANSION WORK

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of Public Works. In an answer he gave last week to a question I had on the order paper with regard to the lack of expansion of Ladner harbour, the minister said that expansion is still in the discussion stage. Because of the urgency of the problem and because of the fact over 5,000 people in that area have signed a petition, can the minister give us a date when he expects the discussions will be completed and the harbour constructed?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I cannot give a definite date but I will be very happy to try to expedite the matter as much as I can under the circumstances.

Mr. Reynolds: Can the minister tell us whether this will happen in 1973?

Mr. Dubé: Mr. Speaker, we always try to do the impossible but we cannot promise it.

* * *

CANADIAN NATIONAL RAILWAYS

ALLEGED SLOWDOWN BY VANCOUVER YARD CREWS—EFFECT ON GRAIN MOVEMENT

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the Minister of Transport. In his capacity as the minister in charge of reporting for the Crown corporation, Canadian National Railways, is the minister aware of an alleged work slowdown of CNR yard crews in Vancouver possibly causing a slowdown of the movement of

prairie grain through that port? Can he inform the House on that situation?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker, I am very well aware of that situation. We are investigating it right now. I hope to be able to report to the House shortly.

ALLEGED SLOWDOWN BY VANCOUVER YARD CREWS—REASON FOR LOWER PRODUCTIVITY

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have a supplementary question for the Minister of Transport. Has the minister considered investigating whether or not any lowered productivity at the rail terminals in Vancouver is due not to a deliberate slowdown by the men but because of an arbitrary decision by Canadian National to cut yard crews from three to two men despite the fact that today two men are asked to handle twice the number of cars formerly assigned to a three-man crew?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this aspect is also being investigated and I hope to have a report on this also.

[*Later:*]

Mr. Rose: Mr. Speaker, I have a supplementary question for the Minister of Transport. The minister kindly agreed to investigate the productivity aspect of two-man crews in non-automated yards. Will he also consider investigating the safety aspects of handling large trains by men under considerable pressure to produce while 75 per cent of them have no job protection in these times of high unemployment?

[*Later:*]

Mr. Rose: Mr. Speaker, I rise on a point of order. I have no desire to take up the time of the House, but I believe that my supplementary question to the Minister of Transport was not heard by him. Can the minister possibly give me a reply to the third question about which I gave him notice earlier?

Mr. Marchand (Langelier): Mr. Speaker, the hon. member might receive a better answer if he would direct that question to the Minister of Labour who has a report that I do not have.

BUS PASSENGER FARE INCREASE, NEWFOUNDLAND—REQUEST FOR MAINTENANCE OF OLD RATES UNTIL COURT CASE DECIDED

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is to the Minister of Transport. I have given him notice of it. The question concerns the recent increase in fares by Canadian National Railways in Newfoundland with regard to their bus passenger service. In view of the fact that their application to the Newfoundland government's public utilities commission was rejected and the fact that the case is still pending before the Newfoundland Supreme Court, will the minister undertake to instruct Canadian National to revert to their old fare structure pending the outcome of the Supreme Court decision?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, if the facts as revealed are true, I will certainly ask Canadian National to revert to the former fare structure.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

GRANT TO PRETTY-POLLY—MEASURES TO MAKE ENTERPRISE PROFITABLE

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to ask a question to the Minister of Regional Economic Expansion.

Since the Pretty-Polly Company of Mont-Joli has now suspended operations and that it was granted $608,000 by the Department of Regional Economic Expansion, is the minister aware of this matter? If so, what action has he taken or does he intend to take in order that his department's investment of taxpayer money be turned into profits?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, it is not possible within the rules of the question period to answer that question in detail. I can only tell the hon. member that the matter is being investigated and I hope to have a report for him and other interested parties shortly.

* * *

FINANCE

PRICE INCREASES—REQUEST FOR RECONSIDERATION OF IMPOSITION OF CONTROLS IN LIGHT OF POLL RESULTS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I wish to return to the first question regarding the rise in the cost of living and direct a further question to the Minister of Finance. In view of the fact recent polls have shown that the overwhelming majority of the people of Canada want something done to control rising prices, will the minister reconsider this matter in view of this overwhelming desire of the people that something be done?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will have to check those polls again with the hon. member.

Mr. Hees: As the Minister of Finance is unable or unwilling to answer the question and as the second in command, the Prime Minister, is unable and unwilling—

Mr. Speaker: Order, please.

Mr. Hees: —may I direct this question to the third in command—

Mr. Speaker: Order, please.

Mr. Hees: —the hon. member for York South.

Mr. Speaker: Will the hon. member resume his seat.

Oral Questions

AIRPORTS

VANCOUVER INTERNATIONAL—PROPOSED NEW RUNWAY—REQUEST FOR AMENDMENT OF EXPROPRIATION ACT TO ENSURE APPLICATION OF RULES OF NATURAL JUSTICE

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Justice. In view of the fact the Federal Court on February 21, 1973, ruled that the hearing officer hearing the complaints of objectors to the proposed runway at Vancouver airport was not bound to apply the rules of natural justice, and in view of the fact that when the Expropriation Act was before the Standing Committee on Justice and Legal Affairs the then minister of justice stated "we hope that the rules of natural justice would be followed", can the minister advise the House whether he is prepared to introduce immediately an amendment to the act to ensure that the Expropriation Act in fact reflects the intention of parliament so that objectors are not denied the protection of the rules of natural justice?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there is a difference between a technical challenge to the rules which may not be relevant and applying the rules in spirit. I will check the proceedings in parliament to see whether we in fact find that situation to be fully in place today and consider the hon. member's representation.

• (1450)

Mr. Fraser: I thank the minister for saying that he will look into the matter, but in view of what is now obviously a defect in the act would he assure the House that as Minister of Justice he will consult his cabinet colleagues to the end that the present expropriation at Vancouver airport will be stopped until these objectors have had a chance to be heard in a form that properly reflects the intention of parliament and the rules of natural justice?

Mr. Speaker: I am sure that the hon. member appreciates that a question asked in those terms is hypothetical.

* * *

WELFARE

ACTION TO ASSIST RECIPIENTS IN LIGHT OF RISING FOOD PRICES

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, while the Minister of Finance has talked about tax relief for people on low incomes in face of rising food prices, what action does the government intend to take to come to the aid of welfare recipients who are not on the tax rolls and whose benefits are now being eaten up by rising food prices?

Mr. Speaker: The hon. member for Peel South.

[*Translation*]

Mr. Grafftey: Mr. Speaker, I would like to ask a question of the hon. Minister of National Health and Welfare. Perhaps he will answer the question I was just asking.

[Mr. Speaker.]

Hon. Marc Lalonde (Minister of National Health and Welfare): I will answer with pleasure, Mr. Speaker.

As the hon. member surely knows, the Canada Public Assistance Act provides that the federal government will pay 50 per cent of all assistance to the poor. Therefore, it is up to the provinces to decide on the amounts to be paid to those people.

[*English*]

Mr. Grafftey: Mr. Speaker, may I pose a further supplementary question to the Prime Minister. For that reason, would the Prime Minister convene an emergency conference with the provinces, as was asked of him today?

* * *

AIR TRANSPORT

CHARTER FLIGHTS—DISPARITY IN RATES BETWEEN CANADIAN AND BRITISH CARRIERS

Mr. Don Blenkarn (Peel South): Mr. Speaker, my question is for the Minister of Transport. On February 22 last as reported at page 1549 of *Hansard*, when replying to a question by the hon. member for Scarborough West concerning the difference between the cost of charter flights from the United Kingdom to Canada and flights from Canada to the United Kingdom the minister said:

I think it is easy for the Canadian public to understand that it costs less to charter a plane in England, since labour itself costs less—

Mr. Speaker: Order, please. I think hon. members ought to realize that it is not in order to preface a question by making reference to statements. I think more questions might be included in the question period if questions did not contain these lengthy statements that seem to precede most questions.

Mr. Blenkarn: Thank you, Mr. Speaker. Does the minister understand that the same planes carry the same passengers, and will he inquire as to the reason for the different rates charges by the same airlines with the same crews using the same equipment when carrying U.K. passengers from London to Toronto and when carrying Toronto passengers to the United Kingdom? The difference is between $105 and $180 roughly.

Mr. Speaker: Perhaps the minister might be allowed to reply to that part of the hon. gentleman's statement which was a question.

[*Translation*]

Hon. Jean Marchand (Minister of Transport): The only problem, Mr. Speaker, is that this is a very difficult question to answer briefly. I am aware that there is considerable confusion at the moment over the new regulations on advance booking charters, and I should like to make the matter quite clear. All I meant to say was that companies that own planes leaving, say, London for Toronto and later returning to London may, even if they are Canadian companies, charge lower prices than a company whose planes leave Montreal for London and come back to Montreal. If the hon. member wishes to know all the reasons, I can only say that it is a matter of costing.

[*English*]

Mr. Blenkarn: Mr. Speaker, what I really want to know from the minister is whether he will inquire why it is that foreign corporations can fly Canadian passengers at a more expensive rate than they can fly foreign passengers, apart from labour costs and aircraft maintenance costs?

[*Translation*]

Mr. Marchand (Langelier): As you know, Mr. Speaker, England has set up a system that is comparable to ours, and charter planes are subject to regulations that apply in England.

Our regulations are different from the English ones; here, mileage rates are decided by the Canadian Transport Commission, while the cost to the passenger is decided by those who charter the planes. But the economic situation in England is not the same as ours, which is why the prices are not the same.

[*English*]

Mr. Speaker: Order, please. My impression is that this would be a very good debate for the proceedings at ten o'clock. The hon. member for Vegreville may ask a supplementary question and we will then try another subject which is perhaps less complicated.

ADVANCE BOOKING CHARTER REGULATIONS—ACTION TO OVERCOME DIFFICULTIES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, may I ask the Minister of Transport whether he has had any discussions with the Air Transport Committee regarding the confusion surrounding the advance booking charter regulations? In particular, has he had any discussions with a view to overcoming the difficulties of many ethnic charter groups in handling charter flights, particularly to eastern Europe?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker, I have had a discussion with the president of the commission and he is aware that there is a certain confusion and that we will probably have to establish some kind of transitional period in order to pass from one system to the other.

Mr. Mazankowski: Would the minister inform the House when we might expect a statement as to the changes or transitional measures that will be adopted in order to overcome this confusion and get charter flights back into the air?

Mr. Marchand (Langelier): Mr. Speaker, I will get in touch immediately with the president of the commission and report to the House. He is the one who will make the decision.

TRANSPORT

RECOMMENDED RATIONALIZATION OF CANADIAN NATIONAL AND BRITISH COLUMBIA RAILWAY LINES IN NORTHERN SECTION OF PROVINCE—GOVERNMENT APPROVAL

Mr. Frank Howard (Skeena): Mr. Speaker, I too would like to direct a question to the Minister of Transport. Is the minister aware of a report by a consulting firm in British Columbia, Reid and Associates, which recommends the rationalization of the Canadian National railway line and the British Columbia Railway in northern British Columbia, with specific mention of a redirection of the route contemplated by the B.C. Railway? If so, has the government or the minister given any endorsement or approval of the contents of this report?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker, I am aware of this report which has been studied by the railways, the government of B.C. and my own department. No conclusion has yet been reached and we have made no commitment at all. We are still discussing both reports, the report made to the department and the report made by Reid and Associates.

Mr. Howard: Is the minister aware that a statement has been attributed to him to the effect that the minister or the government have committed themselves to sharing the cost up to $10 million of redirecting the B.C. Railway into northern British Columbia?

Mr. Marchand (Langelier): No, Mr. Speaker, I was not aware of this, but I am sure I never made such a commitment.

* * *

POST OFFICE

REQUEST FOR INVESTIGATION OF ALLEGED RACIST PAMPHLETS MAILED BY LOYALIST ASSOCIATION

Mr. Peter Reilly (Ottawa West): Mr. Speaker, my question is for the Postmaster General. Has he or his colleague the Minister of Justice investigated racist pamphlets being mailed regularly by an association calling itself the Loyalist Association to determine whether they contravene the Criminal Code?

[*Translation*]

Hon. André Ouellet (Postmaster General): I shall check on this, Mr. Speaker, and reply to the hon. member later.

* * *

[*English*]

NATIONAL PARKS

NOVA SCOTIA—PROPOSED THIRD NATIONAL PARK—INTENTION OF PROVINCE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development which arises from a requirement for the presentation of the so-called Burgess report dealing with the prospects for a third national park

in Nova Scotia. Has the minister received that report, and has he received any advice or instructions from the government of Nova Scotia with respect to whether or not the memorandum of agreement that now exists will or will not be proceeded with?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, every indication I have to date is that we are going to proceed with the establishment of a third park in Nova Scotia, as was decided last year. As to the Burgess report, I have not yet received it. As soon as I do I shall advise the hon. member.

• (1500)

[*English*]

NEWFOUNDLAND—PROPOSED GROS MORNE PARK—DISCUSSION OF BOUNDARIES WITH PROVINCE—ASSISTANCE IN RELOCATING PEOPLE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I should like to direct a supplementary question to the Minister of Indian Affairs and Northern Development. In view of his expressed willingness in the House last week to consider meeting with the province of Newfoundland regarding renegotiation of the boundaries of Gros Morne Park, will he advise whether he has consulted with the minister and indicate what the plans are?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am to meet with the minister in question and perhaps with the Premier of Newfoundland in a few days.

[*English*]

Mr. Marshall: Mr. Speaker, will the minister advise whether he has discussed the matter with the national parks people and has he come up with a plan to offer Newfoundland for the purpose of helping those people who will be moved against their will?

[*Translation*]

Mr. Chrétien: Mr. Speaker, we always have solutions to offer to the parties concerned.

* * *

[*English*]

URBAN AFFAIRS

PROPOSED SITE FOR METRO TORONTO GARBAGE DUMPS—REQUEST FOR FURTHER STUDIES—ACTION TO DELAY APPROVAL

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I should like to direct a question to the Minister of Transport. Is it the intention of his department to conduct further studies on whether a metro-Toronto garbage dump should be allowed to be located in the vicinity of the proposed Pickering Airport in view of the safety factors involved?

Some hon. Members: Hear, hear!

[Mr. Forrestall.]

Hon. Jean Marchand (Minister of Transport): You have the answer, Mr. Speaker. Of course, we have followed this event very closely because of its importance to those people who are going to travel from Pickering. A check was made, and I think the Department of the Environment was also involved. Because of the importance of the matter, you can be sure I am ready to have it doublechecked.

Mr. Cafik: In view of the minister's intention to make a doublecheck into this very important question, I wonder whether the department will take steps to prohibit this location or to at least suggest a delay in the approval of that site, as a decision is expected to be taken on Friday of this week?

Mr. Marchand (Langelier): Mr. Speaker, if it is proven, demonstrated or indicated that there might be a danger there is no doubt that we are going to prevent the dump being located there.

Mr. Cafik: I have another supplementary question.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

An hon. Member: Parliamentary secretaries should be seen and not heard.

Mr. Speaker: Order, please. The Chair will allow a supplementary question, and then recognize the hon. member for Northumberland-Durham.

Mr. Cafik: Mr. Speaker, as this is a very important question affecting the people of Pickering and, indeed, the people of all Canada—

Some hon. Members: Oh, oh!

Mr. Cafik: —would the minister make representations to the Ontario Municipal Board asking it to delay the decision approving the site for garbage purposes until the inquiry has been completed?

An hon. Member: They should put you on the garbage dump.

Mr. Marchand (Langelier): Mr. Speaker, if we receive a recommendation to that effect from the Department of the Environment we will certainly ask for such a delay.

Mr. Hees: A point of order, Mr. Speaker.

Mr. Speaker: I apologize to the hon. member for Northumberland-Durham. He will be recognized in a moment, but I understand the hon. member for Prince Edward-Hastings is rising on a point of order.

Mr. Hees: Yes, Mr. Speaker. Following yesterday's discussions with regard to speeding up the work of the House, it is obvious the business would be greatly accelerated if members on the government side and members of the NDP would raise these questions at their joint caucus meetings which are held every week.

Some hon. Members: Oh, oh!

Mr. Speaker: I will recognize the hon. member for Malpeque, but we are running short of time.

Mr. MacLean: Mr. Speaker, I rise on the same point of order. I was only going to suggest that it seems to me someone is trying to incinerate somebody.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary question is directed to the Minister of the Environment because the application under discussion has to be made to the Ontario Environment Board, not the Ontario Municipal Board. For a change, will the federal government intervene in this matter and make specific recommendations through the minister?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The parliamentary secretary is rising on a point of order.

Mr. Cafik: Mr. Speaker, I just want to protect my own position by pointing out that when I informed the House that a decision had to be made by the Ontario Municipal Board this is, indeed, the fact. It has to make the decision whether rezoning will be allowed in Pickering Township to accommodate the location of a garbage dump in that area.

Some hon. Members: Sit down.

An hon. Member: That is not a point of order.

Mr. Speaker: Order, please. I suggest that is hardly a point of order.

An hon. Member: Those four votes are disappearing rapidly.

Mr. Speaker: The Chair will again recognize the hon. member for Northumberland-Durham on his supplementary question and then we will have to call orders of the day.

Mr. Lawrence: Mr. Speaker, may I direct my question—

An hon. Member: You just lost your four votes.

Mr. Speaker: Order, please. Would hon. members resume their seats. I will recognize the hon. member for Northumberland-Durham on a supplementary question and, because some time was taken up by a point of order, two or three further questions might be allowed to make up for the time we lost in the last three or four minutes.

Mr. Lawrence: Mr. Speaker, I should like to direct my question to the Minister of the Environment. Is the government of Canada going to involve itself by making representations in respect of this important matter? A simple yes or no answer will be sufficient.

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, we are having a report prepared on wildfowl problems in that area. It will be available to all interested parties.

[*Translation*]

MANPOWER

UNEMPLOYMENT—STUDY AND TABLING OF OECD REPORT

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a question for the Minister of Manpower and Immigration.

Can the minister tell this House whether he has looked at the economic report on unemployment in Canada submitted to the United Nations by OECD and indicating that a 3 to 4 per cent reduction in the unemployment rate in Canada is utopian? Would the minister agree to table a copy of this report in this House?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have not had time to peruse the report to which the hon. member has referred, but I will examine the question to determine what can be done.

* * *

TRANSPORT

INQUIRY AS TO ACTION TO PREVENT CLOSING OF RAILWAY STATIONS IN WESTERN CANADA

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Transport. On January 8 I asked a question about the wanton closing of railway stations and the whole matter of transportation in western Canada. At that time the minister promised he would meet with provincial representatives some time after the throne speech. Can he now indicate when he will hold that meeting?

Hon. Jean Marchand (Minister of Transport): I do not have a date yet and as I have not met with those representatives I can say nothing more than I said at that time.

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INFORMATION CANADA

POSSIBILITY OF PUBLISHING DIRECTORY OF PROGRAMS AVAILABLE TO MUNICIPALITIES

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the minister responsible for Information Canada. In the light of difficulties experienced by many small municipalities in becoming informed of federal programs which could be valuable to them and for which they are qualified, will the minister consider the possibility of publishing a directory of such services and making it available to the small municipalities?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker.

Oral Questions

BUSINESS OF THE HOUSE

DATE OF PROCEEDING WITH BILL C-125

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I would like to direct this question to the President of the Privy Council in his capacity as government House leader. In view of the fact that on February 3 the Prime Minister indicated legislation in the form of Bill C-125 would be reintroduced in the House within a few weeks, yet on page 1448 of *Hansard* the government House leader is reported as having indicated other items of business which would take up the entire period to the end of March in reply to a question by the hon. member for Winnipeg North Centre, will the minister tell us when that bill in respect of abuses of the Unemployment Insurance Act will be reintroduced?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am afraid my hon. friend misunderstands the situation. That particular bill has not been withdrawn and does not require reintroduction. It is on the order paper along with all the other bills and will come forward in the normal course.

Mr. Dick: Mr. Speaker, in view of the fact the Prime Minister indicated it would be taken up within a few weeks of February 3, can the minister give us a more precise date when this matter will be before the House for debate?

An hon. Member: Ask Stanley.

Mr. Hees: Stanley will tell you.

Mr. MacEachen: Mr. Speaker, it is impossible at this stage to give a precise date in respect of any particular item of legislation, including the unemployment insurance bill. The program for the month of March is almost totally predetermined by the supply situation.

Mr. Hees: And by the NDP.

Mr. MacEachen: It will be very difficult to bring on additional items, including this particular bill in which we are both very interested.

* * *

• (1510)

IMMIGRATION

PROHIBITION OF APPLICATIONS FOR LANDED IMMIGRANT STATUS BY VISITORS—REQUEST FOR CHANGE IN REGULATIONS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. In view of the great hardship being caused persons from overseas countries because the new immigration regulations force them to return to their country of origin before they can apply for landed immigrant status, will the minister consider amending the regulations to permit those already in Canada or in transit at the time the new regulations came into force to apply for landed immigrant status in Canada instead of having to return to their country of origin?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think the rationale for the revocation of regulation 34 in November was clearly set forth at the time. I have also indicated to the House in answer to similar questions that we are not planning any general amnesty from that regulation. We will look at hardship cases, and any cases of refugees, and will deal compassionately with them; but otherwise it is our intention to have the regulations stand.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Speaker, will the minister consider changing the regulations to permit those whose applications were already in progress at the time the new regulations came into force to continue their applications for landed immigrant status?

Mr. Andras: Mr. Speaker, any visitor or any person in Canada legally at that time, who had in fact registered with an immigration centre his or her desire to apply for landed immigrant status, would have the application proceeded with. There is no prohibition on that if in every other way the applicant is qualified to gain landed immigrant status.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Vancouver-Kingsway and then the hon. member for Hamilton West on one supplementary and will then call orders of the day.

INQUIRY AS TO INTRODUCTION OF AMENDMENTS TO IMMIGRATION APPEAL BOARD ACT

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, may I ask the minister whether he can say when the Immigration Act will be up for discussion in parliament?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the amendments to the Immigration Appeal Board Act will be brought forth in due course. I think I would defer to the comments of the House leader a few minutes ago as to the precise date.

POSSIBILITY OF VISITORS SMUGGLING ALIENS INTO UNITED STATES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I had intended asking the minister about the problem faced by foreign students today in terms of jobs, but I will save that for another day. I am wondering whether the minister is aware of the fact that visitors are smuggling aliens into the United States and, if so, has he been in consultation with his United States counterpart with regard to this problem and what has developed?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I must admit this has not been brought to my attention. I am very interested in the member's comments and would be appreciative if he could give me any details so that I could try to look into it.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Monday, February 26, consideration of the motion of the Hon. John N. Turner (Minister of Finance) that this House approve in general the budgetary policy of the government.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I am most grateful to have this opportunity, on behalf of the primary producers in this nation and the processors as well as the allied industries, to speak out at this time on what I believe is one of the gravest injustices perpetrated by the Minister of Finance (Mr. Turner) in his budget when he indiscriminately removed tariffs on foods coming into this country. This was not only a shocking action on his part, but what was equally shocking was the apparent collusion between him and the Minister of Agriculture (Mr. Whelan) on that particular occasion. They seemed to be congratulating each other—as a matter of fact they did shake hands—on a policy concerning the primary producers of this country which will strike at the very heart of many of our farming and processing enterprises in this country which, under the present policies of this government, already operate on a very marginal or non-profit basis.

The agriculture industry is upset to a degree I have never before experienced, not only because of the fact that the tariffs were lowered, but also because as long as two years ago this government approached all the commodity groups in agriculture requesting that they bring forward a careful detailed study on how the tariff problem in respect of GATT might be approached in order that we might grant some concessions that would not injure the industry and gain some concessions in return from the other countries involved. This government which issued this invitation deliberately slapped every commodity group in the face by the action taken on February 19 when it deliberately lowered the tariffs before the results of any of these studies could be made known to the government. Thousands of dollars were wasted, and thousands of hours of study and research were wasted, because of this action on the part of the government. This is the action of a government that derides and criticizes the policy put forward by our party. This is a government which is trying to lay the cause of inflation as well as the high cost of food at the door of the primary producers of agricultural products.

This government is trying to make agriculture the scapegoat for inflation. This is the government which has derived our policy whereby we would seek, in a two-pronged attack, to achieve the objective of controlling inflation and prices without putting anybody out of business and without destroying an industry. Our alternative was to lower taxes, provide some incentive for increased production of food in this country, make it possible for small businesses to survive, give the individual taxpayer more money with which to buy groceries and at the same time introduce some price controls on all items except food. These controls would be imposed for a short period of time in order that we might, in consultation with the provinces, develop guidelines that could provide a reasoned measure of control of inflation about which we are so fearful today. But this government would not even consider such a proposition and pressed the panic button when the latest figures on inflation were brought out. The government indiscriminately lowered the tariff on foods entering this country from offshore. Disruption in the industry and the effect on unemployment will be tremendous.

I do not think the government to this date realizes the trouble it has caused in industry. The minister, in his budget speech, said that he was taking a risk. But, when the government takes a risk, does it have to be a risk that involves the livelihood of farmers and the existence of farms which have been in the same family for three generations? Does it have to be at the risk of small processing companies which have just begun to function on an economic level and which are now having their chances of survival taken away from them? Is this the risk which must be taken? The Minister of Finance said that the Minister of Agriculture would be the watchdog over this program. This minister watched while half the proceeds and profits of the Canadian agriculture industry were swept away in a budget speech. This is the minister who indicated that if this measure should cause any hardship it would be reversed in 24 hours. The occasions on which this government, after having lowered any rate of tariff, ever replaced it have been very few and far between.

The sheep industry of this country, when the tariff was removed on mutton coming into this country from New Zealand and Australia, was assured that if hardship resulted it would be rectified. We do not have any sheep industry in Canada today. It is gone. What does this mean? I am grateful to the hon. member for Peel-Dufferin-Simcoe (Mr. Madill) for having provided me with this document, and it is from the Peel-Halton Beef Improvement Association. It gives us some indication of what we are up against. The tariff on beef coming into this country was lowered by 1.5 cents a pound. But what does it mean to the primary producer who sells in one year 150 head of cattle, which is not a great number, and there is a great number of producers who sell more? Based on his average return per year, 1.5 cents a pound adds up to the startling sum of $4,800, and that could be the difference between a profit and a loss in the operation of his enterprise.

• (1520)

This government took this action in spite of the fact that the opposite action has been taken by all our trading partners. Do you realize, Mr. Speaker, that the European Economic Community has allocated $3 billion in order to smooth over the bumps experienced by this trading group? Do you realize that of that $3 billion, 86 per cent is directed toward subsidizing agriculture and ensuring that these countries have a viable agriculture industry within the confines of the European Common Market? This is an

indication of the importance they place on agriculture in those countries. You do not see the Unites States cutting tariffs on food entering that country because, unlike this government, they place a priority on their agriculture. They are not only adopting a policy to protect their agriculture industry now, they are even considering other barriers to stop the inflow of food into their country if there is an indication of damage in the foreseeable future. They are not only dealing with the present, they are dealing with the future, and this is what we need in this country, a long range agricultural policy which we have never had since the government came into office.

The government mentions that this drop in tariffs of 1.5 cents a pound will be passed on to the consumer. This means life or death to the primary producer in many instances, but 1.5 cents a pound, I suggest to you, will never be passed through the whole complicated food chain to the consumer.

Some hon. Members: Hear, hear!

Mr. Danforth: Talk about a chaotic policy! I would like to demonstrate what a chaotic policy we have today. We have a government which is making grants for the construction of freezer plants, cold storage, gas storage and common storage. At the very same time they are removing the specific duties, the surcharges, on fruits and vegetables to such a degree that this will shorten the season and make absolutely worthless the economic investment in freezers and in storage in any form. On the one hand, they are telling primary producers to go ahead and buy their policy; on the other hand, they are saying: if you do, we will bankrupt you just that much quicker.

Not only did the government cut these tariffs without consulting anybody in the industry—and I should like to make this point very strongly—but when this policy was adopted, the Minister of Agriculture was not consulted either or else he did not care or understand the ramifications of the drop in the tariffs. I know this Minister of Agriculture. I know his background and I know that this measure was passed without his having been consulted in any way whatsoever. They lowered the tariffs on citrus juices, fruits and vegetables coming into this country at a time when contracts were being negotiated between the processors and the primary producers. I predict that this will have a disastrous effect on these contracts which are being negotiated. The government does not realize what it has done.

I had a phone call from one of the biggest producers of cabbage, a common, everyday staple. He is one of the largest producers of cabbage in my area. As a result of what is considered to be only a slight reduction in tariffs, he decided not to plant one single seed this year because he said that under this program he could not realize a profit. There is a man who is out of business as a result of the policy applied by this government.

Some hon. Members: Shame.

Mr. Danforth: When the Minister of Finance took this step, it was quite evident to us on this side of the House that he did not understand the tariff structure so far as fruits and vegetables are concerned, a tariff structure which is different from that on other commodities that are manufactured. When he spoke about specified time periods for the application of a specific duty and then a surcharge, he should remember that these specified time periods were agreed upon by the industry in the 1930's, not in the 1970's. They were agreed upon before research had made it possible for Canadians to extend their production period, both early into the spring and later into the fall, and to develop a greenhouse industry which made it possible for us to produce during the winter months.

Now, what has happened? When the tariff is reduced, what little tariff is left to cover these specified periods results in the cutting off of either the early or the late production. Then, when the surcharges on many of our tender fruits and vegetables were removed, that made it almost impossible for them to be produced at a profit because very often these fruits and vegetables were protected by the surcharge and not by the specific duty. The price structure of the imports was such that the surcharge was much greater than the specific duty. The price of the imported products on an *ad valorem* basis was much greater, but this was not taken into consideration. What the government has done, when it allowed the inflow by removing the tariff on fresh produce from the United States at a time when we do not have this fresh produce here, has been to run exactly contrary to the interests of our canning industry which processes the produce for which they contracted with the farmers.

This is going to have a serious effect because the processors, to stay in business, will have to make the contracts of payments to Canadian producers low enough to compete with fresh fruits and vegetables coming into the country. This is an almost impossible situation. The tariffs on some of the canned fruits have been lowered to such a degree that the change in tariffs alone, let alone the devaluation of the U.S. dollar, takes every cent of profit out of a case of canned fruit produced in this country. When there is no profit, there is no production.

The Acting Speaker (Mr. Laniel): I regret to interrupt the hon. member, but the time allotted to him has expired.

[*Translation*]

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I am delighted to be able to take part this afternoon in the debate on the budget.

First of all, I must congratulate my colleague the Minister of Finance (Mr. Turner) for his excellent budget. It is not only a responsive and responsible budget, but also a generous and a deeply human one.

The area with which I will try to deal in my remarks is the scope, the influence of the budget and of the main programs of the government concerning the economy of the Atlantic provinces, and more particularly of my province of New Brunswick.

In its review of the month of December, the *Atlantic Advocate* reported a statement of the right hon. Prime Minister which I believe to be quite correct to the effect that "no federal government in the history of Canada has backed up its concern for the welfare of the peoples of the Atlantic provinces with more effort or more dollars than the present government".

In human terms, the ideal of equal opportunity for all Canadians is absolutely basic. With that in mind, the equalization payments enable the poorer provinces to provide public services comparable with those of richer provinces.

As we all know, last year the equalization payments amounted to $135 per capita for Nova Scotia, $164 for New Brunswick, $213 for Newfoundland and $215 for Prince Edward Island. Without that generous but fair contribution of the federal government, the Atlantic provinces would simply be unable to give to their citizens a reasonable standard of living for Canadians of our generation.

This is why I was quite pleased to hear the Minister of Finance announce Monday last in the budget that he would increase the equalization payments. The new amount will be paid as new subsidies based on municipal school taxes. And according to that much more generous new formula, the four Atlantic provinces will now receive $194 per capita for Nova Scotia, $218 for New Brunswick, $284 for Newfoundland and $285 for Prince Edward Island. In so far as New Brunswick is concerned, it is an increase of $164 to $214 per capita in one year.

I am convinced, Mr. Speaker, that this new federal infusion will contribute largely to the economic development of my province and will enable a greater number of people to remain and prosper in New Brunswick.

In fact, New Brunswick was the only one among the four Atlantic provinces to reverse the periodic exodus of its working people—mostly young—towards other labour markets and to have a net inflow of residents.

As every one knows, Mr. Speaker, the Atlantic provinces have a great deal of natural resources and human wealth. Should the Atlantic wake up, like the Sleeping Beauty, I see no reason why the federal government would not play its role as Prince Charming.

In 1968, we know that the federal government launched a 15-year program of regional economic expansion program to run over a period of 15 years. There are clear signs that the economy is moving along as it has turned a corner and is now going to narrow the economic gap.

Although the unemployment rate is too high in our estimation, its rate for the four provinces is clearly lower than was expected. It has been estimated that, without the massive infusion of federal funds into the region since 1968, the unemployment rate would be 30 per cent above its present figures.

• (1530)

The direct federal grants of the Department of Regional Economic Expansion have generated more than $200 million of investments in new or growing industries, which amounts to about $28 per man, woman and child in the Atlantic region. This will result in 10,000 new jobs.

Another one of the key approach to regional ressources development policy will have been the stimulation and expansion of growth centres capable of accommodating new industries and an expanding population.

Twelve such centres have been identified in the Atlantic provinces, and more than $250 million has already been spent by the federal government to enhance the infrastructure.

The benificial federal influence is felt also in the smaller municipalities, small villages, parishes which are not growth centres, through the Local Initiatives Program. And in the framework of the Local Initiatives Program, for the first time in the history of our country, last year our government was directly supporting local projects conceived by people from small communities.

Last winter, and again this winter, you can hear the pound of hammers disturbing the quiet of parish halls, of Canadian Legion premises, of barns and repair shops.

Instead of idling, and being unemployed in all such places people are building, painting, sewing, repairing furniture, helping each other, making positive achievements. In the province of New Brunswick alone, the program has created 24,000 man-months of employment this winter.

Mr. Speaker, during the past five years, the Department of Public Works for one has allocated close to $190 million for various structures in the Atlantic region. I shall mention, for instance, the major tanker terminal at Point Tupper in Nova Scotia and Come-by-Chance, Newfoundland, the ferry-boat wharves at St. John's, New Brunswick and Digby, Nova Scotia.

I should also mention the bridges along the Trans-Canada highway and the international bridges, among them the one between Maine and Saint-Léonard, which is already finished, and the one between Quebec and Flatlands, New Brunswick, which is under construction.

There is a very impressive list of less spectacular projects that are much appreciated by the local population, such as federal buildings, post-offices, docks and harbours.

Our estimates in the last financial year for maritime building alone amounted to $8,500,000 for the Atlantic area. And as a result of the importance that we attach to small construction to meet the needs of local fishermen, we plan to spend $2 million more on subsidies in the region.

The primary industries in New Brunswick are generally in good shape, Mr. Speaker, as income from agriculture and forestry has held up especially well. On the other hand, it is well known that the pulp and paper industry is still very shaky. In the aim of somewhat lightening the heavy burden under which it labours, the pulp and paper industry is considering installing industrial complexes involving, for example, new sawing techniques, better use of wood residues and the manufacture of products such as plywood. The manufacturing industry will be encouraged to produce equipment for the forest industry, for domestic and for export sale.

In Dalhousie, located in my own Restigouche constituency, paper exports will be facilitated by the construction this year of a new seaport designed to harbour the large modern ships of the Ro-Ro type. On account of the mercury recently discovered in the mud and the waters close to the place that was designated at the very beginning for the construction of the wharf, apparently this wharf will now have to be erected somewhat further up north-east of the first expected location. But we do not

anticipate that such a change will delay the construction of the wharf or of the seaport itself.

So, Mr. Speaker, the basic contribution made by the federal government since 1968 has left the Atlantic region poised for dramatic economic achievements in the seventies.

Many changes have vastly improved the climate for economic development. For instance, let us mention the improvement of the highway network all over the Maritimes; I have in mind especially the north of New Brunswick where a generous government grant of $20 million will allow the renovation of Route 11 and its continuation up to Moncton, with much updating. I must also indicate the establishment of the container transportation services at the two main ports in the area, that is St. John, New Brunswick, and Halifax, Nova Scotia. We must also emphasize the development at all levels of the educational and technical services and institutions. We now benefit from a labour force with more education, mobility and flexibility than before thanks due to the programs established to increase workers' mobility and skill, programs that are mainly administered by the federal Department of Manpower and Immigration. Greater resources now provide the industry with the technical and scientific research services heretofore unknown and the assistance provided each provincial government of the Atlantic area permits the planning of community infrastructure, especially in major urban areas.

Moreover, Mr. Speaker, the potential for development in the Atlantic area is apparent on account of the tremendous advantage of its geographical situation in relation to the large market on the eastern seaboard of the United States. In the days of super ships in which we live, the deep waters of the Atlantic coast are a more and more valuable asset. Moreover, the environment in our areas is stable and the manpower intelligent and industrious. Congestion does not pose any serious problems and the forms of pollution that exist can be fought and checked at a reasonable cost.

In other words, Mr. Speaker, the government firmly believes in the future of the Atlantic area. The massive federal effort will ultimately bear fruit, there is no doubt about that. Nevertheless, the citizens of that area and all their representatives will have to be more positive and optimistic.

With this in mind, let us recall one of the first visitors to the Maritime provinces, Samuel de Champlain. During the first winter he spent in Nova Scotia, he created l'Ordre du Bon Temps in order to keep the morale of his officers and soldiers, in the midst of a rigourous winter and depressing circumstances. That Order of Good Time, now known throughout the world, should inspire our deeds and speeches, because positive thinking is father to the powerful results.

• (1540)

[*English*]

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, various spokesmen for the New Democratic Party so far in this debate have attempted to indicate, (a) why we are giving general support to the budget and, (b) simultaneously to raise questions about what we would have done differently had we been in a position not only to influence government but to make the final decisions ourselves. In my few remarks this afternoon, I should like to add some further arguments to this general approach that we have been trying to make as a party.

Before doing so, however, I cannot forgo the pleasure of responding to some of the comments made by the party on my right, the official opposition.

Mr. Nowlan: The only opposition.

Mr. Broadbent: At various times they have suggested that the New Democratic Party, because it has decided under the present proposals of the budget to give support, has somehow been lacking in principle.

Mr. Nowlan: You are right.

Mr. Broadbent: They suggest that we are abandoning the objectives that historically our party has fought for in this country. I find that argument rather curious, coming from that motley crew on my right, a party which, if we are to accept the word of the hon. member for Don Valley (Mr. Gillies) as the spokesman for the Conservative party, has at least progressed from the 18th century and Adam Smith as represented historically right up to last week in the speeches of the hon. member for Edmonton West (Mr. Lambert). I ask all members of this House, Mr. Speaker, who is the real voice of the Conservative party? Who speaks for that party today? Is it the hon. member for Don Valley, on the one hand,—

Mr. Alexander: In his position he does.

Mr. Broadbent: —who is arguing that what we need is greater deficits, and who is now arguing for the Conservative party something that the New Democratic Party has been advocating for years that we should use our reserves of U.S. dollars to buy back control of certain sectors of the Canadian economy which are currently foreign owned. Up to last week such an argument was heresy in the Conservative party of Canada, yet the hon. member for Don Valley is now coming forward with these suggestions.

The hon. member for Edmonton West conventionally argues for control of inflation and that we must have a balanced budget at all costs. Last year when the foreign takeover bill was before this House he opposed any movement by the government, and therefore the people of Canada, into the foreign-owned sector to gain control of our economy for the people of this country. When the foreign takeover bill is reintroduced I will be interested to see who is the Conservative spokesman; will it be the hon. member for Don Valley or the hon. member for Edmonton West? We could see another historical shift in that party at that time.

The point I am making, Mr. Speaker, is that in this debate the New Democratic Party has not in any way abandoned its principal concern with the redistribution of income and wealth, the redistribution of power in Canada. All its spokesmen have argued consistently in support of this budget.

Mr. Alexander: To save your necks.

Mr. Broadbent: —not because it implements our program but because it at least moves in our direction. There has been no suggestion at all from the Conservative party of a coherent move, whether in our direction or any other. For them to suggest that somehow it is we who have abandoned a principle in our current situation is, to understate it by about 1,000 per cent, a little curious.

What specifically are we supporting, Mr. Speaker, and how would we perhaps have improved, even in those areas had we had the real power as opposed to merely the influence to do it?

First of all, we like that universal minimum $100 tax cut. That is the kind of idea for which we have been arguing for some time. We proposed in an amendment to the budget last year in debate that we have a minimum of $100—in fact, an inclusive $100 tax reduction for everyone. We regard that as a progressive type of proposal as opposed to cuts of a certain percentage right up the scale. With the $500 ceiling proposed in this budget, at least we do not have the across the board percentage reduction all the way up the scale that we had in last year's budget, so that certain taxpayers could save thousands of dollars and those at the bottom of the scale a mere pittance.

How would we have changed it had we had the real power to do so? The kind of thing we would have done would have been to give an across the board $200 tax cut to every taxpayer. We would not have given more than $200 in tax cuts to any one taxpayer in Canada. That seems fundamental to us on grounds of equity or justice. It would have involved a fair redistribution of income and net disposable income available to average and poor Canadians would have risen. We would have removed that $500 limit that is part of the Liberal government's proposal and would have said that nobody will be allowed more than $200, but all will get that $200. So, on grounds of equity and fairness that measure would have been good. Also, it would have stimulated the economy by putting more money into circulation, increasing demand and therefore creating more jobs. According to our research, that measure would have put the same number of disposal dollars into the economy and would have stimulated jobs to the same degree as the present proposal. Furthermore, it would have put money into the hands of those who need it most. We would not have needed to go up to the $500 ceiling in tax cuts which benefits only the upper top 10 per cent of taxpayers in this country. They will really reap the gain of that $500 limit. From our point of view that is unjustified.

• (1550)

Another point I wish to mention has to do with the pension increase. Increasing the basic pension to $100 a month is good. The increase is $14. We support that. However, may I draw something to Your Honour's attention? If you take the level of pensions prevailing in 1952 and consider how much the cost of living has increased since then, how much inflation we have suffered from, how much the dollar has decreased in value, and how much the gross national product has increased since 1952, I submit that the pensioner in Canada today, if he is to maintain his position in the community as it was in 1952, should be entitled to a basic pension of $110. With those considerations in mind, my party would have increased the pension ceiling and gone well beyond the $100 that the government has adopted. Nevertheless, we welcome the $100. With this increase, we are getting more from the Liberal government than we would have received from a Conservative government, according to what was said in the last election.

Mr. Alexander: You are getting exactly the same thing.

Mr. Broadbent: Mr. Speaker, I wish the hon. member for Hamilton West (Mr. Alexander) would read the literature his own party put out in the last election.

Next, I shall touch on consumer spending. There has been an average reduction of 5 per cent in tariffs, which is good as far as it goes if it is passed on. This tariff reduction will help the average consumer in an equitable way, and therefore we support that. I think the Minister of Finance (Mr. Turner) and other government spokesmen have exaggerated rather grotesquely the benefits of this measure. I, for one, see that tariff concession as being aimed at trade negotiations with the United States. I think that is what is really involved. The government took unilateral action of this kind hoping, somehow, to mitigate the hostile feelings of the United States at this time. That country is suffering difficulties in connection with its balance of payments in international trade. The government sought to mitigate hard feelings; that was the real object of that measure even though, as I say, the Canadian consumer is to be given some benefit.

Another item that we support in the budget is the reduction of the 12 per cent sales tax on children's clothing. This is important, particularly for low income families in Canada. This reduction goes towards an important aspect of daily living, in that our people must clothe their children in an adequate way. We support that initiative. Sales taxes are regressive taxes. The same tax in dollars is paid by upper income, middle income and poor families; therefore, this is a regressive form of taxation and, as far as we are concerned, the sooner we get rid of all sales taxes in Canada the better. However, as the government in Ottawa is moving in the direction of eliminating that tax, it is good that it has begun with taking it off children's clothing. I was pleased to see that Eaton's and Simpson's in Toronto, two large merchandisers, have indicated that they will pass the tax savings on to consumers immediately. I hope the taxpayers benefit from similar action by other merchants, and I hope particularly that the Minister of Finance sets up some monitoring body within his department to make sure that these benefits are passed on to consumers.

Another item we support is the increase by nearly 20 per cent in war veterans' allowances. Again, that is overdue. Again, my party unreservedly supports the government on this, as it is something for which we have been arguing enthusiastically for some time.

Next, may I mention a budget item that will go a long way towards improving the tax position of ordinary people in what are regarded as "have-not" provinces of Canada. I am speaking of the change in the equalization payment formula proposed by the federal government. This will take into account the spending at the provincial level on education. May I point out that education funds are largely derived from taxation of property owners, in

other words, average people, who in most provinces have had to pay a disproportionate part of the education cost through property taxes. By taking this factor into account in the equalization payment formula, the property tax, for example, of the average person in Saskatchewan will be reduced substantially. Speaking as one who comes from a province that, compared with others, is well off and fortunate, I am pleased to see that we are to redistribute income in this way. Therefore, the government deserves credit for the steps it is taking in this direction.

I have indicated my support for the kinds of measures that my party historically has argued for in Ottawa and in the provinces. I have suggested that we would have made definite changes and improvements if we had formed the government. Nevertheless, we are pleased to support steps that the government has taken in that direction. The single most important deficiency in this budget relates to the deficit. We think that the treasury department finally has won, as the government's approach to spending in terms of gross amount has not changed basically since the Prime Minister (Mr. Trudeau) was elected in 1968. If we had formed the government, instead of being able to influence in some marginal way those who now make the decisions, we would have doubled that forecast deficit, not only for the next year but for the next five or ten years, so that we could move effectively to cure unemployment. We would not wish to create miracles overnight, and for the short run bring unemployment down to 4 per cent—

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

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, this is a critical budget. What will it do? Will it do what the government hopes? Last fall, during the election campaign, there were three principal items with which people were dissatisfied, namely, unemployment, inflation and taxes. The public had already seen the inane actions of a government in increasing taxes and limiting credit to stop people buying. That, in the long run, created unemployment, because industry was not able to sell its products. The government's purpose was, of course, that of halting inflation, Mr. Speaker. Instead, we wound up with both unemployment and inflation. This is all a matter of record, regrettably. The people were annoyed. Can you blame them? Tax measures were taking more and more money from pay envelopes, from industry and from business. Mr. Benson's taxation reforms had upset the business world. Business people could not interpret the new laws, and neither could Members of Parliament. Closure choked off debate on this tax legislation after 75 clauses had been passed, and with less than one quarter of the 735 pages of the bill discussed. Hon. members will recall it required 135 amendments to deal with those clauses which were reviewed. What a bureaucratic jungle he wished on the people.

• (1600)

When pressed for tax cuts last May, the Minister of Finance (Mr. Turner) came through with a 3 per cent rebate on income, but only effective until January 1, 1973. There will be a pay day here. He reduced corporation taxes, but this was overdue. Corporate taxes could be lowered more. In fact, they are down to 35 per cent in Japan. They are also lower in other countries. Profits were running between 5 per cent and 6 per cent and we were asking the Canadian people to invest in Canadian companies. They were running twice as high 20 years ago; in 1964, 20.5 per cent; 1965, 19.4 per cent; 1966, 17.6 per cent; 1967, 14 per cent; 1968, 14.3 per cent and 1971, 12.4 per cent. Our exports were falling relatively and our imports were increasing relatively. The minister knew that 25 cents out of every dollar came from our exports.

The minister also knew that if people were to be induced to invest in Canadian industry, they had to see prospects for returns. In spite of the leader of the New Democratic Party and his corporate rip-offs, people were not rushing to take advantage of this so-called bonanza. If Canadians do not invest, then outside interests will come in. With over 600,000 people unemployed, we need them badly.

How wrong and inept this government has proven itself to be. It was out millions of dollars when predicting its revenues and $1 billion more or less in its calculation of the unemployment insurance fund. If this were a private business, that fellow would get bounced awfully quick for doing such accounting work. The Minister of Finance has been collecting millions of dollars from taxpayers across the country, money to which he had no right. It took an election to show the minister how wrong he had been. According to his own statement, he has now entered the villa of political bankruptcy by lowering taxes. This is something that could have been done months ago when it was proposed by the Leader of the Opposition (Mr. Stanfield).

What did the budget do? Let us take a look at it. It raised the old age security pension to $100 per month. I say to you, Mr. Speaker, this in no way makes up for the increase in the cost of food and shelter since 1963 when the basic pension of $75 was fixed. The country is still cheating these people. Nothing was done about including drugs in the medicare plan, yet this was part and parcel of the Hall Commission Report on National Medicare which a Liberal government introduced. People over the age of 65 require a good deal more prescription medicines than those under that age.

According to the Economic Council of Canada, one in four people today are below the poverty line. The government consistently refuses to help the most needy, the sick and the ailing. The budget did not provide anything for chronic nursing care or anything to prevent the necessity for active hospital care, yet governments scream about the cost of health care and rising hospital costs. They blame the doctors, everyone but the governments who do not provide chronic nursing care for the sick so that patients can be discharged from hospitals. What a mess governments make when they take over administration.

Health care costs will increase 14 per cent this year. The government and the minister say they do not want anyone asking for a raise. We must all show responsibility. The day after the minister said this when presenting the budget the government brought in its own spending estimates, which showed an increase of 17 per cent. This was one day after the minister pleaded with the people of Canada not to ask for a raise. The budget will help with

the financing of children's clothing, candy and soft drinks, jewellery and cosmetics, but I wonder what manner of reasoning was used in arriving at this decision when a young couple who want to build a home for those same children find themselves faced with a 12 per cent sales tax on the building materials for that home. Surely, the cost of shelter should not have been overlooked. This sales tax accounts for thousands of dollars in the cost of the house and its financing.

What kind of a deal is this exemption to the farmer and his son when the family farm passes on from generation to generation? If anybody is going to win, it will have to pass on from generation to generation from here to eternity. Very few farms continue to be held by the same family beyond a couple of generations. Let us take an example. A farmer buys a farm for $25,000. On valuation day, it is worth $50,000. The son gets the farm after 20 years, but 10 years after that he has to sell because of urban sprawl, ill health or a dozen other reasons and the price is $100,000. Does the son pay capital gains on $75,000 or $50,000? The government is always the silent benefactor while over the years the farmer was the worker, the caretaker and the one who make the investment. The government can even change the rules before the farm is disposed of finally. If anyone does not believe that, just go back to 1936. The Liberal government of the day pleaded with people to invest in Canada. The government sold what were known as 1936 perpetual bonds which cost 98 cents on the dollar. What can you get for them today? If any member opposite wants to bid 40 cents on the dollar he can have them.

Mr. Lefebvre: Have you got some, Doc?

Mr. Rynard: No, I do not have any. However, I have received many letters from widows and old people who are wondering what in the world to do with them. They thought these would provide a good living for them in their old age. They thought the government would be honest and fair with them, and they would be able to cash them when the coupons ran out. That is what governments do.

• (1610)

Although we welcome the income tax reduction, just what does it amount to? The minister was to increase taxes by 3 per cent on January 1 of this year, so in effect I suggest the 5 per cent reduction is really only 2 per cent. The minister also said that he was going to take three-quarters of a million people off the tax roll, and I am sure some hon. members of the House remember what a former minister, Edgar Benson said. He said that he was going to take three-quarters of a million people off the tax rolls and he did, but within a year they were nearly all back on the roll again paying taxes. The Minister of Finance has now done a flip and is putting three-quarters of a million people off the roll who will all be back again within a year or so.

Has the minister lowered taxes sufficiently that the people can spend more, and more jobs will be created? That is the burning question. If he has, then are controls necessary to hold the line? The public is losing faith in the ability of governments, governments that blunder. The budget is complicated. Its end results are not certain and the new tax forms are so complicated that the public just does not understand them. The public is in rebellion. People want a better accounting system, a simple system so that they will understand what goes on and may judge whether or not the servant is worthy of his hire.

In my opinion, with the tremendous yields in taxes from Mr. Benson's tax reforms, more money should be poured into industry that is manpower oriented so as to produce jobs quickly. More money should be poured into research to develop our raw resources and manufacture new products. We should do far more processing in Canada of our own goods. At the present time over 60 per cent of our exports are of raw materials or are only partly processed, which I think is a disgrace. A little less than 40 per cent of the goods we sell are processed. Some 50 per cent of the value of the products that we produce are exported, while two-thirds of our imports are processed.

The labour content of a processed article is three times that of a raw resource product. This indicates the necessity for tax cuts and for the stimulation of the manufacturing sector. This fact strikes home when we realize that Canada has over 600,000 people unemployed out of a population of 22 million and a work force of around eight million. We have the greatest known amount of raw resources per capita in the world, yet we have the highest unemployment rate in the developed world. I say that without criticism but with a good deal of sadness. There are nearly 80,000 jobs in Canada that cannot be filled because there is no one to fill them, yet Ottawa spends $2 billion a year on benefits to the unemployed. What a way to run a country. We have manpower centres for training people and we have unemployment offices; nevertheless, in face of the stark facts we must point the finger at the inability of the government to solve our problems. The socialists say that they would cure the trouble. They would probably adopt the Swedish method—work or starve and this is not acceptable to a free society.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, if one considers the views that have been expressed during the debate on the budget for the past few days, one realizes how important a minority government is for Canada as a whole. I suggest the government feels compelled to take heed of the opinions and wishes of the Canadian people.

If a majority government were better for Canadians than a minority government, we could rightly ask why a budget such as this was not brought down last year or two years ago, when the government was in a majority.

When we had a majority government, taxes were raised and practically nothing was done about old age pensions. I say "practically nothing", because at one time they went so far as to increase these pensions by 42 cents a month, which everybody thought was very funny.

On the contrary, under a minority government, increases have almost reached $18 a month, which prompts me to say that a minority government is more effective for the people.

The government is less arrogant. I notice that the ministers are a great deal more polite than a year ago. They

look at us, they acknowledge us, they even smile to attract our attention and sympathy, there is no doubt about that.

Mr. Speaker, the budget really reflects that change of attitude from a majority to a minority government composed of almost the same men, the same ministers and the same Prime Minister (Mr. Trudeau).

In his speech, the Minister of Finance (Mr. Turner) told us strongly that the budget would result in creating more than 300,000 new jobs, that the LIP projects would be more fully and more easily subsidized than before. In my opinion, the budget as it was tabled, even with the pension increases and the tax reductions of around 5 per cent, will not create a single additional job in Canada.

It does not promote industry either. I shall give a striking example. The hon. member for Sherbrooke (Mr. Pelletier), a riding which I well know, talked about his region. I did not have the pleasure of hearing him but, last February 22 he talked about the unemployment problem and the economic doldrums in his riding; it is not the only one in that position. The riding of Saint-Hyacinthe encounters difficulties in the same areas, what with economic stagnation and now hopes raised in the budget of the hon. Minister of Finance.

There is a good reason to hope that Sherbrooke will become again the prosperous queen of the Eastern Townships. The hon. member for Sherbrooke emphasized the situation of unemployment and distress in his riding and this is still true after more than ten years of continuing Liberal administration. If things are going badly in Sherbrooke, in Quebec and throughout Canada, with regard to the economy, the Créditistes are not to be blamed because it is the Liberals who are running the government. They laughed at the Créditistes when we offered solutions. When we made suggestions to the government, they found that funny but here is a Liberal member who complains that the Liberal riding of Sherbrooke is in distress. The Créditistes do not run the government, they do not administer the Canadian economy nor are they responsible for unemployment, low wages and distress which exist in Canada and in Sherbrooke in particular.

As I found it from reading *Hansard* at page 1561, here is what the hon. member for Sherbrooke said:

From 1965 to 1972, employment in the manufacturing sector in Quebec rose by 7.4 per cent, while it dropped by 10.8 per cent in Sherbrooke.

I think that in Drummondville, in Saint-Hyacinthe, in those parts of the Eastern Townships, the problem is about the same.

Therefore, if the manufacturing sector is important, our region is becoming a marginal area—

It is the hon. member for Sherbrooke who is speaking.

—and we can prove, in the light of valuable information that the city of Sherbrooke can in no way expect to have an economic recovery without substantial grants from the federal government.

At that time, the citizens or the industries in Sherbrooke will be called corporate welfare bums because the government will help them or will try to help them. The hon. member for Sherbrooke has complained saying that industrial structures were lacking, that the wages paid in Sherbrooke were below those paid elsewhere in Canada in the garment industry.

[Mr. Caouette (Témiscamingue).]

The unemployment rate varies from 11.6 to 11.8 per cent in Sherbrooke, while 20 to 25 per cent of the people in the Eastern Townships live in poverty. That is what the hon. member for Sherbrooke says.

But whose fault is it, Mr. Speaker? Who is to be held responsible for unemployment in Sherbrooke or elsewhere? Whose fault is it if wages paid in Sherbrooke are lower than the national average? Whose fault is it if plants in Sherbrooke leave this town to go to Ontario?

A plant closes down because of imports in the area of footwear, for instance. The manufacturer blames the government for not taking the necessary steps to help Canadian workers.

I have here a letter dated February 2 that was sent by the Kaufman Footwear Company Limited in Sherbrooke to its employees. The government is in office. What does management say?

Due to the economic situation, the company deemed necessary to stop production in Sherbrooke.

The decision to close down was based on the fact that the plant is in a non-competitive position mainly as a result of footwear imported from countries where wages are very low.

Italy, Czechoslovakia, Japan are countries which sell footwear in our country. Mr. Speaker, here are statistics related to the import of footwear of all kinds during the first 11 months of 1972. Manufacturers are right to complain about imports. From the countries I just mentioned, 47,117,826 pairs of shoes have been imported. The people from these countries manufacture footwear at a cheap cost because salaries there are not high.

• (1620)

Mr. Speaker, the material is less expensive than in Canada and the Canadian government allows the import of 47 million pairs of shoes so that industries like Kaufman Footwear Limited are obliged to close down. I have before me a letter from which I shall quote an excerpt:

Many attempts to create new lines such as boots for ladies and shoes for men, have not succeeded in producing the number of additional pairs needed by the plant to increase its productivity. The government has heard the representations made by shoe manufacturers with regard to the situation of the footwear industry, but it does not want to "listen" and take corrective measures which would help the Canadian workers in the footwear industry.

It should be clearly understood that the recent demand of employees for representation is not the reason which has brought about the above-mentioned decision.

The production will continue until or about May 4, 1973. A committee will be set up to help you, if possible, find jobs in other places. If there are employees who are interested to be sent elsewherere—

But in other places, measures are taken to reduce employment. After 25, 30 or 40 years of employment, in Sherbrooke city, how could workers consider being moved to other places like Matagami, for example? Workers are told to go to James Bay to face an intolerable situation in Canada. The company says and I quote:

If there are employees who are interested in being employed elsewhere, they should speak to their foreman so that the necessary information could be directed to the responsible persons.

We regret that this is the only course available to us. Your cooperation through the years has been appreciated.

KAUFMAN FOOTWEAR LIMITED
DIVISION PROSPECT

Here is a situation where 300 workers are losing their jobs, while the minister says in his budget speech: We will create 300,000 new jobs in Canada. What a joke! On the other hand, the minister of Finance said: We will present a budget which will create employment and after two or three weeks, or after the budget speech, manufactures and mines are closing up in my region as well as elsewhere. An exclusive control over the dairy industry is being set up in the province of Quebec because small industries cannot operate with profit. Therefore large organizations buy the small dairy operations to gain control over that industry throughout the province of Quebec. Yet no one hears about that. The "big people" who buy do not say a word and the small businessmen who sell are appointed directors of a new plant that is set up to control exclusively the production and distribution of dairy products in our province.

That happens in a particular sector of the economic activity. But the budget will not create a single job, and I am deeply convinced of that even if the old age pensions are increased to $100 a month as we have been urging for many years. We advocated the payment of the old age pension at 60, the same pension for the spouse, but the government does not take that into account. Today, all hon. members know that a 60 year old man cannot find a job because there is no place for him in our society. And the government does not do anything to help her.

In the field of initiatives, the government thought it would have more money for the LIP program, money that would be earmarked for worthwhile projects from municipalities or intermediate organizations. But they say now: We are getting too many applications. They have paid for ads in the newspapers, on the radio, in all media telling people: Quick! Send in your local initiative or opportunities for youth projects. They have received 30,000 projects, they approved 7,000 so that leaves 23,000 citizens or groups who are not treated fairly, even though they have submitted worthwhile projects. Again, they are laughing at people when they pay advertisements to tell them: Submit your projects quickly and we shall approve them. Everyday, they turn down local or municipal initiatives projects from young as well as not so young people.

Mr. Speaker, we have also asked for assistance for university and CEGEP students. A kind of salary for students, they think that it is funny. Why are the young people on strike in universities? Because they are not learning French? Because they are learning too much English? Because they cannot pay for their tuition fees!

Mr. Speaker, if war broke out tomorrow morning—

[*English*]

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member for Témiscamingue, but the time given him by the House order passed on February 22 has expired.

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a point of order.

[*English*]

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

[*Translation*]

Mr. Fortin: Thank you, Mr. Speaker. Pursuant to an agreement with the four parties, taking into account the agreement which you have just referred to, we agree to let the leader of the Social Credit Party of Canada speak for five minutes more. To this end, would you kindly request the unanimous consent of this House? As far as we are concerned, we agree.

Some hon. Members: Agreed.

[*English*]

Mr. Deputy Speaker: Is the extension agreed to?

Some hon. Members: Agreed.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I wish to thank my colleagues and I will not speak for five minutes.

If a war broke out, the government would find the means to finance the studies of all those students who are striking in Montreal, in military colleges or universities and in such a case we would not call this aid anticipated salaries but a pay which would enable them to pursue studies paid for by the government.

Mr. Speaker, if, in wartime, it is possible to help young people of 18, 19 or 20, there is no one valid reason in the world for not helping them in peacetime in order to prevent them from sinking into disorder and helter-skelter as it is presently the case at the University of Montreal and at the University of Quebec in Montreal.

Mr. Speaker, there are limits to preposterousness and it is economic preposterousness to bring forward a budget which aims at distributing crumbs to the population on the whole. We will go on suggesting to and asking the government to entertain broader views. They have broad views when it comes to paying the interest on the public debt; the budget of the Minister of Finance will increase the public debt by $2½ billion or $3 billion in interests only. The hon. member for Saint-Hyacinthe (Mr. Wagner) said recently we should have increased that debt by $4 billion or perhaps $5 billion. We say that instead of going into debt with figure makers, we should use the Bank of Canada. Let us have its new governor write the figures which are necessary to the normal development of a country like ours. Then Mr. Speaker, we would be able to bring in a progressive budget, a budget of initiatives, in short a budget which would really serve the superior interests of the Canadian nation.

Mr. Yvon L'Heureux (Chambly): Mr. Speaker, I am particularly pleased to take part in the debate on the budget and to express my satisfaction on behalf on my constituents concerning the measures proposed by the minister to fight unemployment and to reduce taxes for the middle class and the low-income group. I was particularly pleased to see that the old age security pension and the veterans pension were to be increased.

The Minister of Finance (Mr. Turner) brought in a realistic budget which aims at controlling inflation and fight-

ing unemployment. He even specifies that 300,000 new jobs will be created. This is auspicious and likely to give confidence again to manufacturers and businessmen. We rely on their investments to create new jobs.

Mr. Speaker, a great portion of my riding is industrial: Boucherville, Saint-Bruno and Saint-Hubert, Chambly and Belœil have well organized industrial parks. For example, Boucherville, Saint-Bruno and Saint-Hubert have agreed to take advantage of the new facilities offered by Quebec Industry and Commerce Minister Saint-Pierre who made funds available to them to help pay qualified commissioners and to interest other industries in settling in the area.

The Department of Regional Economic Expansion paid to date several million dollars in my riding and I recently heard the new incumbent of this department (Mr. Jamieson) say that a review of those programs would be made and that even more substantial benefits would be granted to small and large industries.

In another part of my riding, we find heavy industries. Mr. Speaker, this could be the Canadian Ruhr if only the government accepted to build deep water wharves on the south shore at Varennes and Contrecœur. I made representations to have some of the Montreal harbour facilities moved to the south shore but without result. The officials talk nonsense. One day they say yes, the other they say no, and discussions have been going on for 15 years. I am fed up with those stupidities. I urge the minister to approve the establishment of industries such as Gulf Oil Limited in Varennes and others such as The Steel Co. of Canada Ltd. and Dosco Steel Division, Dominion Steel and Coal Corporation Limited in Contrecœur, that employ thousands of people. We must act.

Mr. Speaker, the economy of the south shore, and especially of my constituency, is at stake. Several heavy industries lack only the permission to go ahead with planned expansion. Branches are planned at Varennes and Contrecœur. Heavy industry naturally covets this site, and the construction of wharves there is of the first importance.

I suggest that we do without the intermediary of the Port of Montreal, which has too many problems to face. I again call on the minister to study this situation so that a decision may be taken without further delay, for unless it is, the south shore will continue to be an underprivileged area.

I was pleased that the Speech from the Throne mentioned that the question of feed grain would be dealt with in this session. Bravo! The dairy industry, too, should continue to benefit from a dynamic policy, so that farmers may be assured of a just and equitable income.

I should like also to congratulate the Minister of State for Urban Affairs (Mr. Basford), who is responsible for the Central Mortgage and Housing Corporation, on having made it possible for more young and not-so-young people to have their own homes and to move to my constituency, which is the natural dormitory for the city of Montreal.

There is some amazing development going on in my area. Serious promoters and contractors are helping to develop this small stretch of land that has become a marvellous place thanks to the new facilities I mentioned just now.

In my constituency, there is also a part of the Chambly canal which, since last June, has been transferred from the jurisdiction of the Minister of Transport to that of the National Parks Branch of the Department of Indian Affairs and Northern Development. Built over a century ago, this canal is in an appalling condition besides harming considerably the normal evolution of the Chambly area. The obsolete bridges built for horse-driven carriages should have been replaced years ago to conform with minimum standards acceptable to modern traffic.

The construction of a detour to the highway at present closed to traffic has become necessary on account of the canal. The Richelieu River, which hit critical levels for the last three years, threatens to create a situation which could prove catastrophic this spring. And despite those urgent needs, among so many others, various papers in this country have been literally shocked at the sight of the credits granted Quebec by the federal government.

I do not want favours for the Chambly constituency, but only that works which have been delayed for too long and which are absolutely necessary be carried out if this area is to achieve normal economic development.

Finally, Mr. Speaker, I urge the responsible minister to make a list of the credits voted for the Canadian canal system. He will see that Chambly canal over 20 years has received only poor grants compared with the Trent and Rideau canals. Chambly, a historical site because of its fort and its monuments, has a particular touristic role to play. In fact, the American people coming from New York take the canal, stop at the Chambly marina, follow the Richelieu river to Beloeil where, again, a marina is to be found. Those marinas probably have benefited from help, for the tourist industry is necessary and has importance for our country. And that magnificent district could benefit from help given those marinas. But up to now, they are the concern of benevolent organizations still at work, but which should not be discouraged, because they do care for the valuable aid they could obtain and that could benefit the whole area.

I hope that the minister will seriously consider these requests. He can be sure that I will renew my requests in order to get justice for that region.

Presently a study jointly conducted by the federal and provincial governments aims at cleaning the Richelieu river and at the diversion into that river of the Chambly canal, which I mentioned a while ago, where old bridges are on the verge of falling down. However that study is proceeding at a snail's pace. Three provincial and three federal engineers are carrying out that study. I recently heard that two were going to resign to take up new positions. In my opinion, the task should be entrusted to an independent study group, the matter being so important that decisions should be taken without delay to do justice to that area which experiences troubles and problems and I am asking the Minister of Indian Affairs and Northern Development (Mr. Chrétien) and the Quebec government to resume that study after having entrusted it to an independent organization.

Mr. Speaker, all the demands are surely timely because I have been interested in public administration for over 28 years. I was elected to work constructively with a party and a team which I trust and support. However, we must take into consideration the claims and difficulties of which the government is probably unaware. I do not wish to speak about my background, but I have examined those problems and I would like some assistance to solve them in the interests of my constituents.

• (1640)

[*English*]

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I rise to speak for the first time in this House and I hasten to join other hon. members in congratulating Mr. Speaker on his re-appointment as well as Mr. Deputy Speaker on his appointment. Other hon. members have spoken in glowing terms of their past association with Mr. Speaker. I cannot do that, inasmuch as I did not know Your Honour until a few weeks ago, but I have come to respect the Chair and admire the many capabilities of its occupants.

As I make my contribution to this budget debate, I will propose some radical changes which, I believe, have not been heard in this House previously. I shall develop a case for the elimination of taxes on personal incomes and the substitution of a tax on personal spending.

But first, I would like to say that I have observed another tradition in the House, which is to include in a maiden speech a detailed account of one's own riding. If I say that I have been pleased to have lived there for 17 years, that should say quite a lot about Vancouver Quadra. However, it may be helpful to what I am going to say to explain that Vancouver Quadra is probably a choice example of an urban residential riding. Vancouver Quadra stretches two thirds of the way across the centre of the city of Vancouver. It is eight miles from end to end, and varies in depth from one and a half to two and a half miles. It is the only riding in Vancouver that has boundaries in common with each of the four other ridings in the city. It contains no industry; the commercial areas are principally neighbourhood oriented; and there is not a single major shopping centre.

Although Vancouver Quadra is quite different from some rural ridings with their enormous distances, and from some of the high rise ridings of the big cities, the residential cross-section is complete. We have new high rise apartments and ancient walk ups. We have luxurious stone mansions and modest frame cottages. We have the university residences, low income housing, old folks homes, an army base, and even a youth hostel. These buildings are all called "home" by their occupants—the people, the families who live in Vancouver Quadra.

These are the families that the Minister of Finance (Mr. Turner) has overlooked in his budget. Yet, he said he had produced a family budget. Now, Mr. Speaker, the minister is a smooth talker and is well known for this quality. He may have been able to smooth over the rough spots, and the morning after budget night it is possible that many families thought the minister was truly their knight in shining armour.

I am sure that nobody on this side of the House, least of all the Leader of the Official Opposition (Mr. Stanfield), would condemn the budget in total. Our leader has been trying to sell this package to the government for years. Just think of his policies on the issues of tax cuts, pensions, and unemployment. But by now the analysts have had a chance to dig deeper into Turner's maze, and the media are telling the whole story. In short, as one editorial put it, there is less to it than meets the eye at first glance.

I will not repeat the words of previous speakers on this side of the House except to say that the people in Vancouver Quadra are now aware that the budget lacks the incentives to business which would ease the unemployment problem; lacks incentives to Canadians to invest in Canadian business; and lacks policies to combat inflation. They have heard that a Conservative government would have gone full speed on expansion of the economy and would have introduced temporary controls on prices and incomes. This is what the voters in Vancouver Quadra said they wanted last October 30.

There are no farms in my riding, Mr. Speaker, but the residents of Vancouver Quadra have had a chance to wonder why the family owners of small businesses should be less entitled to pass them on free of capital gains tax than should the family owners of farms. The government's policy of discrimination was undoubtedly arbitrarily political. It has no basis in logic. But my constituents have been disappointed in Liberal budgets before, and they have been disappointed in the Liberal government for years. They can recall the early days of tax reform when the government said that the primary aims of tax reform were equity and simplicity. They know that the Liberals have given us neither.

• (1650)

My constituents have been frightened and confused by white papers. They have seen business decisions postponed because of uncertainty about taxation. There is no telling how much unemployment can be attributed directly to this uncertainty. It is an accepted fact that businessmen will work under any given set of rules, but it is an equally well accepted fact that the one thing that businessmen cannot tolerate is uncertainty about those rules. When businessmen are faced with uncertainty about the rules they pull back on the reins and, as a result, there is a general slowdown of business activity. This slowdown costs jobs. Some of my friends at home have given up waiting for the government to untangle the tax mess. They cannot understand the new tax law themselves, so they go to some of my fellow chartered accountants who are in the tax advisory business. These professional tax advisers are unable to give any more than the most basic advice on taxation, in spite of the fact that some of them have done little but study the government's tax reform for years.

The minister had a chance truly to reform his predecessor's so-called tax reform, which has been so justly criticized, but the only reform this budget contains is the removal of one arbitrary restriction on small businesses. Now, they can invest their surplus funds in other Canadian companies on terms equal to those granted to foreign investors. Wasn't that a nice gift? After the Minister of Finance takes away the whole loaf, Mr. Speaker, he expects people to appreciate it when he gives back the crumbs.

The real test of the budget is yet to come. The government says it got the message on October 30 of last year. Well, Mr. Speaker, just wait until after April 30 this year, after the taxpayer has had to wrestle with the new simplified tax return, complete with schedules in glorious colour. Then, the government will get a real message from the voters. What we really need, in addition to the policies we have heard from my colleagues, is some real tax reform with simplicity and equity.

I would like to ask hon. members to reflect for a moment on the origin of income tax. Most of the members were not even born 56 years ago, and certainly only a very few could remember that horrifying day in 1917 when the government of Canada first imposed a tax on incomes. Of course, it was a temporary measure, its purpose being merely to cover the costs of the Great War. In fact, Mr. Speaker, until 1949 when we had a major revision of the tax law it was known at the Income War Tax Act. Now, we have the distinction of paying 10,000 civil servants to see that we pay the proper amount of income tax. The estimated cost of operating the Income Tax Department for the coming year is $153 million, nearly five times as much as the cost of operating the whole House of Commons for the same period.

In addition to that, the people of Canada must bear the cost of legal and accounting assistance to help determine what amount of income is considered taxable, and to advise us of the tax consequences of our every move. Bitter disputes are commonplace, and invasion of privacy becomes ever more frequent. So much for simplicity, Mr. Speaker.

Now let us have a look at equity. The present system is often thought of as being a tax on the rich. If one thinks about it, one can see that the rich man cares little about rates of tax on incomes. The income tax does not tax his wealth. Income tax is a tax, not on the rich but on the poor who are willing to work hard to become rich. Income tax is a disincentive. It discourages hard working and able Canadians from their good endeavours, and even has caused some of them to leave the country taking their labour, capital and initiative with them. We have a strange tax system, Mr. Speaker. Instead of taxing what a person takes out of the economy in consumption we tax what a person puts into the economy. We tax labour, by wages and salaries tax, we tax savings by tax on investment income; we tax initiative by capital gains tax.

Surely a more equitable measure of ability to pay tax is what a person takes out of the economy in consumption. If the amount of consumption were taxed, the result would be the equitable situation of everyone paying in direct proportion to his material standard of living. What could be fairer? A man would not be penalized for doing well and saving his money. Young people would find it very much easier to save up for furniture or a house. Such a system would have the added advantage of simplicity, and gone would be the annual tax nightmare. Gone would be the huge government police force, and gone would be the endless arguments about the amount subject to tax. This system of taxation was thoroughly discussed in a 1955 book by Nicholas Kaldor, a noted British economist and adviser to the British Labour Party.

[Mr. Clarke.]

There is also a precedent for this idea in this country. Already the government allows individuals to save up to $4,000 per annum tax free in a registered retirement savings plan. This money is taxed when it is taken out of the plan and spent, usually after the taxpayer has retired. Look at the effect of this idea on a young family starting out—and much is said about the difficulties facing them. At present, two young people working side by side to make a start for their family are forced to pay a vast portion of their income in tax, even though their consumer expenditures are very low. My suggestion would allow them to get a boost by paying a tax only on the amount they spend. Similarly, those on low incomes would pay little in tax, and high living Canadians would pay their fair share based on their high expenditures.

It may be said that such a system would be regressive. Well, Mr. Speaker, if it is the desire of any government to have equity and simplicity in a tax system it should be obvious that the existing system has so many faults that it is incapable of reform. In that regard, I should observe that it has a great similarity to the government of the day. So, Mr. Speaker, I say that 56 years of experience with a patched up system that taxes incomes has been a flop. I advocate the elimination of personal income taxes, together with all the problems and faults that have come along with such taxes since 1917. I encourage in-put to our society by freedom from tax, and recommend the institution of a tax on expenditure or consumption.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): First of all, Mr. Speaker, I wish to congratulate the Minister of Finance (Mr. Turner) upon bringing in what in fact is a typical Liberal budget. In addition to the increases for old age pensioners and veterans, and the reduction of taxes generally, I express to him and to the Minister of Agriculture (Mr. Whelan) our appreciation in rural Ontario for the removal of the capital gains tax on the family farm. I also observe with great satisfaction that we are to have a considerable increase in expenditures for the Department of National Defence, to the tune of $236 million, which is approximately a 12½ per cent increase.

I would like first to draw attention to the National Capital Commission. Our country is rich in history, and particularly in local history. We have not and do not put the kind of emphasis on our past that the people of pioneer days deserve. For example, the names of the counties clasped in the V of the Ottawa and St. Lawrence Rivers—Stormont, Dundas and Glengarry—ring like the echoes of an old hunting horn. Here the Macdonells, disbanded from the Royal Regiment of New York, were first in occupation. Other Scots followed and established the same tightly knit communities as in their native highlands. They adopted the routines of their French-Canadian neighbours, serving their land from May to October and going into the lumber camps for the rest of the year. By the 1860's, there were men of substance among them, and timber had become their business, so that they were acutely conscious of the receding forest. Their eyes were on the Ottawa valley where magnificent stands abounded, but this area was in fee to Montreal by virtue of the river route. Hence, their thoughts turned to railways and the possibility of a local line which would link up with the

systems of New England, whose markets clamoured for Canadian lumber.

• (1700)

The value of railways was exemplified during the Fenian invasion of the Niagara Peninsula on May 1, 1866. F. W. Cumberland, General Manager of the Northern Railway, received orders to concentrate the militia to meet the enemy; within 24 hours he had delivered 1,240 men at the threatened point, and twice that number were on their way. The invasion was over before it had begun. Perhaps we can say, Mr. Speaker, that Mobile Command is something that was not born just yesterday. Therefore, security, the profit motive and the status symbol of the railway business made this an attractive business to men of energy and ambition.

In the years immediately following 1871, a series of railways were built between Montreal and Ottawa. In 1879, a man by the name of J. R. Booth who was born in 1826 at Waterloo in the eastern townships came on the scene. At an early age he had learned the routines of railway construction in Vermont. In 1852 he arrived at Hull as helper in the construction of a sawmill; within a matter of months he was in the timber business for himself. From an initial venture at Chaudière Falls, his interests rapidly spread until he owned 7,000 square miles of timber limits in the Ottawa valley as well as substantial holdings in other parts of the province. He was among the first to develop his own sales organization in the United States and his press for business grew beyond the capacity of the water route to Montreal. Hence, he was advised by his personal expert to go into the railroad business to transport his timber and lumber to market. He formed the Canada Atlantic Railway Company along with his partners William Perley of Ottawa and G. C. Noble of St. Albans.

On September 13, 1882 the first train steamed into the capital from Coteau Landing on the St. Lawrence. The Canada Atlantic succeeded from the start. What had begun as a timber carrier quickly became a general purpose railway traversing a wealthy area. A western extension along the Ottawa valley which would serve not only the Booth mills but the growing market towns, Arnprior, Renfrew and Pembroke, grew necessary. Beyond these settlements a vast expanse of merchantable forest awaited exploitation, and this necessitated the building of a new railroad up the Ottawa valley.

On March 24, 1888 the Ottawa, Arnprior and Renfrew Railway Company was incorporated to build the first 55 miles westward from the Canadian capital. Six weeks later, the Ottawa and Parry Sound Railway Company was entrusted with the construction of 157 miles between Renfrew and Scotia, on the Toronto-Callander branch of the Grand Trunk. The two companies were merged as the Ottawa, Arnprior and Parry Sound Railway. Construction began immediately in both directions from Renfrew to be completed in the following stages: Ottawa-Arnprior, 38 miles, opened May, 1893; Arnprior-Madawaska Junction, 93 miles, opened September, 1894; Madawaska Junction-Cache Lake, 36 miles, opened May 1895; and Cache Lake-Scotia, 46 miles, opened December 1, 1896. This was perhaps the first railway of any importance to be both financed and built by Canadians. At times 2,000 men were at work; the roadbed rose and the steel went down with the swing and precision which were the hallmarks of the Booth enterprises.

On October 5, 1896 the J. R. Booth group took over and completed the Parry Sound Colonization Railway between Scotia and Parry Sound. Another subsidiary, the Pembroke Southern Railway Company built 21 miles of track to join the town of Pembroke with the Canada Atlantic at Golden Lake, 88 miles west of Ottawa. This project cost $264,500 of which $139,500 represented federal, provincial and municipal subsidies. Therefore, Mr. Speaker, we can readily assume that regional development programs did not start yesterday.

At one stage a passenger could buy a ticket at the town of Renfrew for 75 cents and receive not only a round trip ticket for 117 miles of travel, but also a 50 cent seat at the Ottawa Opera House. The J. R. Booth railways eventually ended up in the CNR system; and today the line is still in operation from Ottawa to Arnprior, Renfrew, Eganville, Golden Lake, Wilno, Barry's Bay, Madawaska and Whitney on the edge of Algonguin Park.

It is my proposal to the national capital commission that a passenger train for tourist traffic could be developed as a great attraction, because all these places in the Ottawa valley and the Madawaska valley as well as the timber resources of that area have played such a major role in the area history and economic life of our national capital of Ottawa. Tourists visiting Ottawa could travel to Algonquin Park on a train that should be modelled after those of the pioneer days. We might even bring back the so-called old-fashioned steamer and the pot bellied stove in the coach if the Minister of the Environment would permit it, Mr. Speaker. Not only would the train ride be of an original nature for the tourist traffic, but passengers would be free to get off at any community along the line to play golf, go fishing, water ski, to stay at a resort area for a day or a week, or to go skiing, skidooing at Mount Madawaska at Barry's Bay, or go on hikes through Algonquin Park. Other forms of attraction would be limitless, including the natural beauty and history of the region. The old station buildings along the way could be rejuvenated or rebuilt, to serve as entertainment centres as well as places to purchase tickets; though I doubt very much if they could purchase a ticket for the National Arts Centre for 50 cents. Not only would this be an added attraction for Ottawa as a capital city, but it would bring back the prominent economic relationship between the valley and our nation's capital.

In summary, Mr. Speaker, I make this proposal in all seriousness because we, as Canadians, have a habit of destroying those things of our past history rather than preserving and promoting them. Therefore, I call upon the National Capital Commission, the various historical societies up and down the valley, to back this project before it is too late and the rail line is destroyed in the name of progress, hence destroying one of the most romantic symbols of Ottawa valley history. May I also appeal through you, Mr. Speaker, to Ottawa City Council to back this proposal so that relationships between Ottawa and its valley communities will prove of great value to all concerned.

Mr. Speaker, I should now like to go on to another item of primary importance to me and every Canadian, that is the increase in the defence budget of 12½ per cent, something that is not only needed in order to take the strain off many areas of departmental personnel at this time, but is also necessary if we are going to keep pace with modern equipment, training and everyday demands on the members of our armed forces. We do hear complaints about the spending estimates of the Department of National Defence from time to time but this, I believe, is basically because the critics, who intend to be sincere in their comments, really do not fully realize the extent and depth of the operations, the demands and the expertise of the men and women in the forces. Fortunately, most people do fully understand their impact on Canada and the world at large.

Historically, the Canadian forces have pioneered in virtually every major field necessary for getting into the Arctic, living there and working in the extreme climatic conditions. Most of the airfields and airstrips which are now under the Department of Transport or civilian jurisdiction were started by military forces. The fear of the Arctic which was a major drawback to any northern venture before the Second World War, was largely overcome by the presence of the search and rescue organization of the forces. If people know that the government is going to look for them if they are lost or forced down, the fear of non-survival is substantially reduced.

In the post-war period, when the Royal Canadian Air Force was photographing the whole of Canada, their operations took them into every corner of the high Arctic. The maps which resulted from these efforts made navigation possible. New techniques for air navigation were worked out by the forces, which were adopted by the United States Air Force and civil operators and provided for accurate air travel where the magnetic compass was useless. At the same time, army ground survey parties were adding to the knowledge and topography of Canada with new data for maps and a mapping section.

• (1710)

The army, too, for nearly 20 years maintained the Northwest Highway system.

The navy pushed the first large ship, the icebreaker *HMCS Labrador*, through the northwest passage, showing the way for future commercial ventures.

Communications in those early days were primitive. From 1946 to 1964, the forces constructed and operated the Northwest Territories and Yukon radio system, which was finally taken over by CN Telecommunications. The DEW line, too, provides radio communications which up to now would have been economically impossible for small civil use but became more and more important to north-south communications for civilians.

As communications improved and airfields became available, as maps were produced, as navigation became possible, as fuel was available and as the fear of northern flying was dissipated, more and more civilians pushed north for a wide variety of reasons, many of them economic. This is only a short list of the major contributions made to northern development by Canadian forces.

I would like now to speak about the training of the Canadian forces and their preparation for tasking by the government in both their national and international roles.

[Mr. Hopkins.]

The people of Canada and, I think, many members of this House, assume, and rightly assume, that the Canadian forces can do just about any job that is given to them. We assume that they have such training and such expertise in thousands of specialities that they can go into any environment, on land, on the sea or in the air, and do what we ask of them. In recent years we have asked them to fly into the middle of a shooting war between India and Pakistan, to pick up Canadian civilians. We have asked them to fly 4,000 miles south to earthquake-ravaged Peru on a humanitarian mission for Canada, and to operate off tiny airstrips high in the Andes evacuating the sick and the injured. We ask them to buck North Atlantic gales to rescue the crews of foundered vessels. We ask them to parachute into the scene of a crashed aircraft, with all the survival skills and medical knowledge necessary to save the crash victims. We have asked them to operate in the deserts of North Africa and in the heat of Yemen, in the jungles of the Congo and the mountains of the Himalayas for the United Nations. We have asked them to control and clean up a giant oil spill on the east coast of Canada. We have asked them to build six airfields in the high Arctic, to serve both civilian and military air traffic. We asked them to dive 2,000 feet into the sea in highly sophisticated submersibles and to take a good look at our Continental shelf. We have asked them to keep under constant surveillance the million and a half square miles that we designate as the Canadian north. And, most recently, we have asked them to assume the dangerous and delicate role of supervising the cease fire in Viet Nam.

These are just examples taken at random. But in each of these instances they have done what we asked of them without question, and with a skill and professionalism which has often drawn international praise. However, the variety of tasks that we give to our soldiers, sailors and airmen taxes them almost to the limit. All of this requires a lot of training to bring the new recruits up to the high standards required by the forces and to keep the old hands up-to-date with ever-expanding technology, a technology which is often reflected first in the vehicles and weapons of defence. That is why we need an increased defence allocation in the budget. This training requires a large and highly professional teaching and instructional staff. It needs schools and sophisticated training facilities and training aids. It needs—

Mr. Deputy Speaker: Order, please. I regret having to interrupt the hon. member, but the time allotted to him has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Before calling on the next hon. member to speak, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for York-Sunbury (Mr. Howie)—National Defence—Alleged exclusion of Gagetown from bases sharing funds for labour-intensive projects; the hon.

member for Winnipeg North Centre (Mr. Knowles)—Social Security—Retired public servants, armed forces personnel and RCMP pensions—Status of consideration of raising or removing ceiling on escalation; the hon. member for Vancouver-Quadra (Mr. Clarke)—National Defence—Jericho Land, Vancouver—Inquiry as to calling of tenders concerning disposal.

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Hon. John N. Turner (Minister of Finance) that this House approve in general the budgetary policy of the government.

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, those of us who are privileged to sit in this House for the first time find ourselves caught in a set of unique circumstances, many which have had the effect of thrusting freshman members into the thick of the fray sooner than it has been customary. At least, that is the impression I get from some veteran members, Mr. Speaker. Speaking for myself, I have been struck by the excellence of some of the speeches given by some of my colleagues, on both sides of the House who, as I am, are sitting in the House for the first time. I am also impressed by the way the new men appear to be so eager to be involved in the business of the House and in committee work. If I may remain on that issue for another moment or two, I believe that my party in this House is fortunate in many respects. For one thing, we new members have an exceptionally talented and knowledgeable group of veteran members to lead us through the difficult days of learning our way around. In my view they have made it possible for us to become effective members in a shorter time than I would have expected.

As to the budget, Mr. Speaker, I do not intend to try to take this budget item by item and expose its deficiencies. This has been done most effectively by my leader and many of my colleagues. I understand that in budget debates a member can digress and dwell on issues that for him or her have a special meaning or interest. This is what I would like to do; and while I will not guarantee that all of my colleagues will agree with everything I say, I would be less than honest if I were to let that fact deter me from my course. To set the stage for my remarks, I would refer my colleagues to a statement made by the mover of the Address in Reply to the Speech from the Throne on January 5, the hon. member for Nipissing (Mr. Blais). As recorded on page 25 of *Hansard* for that date he said:

> I am sure that no member of this House was directed by his or her constituents to come to the House to squelch debate.

I give the freshman member for Nipissing full marks for that observation, Mr. Speaker, but I cannot extend the same charity to the seconder of the Address in Reply to

the Speech from the Throne, the hon. member for Lachine (Mr. Blaker). As recorded on page 28 of *Hansard* for January 5, he said:

> Many of us had thought that the great debate on Canadian unity was over;—

What a statement that was, Mr. Speaker. I referred to those statements because I intend to speak for a few minutes on the question of national unity. National unity is one of the subjects closest to my heart, Mr. Speaker, and I will question some of the misconceptions that are presently being bandied about by some people for purely personal and partisan purposes.

In the first place, Mr. Speaker, no thinking person in Canada could accept the statement that the debate on national unity is over. The debate on national unity will continue long after those of us here have gone to a better or a worse place. I will refer to one more statement in *Hansard* before I continue. As recorded, on page 58 of *Hansard* for January 8, the Prime Minister (Mr. Trudeau) said:

> It is obvious, Mr. Speaker, that the question of national unity has not been solved in this country.

The Prime Minister should know that better than anyone, Mr. Speaker. During the terms of the last two governments, and especially during the term of the present government, the cause of national unity has deteriorated as at no other time in our history. Canadian voters tried to tell the Prime Minister just that on October 30 last year; and while he admits that that is so, I still do not believe that he or his government plan to alter their stand on the issue. There is great danger that too many people in Canada today will accept the view of the hon. member for Lachine, that we should not engage in any further dialogue on the question of unity. The hon. member must be afraid that his views on the subject will not stand scrutiny and he must be afraid that his views will not stand the test of dialogue.

After the recent election, the Prime Minister complained that there were members of this House who had used racism in their election campaigns; so far he has not yet named any names, and I doubt if he will. The Prime Minister has said, Mr. Speaker, that there will not be real unity in Canada until we in English Canada accept the fact that we are a bilingual country. We accepted that fact back in 1966; all of us accept that fact today. Yet, what do we see today? Almost daily on CBC television we see evidence that the Quebec separatist movement is growing as it has never grown before in our long history.

Whatever we are doing to achieve national unity and weld our people together in a common bond is not working. That is the main reason I believe we should undertake further study of the problem; and we should not be afraid of dialogue. It is when people do not talk about problems that the small problems develop into big problems. I do not mean the small, whimsical comments of the type characterized by the Prime Minister when he said that bilingualism will be a fact when a French Canadian can go to Vancouver and order a hamburger in French. This is not what the issue is about, but the trouble is that there have been too many people talking in just that way about a very serious problem.

• (1720)

I have read and heard, Mr. Speaker, that whenever anyone dared to stand up and ask questions about this subject, he was branded a bigot. If I worried about such things as that, Mr. Speaker, I would not be here. I happen to care a great deal about where we are going and I am concerned about what will happen to us if people continue to use the issues of race and language for political gain. In my case, I am a Canadian of Greek heritage. I am proud of my heritage, but I would not let it stand in my way of being a Canadian because that is exactly what I am. I do not want a hyphen in front of my name. I am not prepared to go along with anyone who proposes policies that will dilute or diminish the strength of Canadianism, not as an alternative but as a fundamental and basic philosophy.

Last Friday the Leader of the Opposition said in this House that we need in Canada an effective government, an honest government, a government that can be trusted. I cannot help feeling that that is at the root of most, if not all, of our problems in Canada today. We do indeed need honest government in Canada, a government that has the trust of the people, if we are to move forward and root out the real causes of dissent and disruption in our country. There is a group in Canada that professes to present the Canadian viewpoint, Mr. Speaker. They make a lot of noise, but they are not the answer. The Committee for an Independent Canada is not presenting or pushing the cause of Canadianism. They are anti-American, first and last, and that is negative. What I want to see is a government that will inspire people throughout our country to proclaim their Canadianism. I am a Canadian because I want to be, and in my view anyone who lives here and shares the bounty of Canada should be just as willing and anxious to say the same.

The Prime Minister keeps coming up with ad hoc policies designed to demonstrate his feeling for the different cultures in our country. Since money is no object to this government, he offers everyone and anyone money to do his or her thing. We do not need government assistance to divide our people into cultural segments. We need a government that will recognize the clear fact that the majority of the people in our country want to be recognized as Canadians and that everything else we want to do will be made easier if we take that logical step.

I hear that we must hurry and erect barriers here and there to preserve our cultures from exposure to other societies, such as that in the United States. People complain that we are becoming Americanized and that we must take action to reverse the situation. Again, Mr. Speaker, this is palpable nonsense. All the world is changing; people are changing and countries are changing. Anything that cannot stand up to exposure to other cultures and ideas is not worth saving. It would be working against natural forces, against nature itself, and it would mean that we would have to adopt a policy of isolation.

The only cultures, in my view, that we as Canadians must work to preserve in their pure form are the cultures of our native peoples, the Indians and Eskimos. Their cultures are distinct from any other on the continent and they should be preserved. These people differ in their viewpoints, in their living and work habits and in their approach to the whole process of living. In many cases these people choose to move into the mainstream of Canadian life and so they will decide for themselves how much or how little of their native culture to keep. But, where people want to live in their own regions in a style of life different from our own, they must be encouraged and assisted. And, Mr. Speaker, they must be protected.

A final point on this subject might best be summed up by saying that our Canadian culture is only in danger of extinction if and when we admit that it is, and I do not admit that there is any real danger. As long as people talk openly and honestly about what they are, what they want to be and how this might be accomplished, there is no way that a small or even a large group of separatist rabble can accomplish the breakup of our country.

Some hon. Members: Hear, hear!

• (1730)

[*Translation*]

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, each time I have the opportunity to rise in this House, I am always honored by the impressing attendance of my colleagues and this is most stimulating for me.

The budget speech of February 19 last is a new example of this government's concern about the individual's welfare and about those most in need. Indeed a host of measures announced in this speech are aimed at giving to the average Canadian and to the have-nots a more equitable share of our national resources through more generous tax cuts and for our pensioners notably increased pensions.

As underlined by the Minister of Finance himself (Mr. Turner), the objective of this budget is to reduce unemployment and inflation pressures, to eliminate the ill effects of past inflation, to increase take-home pay and to give to our senior citizens a more equitable share of our country's affluence so as to contribute to a balanced economic expansion throughout Canada.

No wonder this budget is welcome at all levels of our economy. The opposition finance critic, the hon. member for Edmonton West (Mr. Lambert), having no serious criticism to make and dumbfounded as he was—and as everyone opposite was that night in the face of such an achievement by the Minister of Finance—merely criticized the minister and the government for borrowing from his party's platform, for having taken into account the needs of Canadians and for at last becoming aware of the situation of our senior citizens.

Who are those Conservatives to give lectures on the right of our senior citizens to government consideration when throughout the whole history of Sir John A. MacDonald's great party with their adulation or supposed adulation for our senior citizens, they barely managed to pay them $19 a month as compared with $82.88 and $155 which they now receive and $100 and $170 they will get starting April 1, 1973? They should be ashamed of such a meagre record. They are truly conservatives. To them this is not only a word, it is reality.

Instead of whimpering because, for instance, the minister announced a better formula than the one advocated by the leader of the official opposition (Mr. Stanfield) to

eliminate the erosion of the purchasing power caused by inflation and progressive taxation, he should have rejoiced. If the leader of the official opposition was serious, as I think he was when he made that suggestion, he should not recriminate because the Canadian citizen will have a better fate thanks to the beneficial action of this government. We would also have thought that the budget, which according to them is nothing but plagiarism, would not have prompted them to bring in a non-confidence motion. Since when, unless someone is off his rocker or marked by trappistine austerity, do we scourge ourselves and censure ourselves? It becomes more and more evident that the official opposition, its leader included, has only one purpose: Power at all costs. In the pursuit of that objective, whether the legislation is good or not, the main interest is to defeat the government.

I do not venture to claim that the budget will solve all the social and economic problems of today. Besides, what budget has ever performed such a feat? However, undeniably it will somewhat benefit the security and welfare of a great many Canadians. The economic consequences of increased old-age security pensions, veterans' allowances as well as substantial lowering of income tax, elimination of sales tax on some products and of customs duties on some goods cannot but bring great relief, particularly to lower income groups.

It is customary for the debate on the budget speech to provide an opportunity for hon. members to speak about their constituencies and the needs of their constituents. For the benefit of those who might not be over-familiar with the geography of the province of Quebec, I shall say that my constituency comprises two totally different areas. The first is the continental area—Bonaventure—located on the South-East coast of the Gaspé peninsula, north of Chaleur Bay and adjoining the province of New Brunswick. This area extends over more than 150 miles from East to West, and includes 38 localities, 30 of which are organized as municipalities. The second region comprises the Magdelen Islands, 150 miles from the coasts of the Gaspé peninsula, in the Gulf of St. Lawrence, covering an area of some 75 miles from East to West. These islands comprise 12 different localities, six of which are organized as rural municipalities. The population of the islands is close to 14,000 inhabitants, totalling, with Bonaventure, 56,700.

The main industries of these regions are fisheries, agriculture, forestry and tourism. In order to function as decently as possible and in a competitive way, they need increasingly easy access to foreign markets and to the major business centres. An adequate transportation system, at reasonable rates, is a primary necessity. Our fishermen and businessmen need modern harbour facilities, in keeping with their needs.

In so far as sea ports are concerned, there have been important improvements in the Magdalen Islands, as well as at Bonaventure, especially during the past years, although much remains to be done. For instance, the construction of the multipurpose harbour of Cap-aux-Meules is not yet completed. There has been proscratination for over a year as to the site of an unloading docks for the ferry *Manic*. The construction of the fishing harbour at l'Étant-du-Nord was postponed because of last year's delay in asking for tenders. I may say we are grateful to the minister directly on my right for obtaining this harbour last year.

Moreover, in order to retain a large number of fishermen in their industry, a suitable fishing harbour has been demanded for years in the Millerand area, more specifically in the municipality of Havre Aubert in the Magdalen Islands. Until now, we have been living on hope. It is essential that this work start this year if the number of welfare recipients is to be kept down, otherwise it would mean a further outlay of public funds. Entry Island has been retained as an unloading harbour. What has been done to date in order to improve conditions there other than letting the only wharf go to rot until fall, when a call for tenders will be made for long awaited repairs?

When one considers, Mr. Speaker, that this wharf is the only point from which the fish can be shipped to outside markets, and the only supply point for the island, one can easily wonder about the efficiency of our planners.

Still with regard to fishing, I am willing to recognize that there must be some centralization of our port facilities, for instance with regard to offshore fishing, in view, among other things, of the size of our modern fishing fleets and the fishing boats themselves. Such centralization results in better facilities for the fishermen, facilities better adapted to their needs. I am also willing to recognize that centralization for greater efficiency and better shelter is justified. However, I do not admit, and never will, that all the small harbours in the area should disappear, as has been the case in Bonaventure where over a distance of 100 miles, for instance, only three ports of harbours have been kept.

I sometimes wonder, Mr. Speaker, as you must also, what supergenius, what technocrat in need of publicity and, above all, promotion, wants to make sport of the fishermen by crossing out with a single stroke of his pen the facilities that are essential to fishing! As long as the sea produces lobster, there will be inshore fishermen. I wish the technocrats would understand that once and for all. The fisherman will therefore always need harbour facilities to bring in his catch and shelter his boat, unless the expert planners want us to go back to the mid 19th century, when the shore was often the only home port. Hippies develop in that direction!

Therefore, I call once more publicly for the development of harbour facilities for inshore fishermen from Port Daniel to Hopetown included, and especially in New Carlisle, in Bonaventure, in Ruisseau leBlanc which was favoured last year, in Caplan, as well as a proper maintenance of structures in Marcil's Lane and Shigawake. Fishermen are calling for it and wish to retain their livelihood rather than to live on welfare, which they will be forced to do if we go on listening to some technocrat dreamers who issue their orders from the top of their ivory tower!

The economy growth of the whole Gaspé peninsula as well as the Magdalen Islands was seriously threatened in the past and still is today for lack of proper transportation means. Now that highway 6 is being rebuilt thanks to a Canada-Quebec agreement for the economic development of eastern Quebec (Lower St. Lawrence, Gaspé peninsula, Magdalen Islands), to which the federal government makes a financial contribution of 50 per cent, we should

develop an air transport policy. How many times did I say in this House that the Gaspé peninsula and my riding in particular had almost no air transport service at all? We are not less Canadians than others. I believe that it is no longer necessary for us to prove our devotion to the Canadian flag. But we should not be forever considered as simple-minded. Why should we be deprived of this basic modern link with other regions? We are calling for the setting up of a first class airline service for the Gaspé peninsula, on which passengers could rely because the carrier would keep to his schedule. Besides there is a splendid runway in Bonaventure, another one in Gaspé as well as in Havre-aux-Maisons, in the Magdalen Islands. The runway in Bonaventure, once improved and provided with the required instruments and facilities, could complete the network in our area. Why not develop it? With a little imagination, a first class service could pay for itself in our area. Subsidies, which are available elsewhere, would be just as welcomed in the Gaspé area, I believe. The mail which is so often delayed could come by air. Thus we could enjoy the same privileges or at least the same rights as those enjoyed by such remote areas as Newfoundland and British Columbia.

• (1740)

In the Islands, following numerous requests and representations of all kinds, the government created a roll on and roll off ferryboat service, operating between Prince Edward Island and Cap-aux-Meules, in the Magdalen Islands. While it is not the ideal solution, that ferryboat is a great improvement on what existed before. But what happened last summer clearly shows that it cannot fully meet the economic needs of the Magdalen Islands, especially with the increasing inflow of tourists in that beautiful area.

In addition, the trucks used for moving fish and perishables have a lot of difficulties finding room since they have no priority. It is urgent that this situation be corrected at least during the rush period between June and September. A parking lot should be provided on the Islands to relieve the approaches to the dock which are already overcrowded. The wharf I mentionned a while ago, intended for the ferry-boat, within the harbour should be built without delay in order to prevent unfortunate accidents. Because of the development of the tourist industry on the Islands, action should also be taken following the repeated requests for improving existing airport by extending the runways to give better access to larger aircrafts.

Since 1946, an interprovincial ferry service has been in operation between Dalhousie which is in the riding of the minister of Public Works (Mr. Dubé), in New Brunswick, and Miguasha which is in the riding of Bonaventure in the province of Quebec. Subsidies have been payed up until now to the operator of that boat. However, at the close of last season, the agreement between the Canadian Transport Commission and the present operator having expired, in spite of the many representations made to both the previous minister of Transport (Mr. Jamieson) and the Canadian Transport Commission, the future of that ferry service is still very uncertain. I hope it is only an impression because our area would then be set back 30 years. I cannot believe that a population which has been neglected to such a point in the immediate past will be forgotten. If both levels of government develop a tourist industry by establishing a national park, tourist facilities and areas, they will be driving away those they want to attract by depriving them of an absolutely necessary link between the two provinces.

The role played by the Canadian National Railways, Mr. Chairman, is becoming very important for the economy of our area. There was a time not so long ago when railways were the only means of transportation. It cannot be said that all is well in the best of possible worlds, at present. For some time especially in our area we have been witnessing a kind of dance of death involving railway stations and station masters, cleverly orchestrated and directed by the authorities of this Crown corporation, for efficiency and economy reasons, as they say. I should like for my own information and for the information of my constituents to hear details on the savings that will follow from the replacement of the station master by a janitor paid on commission, in view of the rent that he will be paid for his accommodation and the fantastic number of long distance calls that will be necessary, compared with the salary now paid to the station master. This is penny-wise and pound-foolish.

I wish to object once more to such an arbitrary and retrograde decision by the CNR in our area. Let me mention only one example. In Maria, Mr. Speaker, there is a hospital serving the community in a radius of more than 100 miles; it has a home for older people, one of the only medical clinics in the area, many dealers and businessmen; it is unthinkable that they should insist on depriving this community of a station master. Despite the very numerous representations made these past few years, I cannot understand this attitude and I hope that my message will reach the Canadian Transport Commission. I ask the Minister of Transport (Mr. Marchand) to use his influence and to order this agency to revise its decision to accept the request of the Canadian National Railways.

[*English*]

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, it is customary, on the occasion of a member's maiden speech, to extol at great length the virtues of one's own riding. Traditionally, this has made maiden speeches rather prolonged and often tedious affairs. However, I am privileged in being able to forgo this practice for I know of no prose, poem or song that can enhance or do aesthetic justice to the beauty of Winnipeg and Manitoba and the friendliness of our people.

Although words prevent me from expressing an accolade fitting to the true splendour of western Canada, I am sure the Prime Minister (Mr. Trudeau), in view of his literary background and his party's showing in Manitoba on October 30, could recite some sort of verse for us. Let me assure him, though, that the ringing rhetoric of "fuddle-duddle" will not suffice. Hopefully, the Prime Minister's new set of songwriters are more adept lyricists than his last.

I have the privilege of representing a constituency that for many years was represented by one of the most able and well respected parliamentarians of our time. I refer, of course, to the Hon. Gordon Churchill. My only hope is

that I, too, will be able to serve the people of Winnipeg South Centre, and Canada, in the same distinguished way.

The budget recently brought down by the Minister of Finance (Mr. Turner) is indicative of the manner in which the present government deals with problems. There is seldom any decisive leadership; rather, the government tends to meander along in a quandary until situations manifest themselves to such an extreme that action is unavoidable. Such is the case with the current budget. Some much needed proposals have been brought down, but only after the placing of great pressure upon the government from all sides, particularly the left.

The personal income tax cuts are a welcome measure, but this is a measure which has been long advocated by everyone, including the Economic Council of Canada. The $100 basic old age pension and the increase in veterans benefits are to be welcomed as beginnings. However, the government has proposed nothing to compensate these pensioners for the tremendous increase in food prices during the last year. Instead, the Minister of Agriculture (Mr. Whelan) maintains that Canadians should be happy with our food prices because compared with certain other countries our prices are relatively low. A budget which does not explain how a government is going to reduce the rate of increase in the cost of living is not good enough.

The government continues its wild spending spree. At the time of the last budget in May, the Minister of Finance called for expenditures of $16.5 billion, a 10 per cent increase over the previous year. Now the Treasury Board has asked parliament for an additional $1.8 billion to cover the government's spending obligations between now and the end of the fiscal year, March 31. This means that within a period of two years, federal spending has gone up from $13.2 billion to $18.34 billion, a 35 per cent increase. The government, however, appears to have no intention of arresting these growing expenditures. This is evidenced by the Minister of Finance's recent announcement that the government plans to spend a record $19.3 billion of taxpayers' money in the coming fiscal year.

The situation is such that Canada's GNP is growing less quickly than is the percentage being spent by government. In 1971 the total value of goods and services produced by the public was $67 billion. Of this, the government's revenue share was 37.7 per cent, almost 10 per cent higher than in 1961. During this ten-year period the government's role as a purchaser of goods and services from the private sector increased by nearly 300 per cent. In terms of money, this was an increase from $7.9 billion to $22 billion.

These are the facts. What they mean is that under the present government, Canada is being slowly steered toward increased state control of our lives. The government does not appear to have any intention of curbing its spending, especially with the possibility of an election at any time. Thus, a situation appears to exist which, if carried to its ultimate conclusion, will lead to a system of government capitalism instead of individual and private enterprise. This state capitalism would be the dominating unit in the economic system. It is obvious to me and my Progressive Conservative colleagues that something must be done to stop this ever-increasing government expenditure.

One current government expenditure of particular concern to me is that of the federal bilingualism development program. Between January 1, 1970, and December 31, 1972, $167.8 million was spent on programs administered by the Secretary of State in an effort to implement various government bilingualism programs. I suggest that spending great amounts of money in an effort to implement the bilingualism program is an excellent idea, but only where a sufficient proportion of the population makes such an effort justifiable.

I do not believe that regions of Manitoba which have been designated as potential bilingual areas by the bilingual districts advisory board should be declared such. Like the Commissioner of Official Languages did in his second annual report, I question the need for and the negative effects of the establishment of bilingual districts outside the Ottawa region. The 10 per cent minority population rule used in designating bilingual districts is an arbitrary one. Furthermore, how are the lines on the maps to be redrawn? Will there be a redistribution of bilingual districts every ten years? There are numerous unanswered questions. I am in agreement with the commissioner when he suggests possibly abandoning the concept of districts altogether, instead of relying on strengthened interpretations of "significant demand" and "feasibility" as stated in the Official Languages Act to decide where bilingual government services should be provided.

lished so as to allay the fears of not only French-speaking Canadians but those of English-speaking western Canadians. Such a program might deal with the language problem by allowing the use of both languages in the federal civil service, but only in direct proportion to that particular language group's statistical number in the population. As it is now, the program does little but breed alienation in western Canada. It is also resulting in the unnecessary spending of millions of dollars.

• (1750)

The throne speech promised that in this session parliament will be asked to reaffirm the basic principles of bilingualism. In light of Mr. Spicer's comments and the tremendous expense being generated in efforts to implement the program, parliament would do well to re-examine not only the principles of bilingualism but their implementation. It is only by reviewing the effectiveness of the bilingualism program that parliament will find a fair and just solution satisfactory to both of Canada's founding peoples.

I have used the term "western alienation". This is a rather overworked term; none the less, it seems to accurately depict the feelings of discontent which characterize many Canadians. It is an honest feeling of westerners that they are not getting their share of the pie. Such feelings have been given substance by the actions of recent Liberal governments. In my riding of Winnipeg South Centre one particular government action more than any other is responsible for widespread feelings of dissatisfaction. I am speaking, of course, of the decision by Air Canada many years ago to move its overhaul base from Winnipeg in an effort to consolidate its overhaul functions in Dorval. Then, contrary to the promises made, the complete phasing-out of the Air Canada operation occurred.

On April 3, 1969, the Minister of Transport announced that negotiations had been completed between CAE's parent firm, Northwest Industries, of Edmonton, and Air Canada for the sale of the Air Canada overhaul base. The Minister of Transport indicated that the federal government through its departments and agencies would lend strong support to the new enterprise. However, such has not been the case.

In mid-1969, CAE Aircraft signed a contract with the United States military through the Canadian Commercial Corporation which works for the Department of Supply and Services. The contract was to repair and overhaul military jet aircraft. This contract involved the direct employment of approximately 250 skilled workers. Suddenly, though, this T-39 contract was terminated. This, together with the Viscount phase-out, resulted in tremendously decreased employment.

A similar situation exists today. It is an urgent one. While the province has done what it can at the provincial level to assist CAE Aircraft, unless the federal government uses its resources to secure work for CAE it will be unable properly to maintain its operation. Lack of a viable air industry in Manitoba has resulted in great loss to the province in terms of expertise as all our skilled personnel leave to seek employment elsewhere.

Lay-offs in this industry are devastating. CAE is currently operating with skeleton crews. They have recently lost 17 more men, trained by Air Canada, who have gone to work at Dorval. Approximately 90 per cent of the aeronautical personnel, including engineers, consulting staff, supervisors and licensed mechanics, have been forced to move to Montreal. This is to say nothing of the expense of such a move. I have spoke to people who have been forced to move; they inform me of low morale amongst workers both at Dorval and CAE in Winnipeg. In both places there is much resentment of the government stemming from the government's failure to honour its many promises.

A great proportion of those who formerly worked at the Air Canada overhaul base in Winnipeg were constituents of Winnipeg South Centre, as are the bulk of those working for CAE Aircraft, its successor. The facilities and airports where men worked also are within my riding. Therefore I am concerned with the state of the aerospace industry in Manitoba. The aerospace industry held a special place in Manitoba's economy and the decision to transfer the base to Dorval dealt a serious blow to that economy.

The logic of the transfer escapes most people associated with the industry in Manitoba. Winnipeg should be the centre of a viable aerospace industry. Our geographical location, in the centre of North America, and proximity to the markets of the American mid-west are obvious reasons for the establishment of what could some day be a prosperous industry. At the time of the transfer to Dorval, definite promises were made by the Liberal government to do everything possible to maintain employment at the base and, if possible, to increase it. However, it appears that the government has little intention of honouring its commitment.

In order that hon. members may understand the situation, let me review it briefly. On November 22, 1963, Prime Minister Pearson, as he then was, speaking in the House of Commons acknowledged the importance of the base to the economy of Winnipeg. He said:

> For at least as far ahead as planning now extends, that is at least ten years, the Winnipeg facilities will continue to be used.

On June 5, 1964, in a letter to Mr. D. A. Thompson, Q.C., of Winnipeg, the then minister of transport in a letter to the Manitoba government assured Premier Roblin that every effort was being made to "maintain the level of Air Canada's activities in Winnipeg". On May 23, 1968, Prime Minister Trudeau wrote to Premier Weir of Manitoba stating:

> You may be assured that the present government will honour the commitment made by my predecessor and that we will in addition vigourously search out alternatives aimed at maintaining a viable aircraft support industry in Manitoba.

Here are the remarks of the Minister of National Defence (Mr. Richardson) on the air base being moved:

> One of the worst decisions made in Canadian history.

He further stated:

> No one endorses more strongly than I do the concept of decentralization of industrial activity.

Within the past fortnight the Prime Minister has visited Winnipeg. He has assured us that western interests are of equal importance to those of Quebec, that we must take the initiatives to press for their realization and that we must not passively wait government intervention. We will take him at his word. We believe in the importance of maintaining and promoting an air base in Winnipeg to serve central and western Canada. Winnipeg is the logical location. We believe that the Prime Minister should fulfil his promise to honour the commitment made to us by his predecessor to maintain a viable aircraft support industry in Manitoba.

We do not doubt the sincerity of the Minister of National Defence in his wish to serve western Canada, and we sympathize with the difficulties and restrictions he faces in this regard. But this issue is so essential to Winnipeg that we believe it is his responsibility to press for its realization. We believe that he should be prepared to resign from the cabinet and move to the back benches to challenge the Prime Minister's sincerity. Our cabinet representative should be expected to remind the Prime Minister of his advice and promise to us, and demonstrate that he stands by this principle. In my opinion, the Minister of National Defence has no other choice.

The people of Winnipeg South Centre remember these promises. They demand to know if the federal government recognizes its long-standing commitments to the aerospace industry in Manitoba. If the government does not recognize its commitments, then this feeling of alienation can only grow stronger not only in my constituency but among all the people of western Canada.

Mr. John Harney (Scarborough West): Mr. Speaker, when I look about me and see that the democratic left has virtually gone, I remember the very apt lines of Alexander Pope:

> The hungry judges soon the sentence sign,
>
> And wretches hang that jurymen may dine.

I wonder, therefore, whether I should call it six o'clock.

The Acting Speaker (Mr. Laniel): It being six o'clock, I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Harney: Mr. Speaker, it makes a difference to be addressing this House after rather than before supper. At least we have all returned replete with meat if not with wisdom.

I do not want to address myself to the specific points in the budget because so many of my fellow members in this party have addressed themselves to these points in particular. I could certainly tell the House what I like about the budget and what I dislike about it in terms of its particular elements, but I feel that in the past few days these elements have been adequately covered on both sides of the House.

My remarks will pertain to the budget: I will avoid making a travelogue about the beauties of Scarborough West. I know this is very difficult to resist, but I will manage to resist the temptation and will try to speak about the budget in general terms which are at least of interest to me and might be of interest to other members of the House.

First of all, it will not surprise members to my immediate right that I am prepared to congratulate the government on the budget. I think that the budget presented by the Minister of Finance (Mr. Turner) is a kind of milestone for the parliament of Canada. Mind you, it is a retarded milestone because it is one that we should have passed many years ago. Nevertheless, it is rather nice to get to this particular milestone.

I should like to congratulate the Minister of Finance and the members of the government for returning to the age of Keynesian economics. We left them solidly behind three or four years ago, particularly in 1969 when in a fit of despair the government gave up trying to understand how to run an economy on the lines enjoined by Lord Keynes and decided to go back to much more classical, indeed we could call them Victorian, procedures. The result of this kind of decision-making certainly caused an enormous amount of distress and pain across this nation. We all know now, including the government, that the policies adopted by the government some three years ago to fight what they thought was the great bugbear, namely inflation, simply brought about acute unemployment in this country and enormous distress to tens of thousands, indeed hundreds of thousands of Canadians.

Therefore, I congratulate the government on having moved itself from the day before yesterday to yesterday so that now we are in a position to start talking about today. Now we are in a position to start talking about the problems that really face Canada, not the problems that the government then thought faced Canada. We are now in a position to start talking about the problems of this economy as an economy that is of the post-industrial age.

Having congratulated the government, I must express a concern. I am not too sure that the government knows where it is going. I say this because there was so much left out of the budget and the address relating to the budget. For example, there was nothing in the budget or in the budget address about the spending and investment plans of those corporations which are directly owned or controlled by parliament. I refer to the Crown corporation in Canada. There was nothing, even in estimation or in prediction, about the spending and investment plans of the provincial governments or, indeed, of other levels of government in Canada. There was virtually nothing—just one sentence, I think—on possible monetary policy as it would apply in Canada in the coming year, and there was simply no attempt to try to ascertain what would be the plans and the position of the private sector in Canada.

The budget speech, in effect, was like a treasurer's report for a rather large bowling league. There was some talk about the cost of membership in the league. There was some talk about the benefits that would accrue from membership in the league and there was some talk of an annual banquet. But there was no attempt to try to understand what is really going on in the country. Can this House, then, know what is going on in the Canadian economy? Can it ascertain from the budget and from the address relating to it what will happen to the economy in the future? Is it possible for the government to be guiding the economy on the basis of so little consideration and so little information given to the House?

There was promise in the budget of tax cuts. We on this side, particularly in this corner of the House, welcome the provision for tax cuts. But at the same time, in the supplementary papers issued on budget night we were given a very clear indication that there would be no particular shift in the tax burden as the taxes applied to individual Canadians as opposed to corporations. For example, we are told in that supplementary document that last year some 44 per cent of all taxes received by the government came from individual contributions, and that this year some 44 per cent of taxes would come from the same sector; that last year some 15 per cent of our revenue came from corporations, and this year some 14 per cent would come from corporations—a decrease in taxes coming from the corporate sector. I am told that these projections include the effects of the bills that were to have been passed following the budget of May 8 last.

I want to tell the members of the government that if these projections are actually carried out through the implementation of corporate tax cuts, we will have achieved nothing in terms of real redistribution of the tax burden in this country and I and many others in this party will not stand for that kind of shell game. It is very obvious, upon any close analysis of the budget, that the only meaningful way in which the budget can have a beneficial effect on the average Canadian is to have personal income tax cuts and no corporate tax cuts, because it will be apparent to most Canadians that the tax cuts proposed by the Finance Minister a week ago last Monday will be totally ineffectual if the bills emanating from the May 8 budget are brought in.

• (2010)

I have another reason for congratulating the Minister of Finance. I do not know whether he really deserves it. At any rate, he seemed to go all out for a policy of budgetary expansion. What I am going to say may sound a little heretical, Mr. Speaker, but heretical things have been said before from this corner of the House. It has become very obvious to many students of the dismal science of economics that even the Keynesian approach to economics will not work any more.

Some hon. Members: Hear, hear!

Mr. Harney: I was rather pleased, in a way, to see the people on my immediate right fall into the trap. Their immediate reaction, in effect, was to overturn all the sacred tablets which they had been carrying for many years and to call for a vastly more expansionary kind of budget because, I suppose, if they are the apostles of faith in growth they believe, as does the government, I think, that growth will solve all problems.

We really have to ask ourselves whether the nature of unemployment facing the people of Canada today is of the classical kind. I know there are certain sections of the country where there is massive and very evident unemployment, where the individuals who are thrown out of work feel, at the very least, a certain kind of fellowship in that they see themselves not to be alone. But for many citizens of this country, being unemployed is a lonely, solitary and alienating business because they see themselves as alone out of a job, keenly aware of a sense of uselessness in a society which seems to be busy and bustling all around them.

We really have to ask ourselves whether a purely expansionary budget, in the classical sense, will do anything to change this pattern. The point I am coming to is simply—since I have very little time I would like to dwell on it for my last two or three minutes—that I urge this House, and particularly the government, to take a totally new look at our economy. I urge all hon. members not to fall into the old trap of simply encouraging more growth, because growth by itself will not change the quality of life of Canadians. We must look for a different way of living our economic life in this country. I would urge on this House a policy which concentrates upon qualitative growth as opposed to quantitative growth. We must set out to improve the quality of life for the individual and the community rather than simply the quantity of goods.

There are figures that I could quote. We now know, for example, that 10 per cent of disposable income is saved by Canadians. That is a very high proportion. I do not mean to indicate by this that everybody in Canada has money to save, but there certainly are certain sectors of our population which have money to save. Any simplistic, classically-based expansionary approach to the problem of unemployment will simply give them more money to save, without giving to those people who have not enough money to live on, enough money with which to survive.

We must look at every impetus we put into the economy to see whether it changes the nature of our economic existence. I would urge on the Minister of Finance and on the government a totally new look at the world of work, because it is becoming very obvious to many people that simply to create jobs as a way of giving people remuneration so that they can buy the goods that we can produce—there is no question that we can produce the goods—will not get them out of the squirrel cage in which they find themselves.

Surely this parliament should be ready to invoke some new thinking rather than simply saying to the country, "Look, we can make the squirrel cage run faster and let those who have drop out, drop out." There are many attendant aspects to what I have said. I am sorry, although I am sure several members are not, that I cannot expand on this matter but I hope that I can on another occasion. Somebody has to stand here and say what a lot of people outside parliament are saying, simply that growth by itself does not change the nature of our existence, that by increasing the gross national product what we are doing in large measure is increasing the production of junk, not changing the quality of our production and the quality of people's lives. What people outside are saying is that the production of junk by a lot of people makes junk out of their lives.

Let us ask ourselves this question as we look at our economy: How many people are truly usefully employed? I end on a note which is not mine, Mr. Speaker. Unlike some other hon. members, I admit that I am plagiarizing. Here I quote from an article by a Mr. Anderson:

> Generals are traditionally accused of wanting to re-fight the battles of their youth instead of meeting the weapons or tactics of a current war. The record of politicians (and of many economists) is infinitely worse. They cling tenaciously to techniques devised by their grandfathers to deal with circumstances that have long ceased to exist; and when (as happens sometimes, though not often) a new idea does emerge it is regarded as dangerously novel for at least a generation, and then misapplied.

The new idea that emerged a generation ago was the thinking of Lord Keynes. I am afraid that today it is in danger of being dangerously misapplied because we, the politicians, the representatives of the people of this land, cannot push ourselves into the post-industrial society and cannot begin to realize that the nature of the unemployment beast that faces us has changed radically. We must realize that we must look at the world of work and make sure that henceforward people who do the hard work of this nation are adequately remunerated for it; that there are still many people in this nation, some in this parliament and many in the professions, who are unemployed effectively in terms of real usefulness but nevertheless are extremely well paid. We have to look at the kind of work that is done by the people of Canada. In many cases it is soul-destroying work. In many cases the work we force them to do for remuneration is totally—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him by the order made last Thursday has expired.

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, as Minister of Consumer and Corporate affairs I would like to draw attention to those features of the budget which are of interest to consumers. This budget is important to consumers. It has a number of provisions which were designed to be of direct benefit to them. The proposed reductions in sales taxes, excise taxes

and customs duties will affect a wide range of consumer goods and will have a correspondingly wide impact upon consumers' well-being.

Let me first comment upon the proposed changes in the sales tax. As the House knows, it is proposed to remove the sales tax on confectionaries, chocolate bars, soft drinks, fruit drinks and other near-food products. The effect of this measure in so far as food is concerned will be to exempt from federal sales tax all food and drink for human consumption, except alcoholic beverages.

Furthermore, it is proposed that the federal sales tax will be removed from children's clothing and footwear. These measures will be of great benefit to Canadian consumers, particularly to those in the lower income groups. Already a number of important companies in the food distribution field have announced reductions in the price of soft drinks, fruit drinks, confectionary products and snack foods.

• (2020)

Within one or two days after the announcement of the proposed removal of the sales tax on children's clothing and footwear, several of Canada's leading merchandising organizations announced reductions on the prices of these items. One firm announced a 10 per cent cut, a second announced a 15 per cent cut, while a third made a statement the import of which was that its price reductions would conform completely to the reduced sales tax.

Secondly, Mr. Speaker, the budget proposals include the elimination of the 10 per cent excise tax on cosmetics and toilet articles. Furthermore, it proposes the removal of the excise tax on clocks and watches except those on which the manufacturer's price or duty paid value exceeds $50. These also are constructive proposals from the consumer's point of view and already the benefits are appearing at the point of sale.

Some hon. Members: Oh, oh!

Mr. Gray: For example, two important supermarket chains have announced cuts in the prices of specified cosmetics and toiletries, and two local Ottawa firms have announced cuts in the prices of cosmetics, toiletries, clocks and watches.

Some hon. Members: Hear, hear!

Mr. Gray: Next, Mr. Speaker, let me deal with the benefits to the consuming public from the reductions in customs duties proposed for many articles imported into Canada. The products on which tariff cuts will have the greatest significance for the greatest number of consumers are probably those in the food category. Food prices have been rising more sharply than other consumer prices in recent months, particularly the prices of relatively unprocessed foods. The aim of these cuts is to help moderate those food prices.

Probably the most important food items to be affected by the proposed cuts are fresh beef and veal, fruit juices, bananas and sugar, although several other categories are also involved. The tariff on raw sugar has been reduced, in effect, by 33 cents per hundredweight. Bananas, formerly dutiable at 50 cents per hundredweight, will become duty free; duties on fresh beef, veal, pork and certain other fresh meats will be reduced to zero, while the duty on lamb and mutton will be reduced by one-third. Cuts of various amounts are proposed: for canned beef 50 per cent, canned pork 40 per cent, canned hams and other canned meats 25 per cent.

The 10 per cent ad valorem duty on imports of a number of vegetables and fruits will be removed. Thus, duties on these imports will fall to zero except during the season when the Canadian crops come on the market. During this season, these imports will continue to be subject to specific duties of various amounts. The purpose of the proposed cuts is obviously to help moderate prices of the products in question.

Turning now to another matter of continuing concern to Canadian consumers, drug prices, I might recall at this point that the federal government has made a very considerable effort over the past six years to help reduce the price of prescription drugs to Canadians. The proposed reductions in the customs duties on drugs represent a further step in the direction taken by the federal government when it removed the federal sales tax on drugs in 1967. The present proposals provide that customs duties on a wide range of drugs, both prescription and non-prescription, be cut by 50 per cent.

Those who are furnishing their homes or who are setting up housekeeping for the first time will be pleased to know that customs duties will be reduced on vacuum cleaners, washers, carpet sweepers and power lawn mowers. Homemakers will benefit also from the proposed reduction in duties on kitchen or household hollow-ware of aluminum, nickel, iron or steel, as well as the proposed reduction of duties on chinaware and porcelainware.

The Minister of Finance (Mr. Turner) in his budget speech on February 19 indicated that the reductions in the sales and excise taxes taken together would reduce federal revenues in the coming fiscal year by about $190 million. It seems likely that the dollar volume of imports which will be affected by the proposed reductions in customs duties may well be of the order of $1.3 billion per year. Mr. Speaker, I think it is clear that the reductions proposed by the Minister of Finance in sales tax, in excise taxes and in customs duties will prove to be advantageous to the Canadian consuming public.

A very basic aim of the budget is to ensure that there is more money in the consumers' wallets and pocketbooks for them to spend. To achieve this aim the government has proposed increases in personal exemptions as well as a substantial cut in personal income tax. This cut involves a 5 per cent reduction in the basic federal income tax up to a maximum of $500. But to ensure that there is meaningful tax relief for the middle and lower income groups, the government has proposed that there be a minimum reduction in personal income tax of $100. This means that the actual tax cuts for many hundreds of thousands of Canadian taxpayers will be far higher than 5 per cent.

For example, as the Minister of Finance has pointed out, taking into account the increase in individual exemption and the cut in personal income tax, for a married couple with two young children and the breadwinner earning $5,000, the total tax will be reduced by $137. This represents a 47 per cent reduction from what the tax

otherwise would have been this year. If this same family has an income of $8,000, the total tax reduction will be $141, or 13 per cent.

As the Minister of Finance said, another way of looking at the effect of these cuts in taxation is to note that a married wage earner with two young children living in any one of the provinces will pay no federal income tax until his income goes above $4,473. Therefore, looking at the 1973-74 fiscal year, Canadian consumers will have available to them an additional $1.3 billion through this reduction in personal income tax. Seventy per cent of this will be in the hands of the majority of Canadian taxpayers—those with an income of less than $10,000. Consumers who are old age pensioners will also benefit from the increase in the basic old age security pension to $100 monthly.

Mr. Speaker, to conclude, I think it is clear that the reductions proposed by the Minister of Finance of sales tax and customs duties as well as the other budget measures—particularly the cut in personal income tax and the increase in the old age pension—will prove and are already proving to be of worth-while benefit to the Canadian consuming public. These measures will help the Canadian economy and at the same time will constitute a countervailing force against inflationary pressures. Therefore, I urge the House to support this budget to ensure that its benefits are in fact available to every Canadian consumer.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, at long last, after listening to my colleagues on this side and to other members I have a chance to say a few words. This is my maiden speech, Mr. Speaker, so I would like to begin by congratulating Your Honour on your appointment for another term to the post of Speaker of the House. I would also like to congratulate my colleague, the hon. member for Halifax-East Hants (Mr. McCleave) on his appointment as Deputy Speaker and Chairman of Committees of the Whole House.

May I at this time say I am proud to represent the riding of Parry Sound-Muskoka and to have been selected to follow Mr. Gordon Aiken, Q.C., who was an outstanding member of this House for 15 years.

Some hon. Members: Hear, hear!

Mr. Darling: He served unstintingly in the House until he was forced to retire because of ill health, and I know his many friends here will join with me in wishing him a complete return to health. As an aside, Mr. Speaker, I had a letter from him today and he is enjoying the best health he has had for the past 20 years.

• (2030)

I should like to say a few words about my constituency of Parry Sound-Muskoka. I am sure that many members of this House have been to my region at one time or another and those who have not been so fortunate have heard of the area. My riding is without doubt the finest tourist area in this great Dominion of Canada. This certainly must be so, Mr. Speaker, as more members of this House visit my riding during the summer months than visit all other ridings combined. I might say that one of our visitors is His Excellency the Governor General. Tourism is our biggest industry. This can be very good when an area has a strong attraction as a tourist paradise because it brings in people from far and wide. They bring with them not only money but new faces, good will and companionship. The chances are they will enjoy themselves and will tell others. Many of them will build in our area and add to the vitality and prosperity of our region.

These are serious times for our country, Mr. Speaker, and I share the concern expressed by my colleagues who have spoken in the past few days on this budget. These are times that call for leadership and for decision. These are times that call for courage. For that reason I was disappointed, both for myself and for my constituents, at the lack of real evidence in the budget that our country is getting leadership or decision from this government. The only evidence of courage in the budget is the indication that this government is prepared at last to accept some of the recommendations of the official opposition.

I realize that it would have taken courage of a very high order for the present government to bring down a budget that would satisfy the people of Canada rather than the NDP. However, I realize also that it was more expedient, politically, for the government to enter into an arrangement with the NDP in order to prolong its stay in power. This is all the more difficult to accept, Mr. Speaker, and is all the more distasteful when you recall that the official opposition is on record as having told the government that it need not fear defeat so long as it brought down legislation that was meaningful.

The Leader of the Opposition (Mr. Stanfield) did not offer any deals and he did not propose any arrangements in exchange for personal reward. It was a straightforward announcement of purpose. The government was told that as long as it made a serious effort to govern responsibly and showed signs that it was prepared to grapple with such problems as inflation and unemployment, we in the opposition would act just as responsibly.

It is easy to sit back and criticize. I served as the head of a small municipal government for over a quarter of a century before coming to Ottawa as a new member. Criticizing for the sake of opposing is not good enough. During my campaign I emphasized certain things as priorities which I hoped would be included in the budget, and I thank the Minister of Finance (Mr. Turner) for those things which were included. The top priorities in my area are, first and foremost, the high cost of living caused by spiralling inflation and the great need for increases in old age pensions for the elderly and many others living on fixed incomes who are hardest hit by inflation.

While the budget does provide some relief for the people in my area, the top priority, to my way of thinking, for the people in rural Canada is to find a way to stop spiralling inflation and the high cost of living. This can only be done by the kind of wage and price freeze suggested by my party earlier in this debate. A great many people in the rural parts of Canada are living on low and fixed incomes. Therefore, they are hardest hit in endeavouring to make their income dollars stretch. This is not the case in the great metropolitan areas where the highest wages are paid and where the great unions are able to demand,

and receive, wages which naturally force the cost of goods up. Those of us not so fortunate have to pay for this.

I was pleased, Mr. Speaker, to see the old age pension increased to $100 a month. I still feel, and I know it is the feeling of our party, that this pension should be geared to need. To my way of thinking, the very minimum for all old age pensioners should be $110 a month, with the built-in protection that if the cost of living goes up, the pension goes up automatically.

We are divided into ten provinces, Mr. Speaker, and two great areas, the Yukon and the Northwest Territories. Also there are two other areas, those of the haves and of the have-nots. The have areas are growing like cancers. If the present trend continues, by the year 2000, or sooner, we will have to redraw the map of Canada and throw out the present provincial boundaries. The new map will consist of super areas such as Toronto, Montreal, Winnipeg, Vancouver, Calgary and perhaps our capital city of Ottawa.

An hon. Member: And Edmonton.

Mr. Darling: All right. Call them what you will, city states, super cities or provinces, these concentrated concrete jungles will have 90 per cent of our population and as much or more of its wealth. The other area or province will be the entire balance of our country and could be named Canada. Let me say a word about redistribution. If we still have the same number of members in this House, those areas will be represented by 238 members and all the rest of Canada by 27.

Something has to be done, Mr. Speaker, to keep people in the rural areas and in towns and villages and to stop this erosion of population to the cities. The top priorities are, as I said before, jobs, housing and control of inflation. In rural Canada today our chief export and most valuable commodity is our young people. We pay to raise and educate them, and then they leave for the great rat race in the monster cities. In recent years some cities have had a twinge of conscience and are now willing to repay us by sending us, in return, their garbage. This pattern of growth means declining populations. It means the under-use of existing local and municipal services. It means an erosion of the municipal tax base. It means under-used school facilities. Something must be done to halt this and provide a way of life to the many people who want to remain in the regions where they were born and raised.

The backbone of the rural areas across our country is the small businessman and enterpreneur who is having a hard job getting by, in making a comfortable living, and who is paying the high wages now demanded and the many other high costs. He is also in a very serious financial position during certain periods of the year. In our particular area, where the economy is buoyant in the summer season, the lean months in the winter eat up the profits and he must borrow money at the bank and pay, in many cases, high interest rates. I feel that low interest rates should be available to these hard working and enterprising citizens who provide the great majority of employment in the many small villages and towns scattered throughout our country.

We have heard much said, Mr. Speaker, during the present session regarding the high water problem in the Great Lakes. The entire western boundary of my riding borders on Georgian Bay, and the high water is certainly a serious problem to many tourist and marine operators, as well as to cottagers. They have suffered considerable financial loss. I am hoping that this government will have sufficient funds set aside for emergencies so that it can make a worth-while contribution in conjunction with the province of Ontario.

Let me say a word about the LIP program, Mr. Speaker. I am aware that the money has now been overspent and a great many applications turned down, some of them very worthy. Having served as a member of a municipal government for a long period, it is my opinion that top priority should have been given to all applications submitted by municipal governments before projects submitted by private individuals or other organizations were considered. If money was left over, it could then have been divided among such individuals or organizations. It is my considered opinion that the elected officials of municipalities know their needs far greater than any individual or organization in the area. I will concede that many worthwhile ones were approved.

• (2040)

I trust that all members of the House who represent constituencies on our coast will pay particular attention to this: they have been daily making life miserable and have been badgering the Minister of Transport (Mr. Marchand) for the tabling of the long-awaited document known as the Darling report. Here it is, Mr. Speaker, and I am sure they will all be delighted with it.

I would be remiss if I did not indicate my pleasure at being able to sit in a parliament with so many colleagues from the Progressive Conservative party. At the same time, I would like to convey my respects to the Prime Minister (Mr. Trudeau). Although my colleagues and I may take exception to many of his policies, it is in keeping with the intended spirit of our parliamentary system that when he speaks we afford him the respect due Canada's first minister. I certainly take exception to the way he has been treated time and again.

Some hon. Members: Hear, hear!

Mr. Darling: There has been some doubt expressed as to the wisdom of removing the 11 per cent tax on building supplies. Some hon. members feel that such a measure would provide little relief for the lower income groups. It is true that outside of pure Marxism, equity is an elusive quarry. Nevertheless, repeal of the 11 per cent building supply tax would represent a significant reduction in the final price of a home and allow many more Canadians to own their own home. Apart from the obvious social benefit, a stimulus in the order of $365 million would be injected into the economy. This stimulus, in conjunction with increased sales of building materials and related products, would serve both to boost this sector of the business community and to increase employment in all facets of the housing industry.

At the same time, this policy would serve to dampen the wage demands of workers who have come to view their jobs as uncertain and demand wage rates to compensate for their seasonal nature. This aspect of many of our

industries is a prime contributor to our high unemployment rates, inflationary tendencies and outsized Unemployment Insurance Commission payments. In this light, elimination of the 11 per cent tax on building supplies would be a significant step toward a sound economic and a more equitable distribution of funds for all income groups.

I believe I have gone over my time, Mr. Speaker, and I thank you for the consideration shown to me.

[*Translation*]

Mr. Marcel Roy (Laval): Mr. Speaker, I welcome this opportunity to make a few remarks concerning the budget brought forward by the Minister of Finance (Mr. Turner), which reflects the thinking of various authorities coming from all segments and classes of Canadian society.

Listening to some official opposition members criticizing the economic and social measures embodied in the budget, I wondered whether this was the same House of Commons where the budget was submitted on February 19 last. On the other hand, I derive satisfaction from the thought of all the people of 65 or over who will be receiving $100 a month from April 1, 1973, meaning $170 a month if they are alone and receiving the guaranteed income supplement, and $325 for married couples receiving that supplement.

I was also gratified to hear that our veterans will also be receiving increased allowances and that military service allowances will be provided for civilians, similarly increased to a total of $151 a month for single persons and $257 for married couples. Veterans over 65 will receive guaranteed incomes of $206 and $357 respectively.

Therefore, in the evening of February 19 last, I was glad to hear this good news. I was also glad I belong to a country and a government which have always promoted many social policies in Canada and will always retain their advance over all other countries in the world in the field of care and assistance to elderly people.

In the economic field, an amount of $11 billion, or 60 per cent of the total budget, will take the form of payments or direct contributions whether to citizens, firms or various communities or to the provinces of Canada.

In other words, the federal government will not be paying out these billions directly, but rather passing them on to agencies or economic bodies responsible for investing them in various economic sectors.

Social security plans, equalization payments, grants to regional economic expansion, industrial incentives of the Department of Industry, Trade and Commerce, agricultural prices support funds, there is a range of federal expenditures amounting to $8.5 million including the Opportunities for Youth and Local Initiatives programs. There is the range of part of the federal contribution to various sectors of the economy.

Mr. Speaker, may I make a comment about one sector that is sometimes omitted: the involvement in a profitable federalism, and I am referring to equalization payments. The equalization payment plan, designed to maintain essential public services at a uniform level in Canada, will be considerably enlarged this year. New grants, based on municipal school taxes, will be added to the equalization formula, which will increase the payment for 1973-1974 by $190 millions to reach the total of $1,400 millions.

If, according to the present formula, Quebec was granted $562 million last year, it will then receive an additional amount of $78,600,000 through tax-sharing agreements to be used for schools which is equivalent to $13 per capita.

We forget too often the higher federal share paid to provinces that need it, as against the ones which are wealthier such as Ontario being more industrialized, or British Columbia and Alberta which are in a sound economic position.

I would consider equally very important the personal income tax reductions. I have said in the election campaign and in the House that perhaps we forgot to explain to the people the basic benefits granted to the people by the liberal government. In fact, how does the individual income tax stand? For a family with two young children, where the income is $5,000 yearly, the basic tax will be reduced by $137, which is equivalent to 47 per cent as compared with the amount it would have to pay this year according to the previous legislation. In practice, this represents a 3.6 per cent salary increase.

On the other hand, a family with two children, where the income is $8,000, would benefit from a $141 reduction, or 13 per cent, which is the equivalent of a yearly salary increase of 2.4 per cent.

As concerns the individual income tax, it has been reduced in the case of low incomes.

Something else I would like to discuss which is very dear to me and has to do with our programs in favour of youth. We have heard a statement from the Secretary of State (Mr. Faulkner) to the effect that an amount of $85,400,000 will be allocated to the creation of 67,200 summer jobs for students. I was delighted like all my colleagues by that fortunate initiative of the government, which was thus showing its faith in youth, by trying to develop that potential with which it is endowed.

But on the other hand, it is noticed that the budget of the Department of National Defence has been increased to $200 millions, $80 millions of which are earmarked for capital expenditures.

I would have liked that an additional amount be allocated to our cadets corps. Those movements of youngsters of 13 to 18 years of age have not received any grant increase for 10 years, since they are still getting $3 a year. It seems to me that we should totally revise our policy concerning the cadets corps. Indeed, they are teenagers who volunteer because they wish to acquire discipline, leadership, respect of authority and self-respect. It seems to me that we should review the measures concerning those leaders of tomorrow. It seems to me that we should consider doubling that amount of $3 a year, provided that the youngster takes part in the annual parade.

• (2050)

Furthermore, it seems to me we could help pay the rental of school auditoriums, because those young people do meet from one to three times a week. They have to pay the rental for those premises directly out of their budget which is very limited.

I have here a letter from Major Guy E. Méthot, of the 687th Squadron, dealing with the budget. His squadron totals 170 cadets and its total budget is $800. The cadets have met three times a week, but they must now make up the deficit. These boys have to solicit for funds in all sorts of ways. It seems to me that during the summer months, the Department should seriously consider revising its policy and grant subsidies as well to the girls cadets who, even if they are accepted in theory, do not receive the $3 annual allowance paid to the boys.

Mr. Speaker, that is very dear to me. In my opinion, the Opportunity for Youth Program meets a need, but one must also not forget or underestimate the cadets.

I would like to make a last suggestion concerning the Departments of Public Works and Environment. I am speaking on behalf of many of my colleagues whose ridings border the Des Prairies and Mille-Îles Rivers.

For about 25 years, we have been asking for the canalization of the Des Prairies and Mille-Îles Rivers, in order to avoid happenings unpleasant every spring.

This year, we anticipate heavy flooding on all the lands along the Des Prairies and Mille-Îles Rivers.

As for the Department of Public Works or Environment, I would have been very happy if moneys had been allocated to such works which, in my opinion, and in the opinion of all the other members, are of a great priority for that sector.

[*English*]

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I rise at this time to speak in the budget debate wishing it could have been under different circumstances. The bitter disappointment felt by the people of Canada is beginning to filter through. Editorial comment on the budget is anything but complimentary. There is a feeling of dissatisfaction and bewilderment, and in some quarters downright anger.

My mail since the budget reflects these emotions. One letter from a student doing a school project asked me to explain what the government is doing to reduce unemployment. Another letter tells of a visit to a bank for a loan under the Small Business Loans Act. The writer was told that the bank does not lend money under the act because the interest rate is too low and the bank cannot make a profit at the rate set by the act.

Representatives of several secondary industries have called about tariff cuts and to ask whether this is the forerunner of future cuts to be bargained away at the GATT meeting. It is unfortunate that the Minister of Finance (Mr. Turner) did not consult some of the agricultural associations which will be affected by his tariff cuts on fresh vegetables and fruits. We suspect that the Minister of Finance did not even consult the Minister of Agriculture (Mr. Whelan). I have received a letter from the proprietor of a small manufacturing company in my riding who writes as follows:

> It has been brought to our attention that the proposed budget will decrease the tariff on finished toys while not altering the tariff on components which require further manufacture. If this is the case, then in essence the government is encouraging importers of finished toys at the expense of domestic manufacturers. The toy industry tends to be labour-intensive, and thus I believe an asset to our community and country.

Those are a few of the letters I have received, Mr. Speaker. I am sure you are aware, as I am sure everyone is aware, that many of our secondary manufacturers and secondary industries have not recovered from the accelerated cuts in tariffs in 1972 which were billed as an anti-inflationary measure. I have had numerous conversations with my constituents regarding the game being played by the government and the NDP over the corporate tax cuts and the accelerated depreciation provision in the May, 1972, budget. Is it in the budget, or is it not in the budget? Some say it is, and some say it is not.

• (2100)

An hon. Member: Now you see it, now you don't.

Mr. Kempling: Now you see it, now you don't—exactly. But what a game to play with the people who hold the key to employment! According to a press report, the leader of the NDP said he did not want to play dog-in-the-manger over this matter of accelerated depreciation.

An hon. Member: He wants to play monkey in the granary.

Mr. Kempling: The names I have heard in reference to that hon. member are not "dog-in-the-manger" and I could not repeat them in this House. The mood of the business men I talk to is one of anger. They had all hoped for a more expansionary budget, one that the business community could grab hold of and begin to display some confidence in the future. Certainly, we would have presented a much more imaginative and forward looking budget, one that would take a real bite out of unemployment and come to grips with inflation.

This government stands condemned by the business community for failing to face the realities of the day. This is the seventh budget this government has presented which was supposed to deal with unemployment and inflation. There seems to be lack of purpose and direction by the government. It is a sort of ad hoc approach to economics filtered through the hon. member for York South (Mr. Lewis).

The main thrust of this budget seems to be that by cutting income taxes by 5 per cent and raising old age pensions to $100 a month, by dropping the sales tax on children's clothing and candy bars, all this coupled with devaluation of the U.S. dollar will create an internal and external demand for products that will create jobs and thus reduce unemployment. In fact, the government is beginning to hedge on this, because as the hon. member for Verdun (Mr. Mackasey) said last night:

> If there is not enough stimulus for the economy, then in a few months the Minister of Finance can certainly provide more.

I quote that sentence from page 1679 of *Hansard*, in the event the hon. member wants to raise a point of order. There is no mention in the budget of what position the government will take on small business, secondary industry and the service industries. These businesses collectively are the largest employer in Canada, yet they have no status in the economic life of our country.

The major problem affecting all business is a continual shortage of money. Let us look back at the havoc caused by the ill-conceived tight money policy of 1969 through 1970 and a part of 1971. The only real winners were the banks. We had inflation, wages went up and the cost of money rose to its highest level in memory. The banks made record profits and, indeed, today have assets of some $60 billion, neatly protected by the Bank Act.

Without exception, the greatest deterrent to business expansion in this country is the lack of money. It is only by expanding the business base that we will make headway toward lowering unemployment. Small businesses, secondary industry and the service industries do not want government grants. They know from long experience that anything the government gives, it must first take away. All they want is access to money at a reasonable rate and they will do the rest themselves. They want less government, not more. They want simplified tax forms and fewer reports to send to the figure filberts at Statistics Canada. In other words, they want the government off their backs.

In my riding there are several small industries. I had a recent call from a businessman who was having a problem with—you guessed it—money. He had orders, but no money. His company had designed a unique hydraulic device that found a ready market in the United States. Our banks could not help him and his company unfortunately became caught in the clutches of the Industrial Development Bank. He was really in trouble then, with orders coming in, demands on cash at a high level, no help from the chartered banks and the IDB charging 12 per cent interest.

With this dilemma facing his company, he met with a group of United States customers and explained his problem. They came back with a solution. The United States customers recommended that he move his manufacturing operations to New York state. They would organize a new company in the United States, give my constituent 49 per cent of the stock, refinance the operation, set up a DISC and ship goods back to Canada. That is what happened.

There are hundreds of similar occurrences, with slight variations, each year in Canada. A lack of money, high interest rates in Canada and plenty of money south of the border at equitable rates is a familiar tune to businessmen. The answer this government gives is that it will set up some conditions and a screening agency, but no mention of solving the real problem. I have mentioned the man in my riding who tried to borrow money from the bank under the Small Businesses Loans Act only to be told he could not borrow money at that rate because the bank could not make a profit at 6¼ per cent interest. The bank then steered the man to the IDB, which suggested he borrow at 12 per cent interest.

There is nothing in the budget presented on February 19 that will make money any easier for small business, secondary industry and the service industries. There are none of the massive changes in the Income Tax Act promised by minister of finance Benson when Bill C-259 was rammed through this House. These are the same changes echoed by the present minister when he took over the finance portfolio. A few minor changes have been made, but nothing to make it a workable tax act which the average businessman can understand.

There is no statement of policy by the government as to its over-all plan for secondary industry. In fact, you could easily say this is an anti-business budget. This shows how far to the left this government has gone. The people operating small businesses, secondary industry and service industries in Canada have no status in the economic life of our country. They know how far to the left this government has gone. In spite of being the largest employers and tax contributors, these operators are continually downgraded and held at bay by a government that does not know, does not want to know or just does not give a damn.

The strange part of this indifference by the government is the cost involved. Small business, secondary industry and the service industry want amendments to the Bank Act to ease the flow of money to their operations. Along with everyone else in Canada, they want revisions to the tax act so it is workable, understandable and can be lived with. They want simplified tax forms in keeping with their business records. They want a moratorium on Statistics Canada forms until the value of such forms is proved.

These people want the same access to export credit as large industry. They want an end to the numerous faceless and nameless forms that cross their desks with unintelligible signatures. They want to be able to talk to the faceless and the nameless person who wrote the letter, rather than to be told that he does not accept phone calls. These people want a government with guts enough to face up to the issues of the day, one in which they can have confidence and under which they can plan their business in an orderly fashion and an atmosphere of co-operation.

These requirements would cost the taxpayers nothing, but the budget presented by this government falls way short of expectation, as does the government itself. I cannot support this budget and I join my colleagues and millions of Canadians in condemning this government.

Some hon. Members: Hear, hear!

Mr. Jean-R. Roy (Timmins): Mr. Speaker, I am pleased to have this opportunity of speaking during the budget debate, but not to dwell on the excellence of the government's budget because there is no need for that. The people in my riding, as well as people across Canada, are already aware of the many measures in this budget that will help the fixed income earner, the low income earner, the old and the young—all of them consumers. The government has indeed put together a package that will receive the approval of a very large majority of Canadians, to the chagrin and frustration of members opposite including the hon. member who has just spoken.

The matters I would like to bring to the attention of several ministers for their immediate consideration and correction have to do with several continuing bureaucratic administrative procedures which frustrate some of our citizens and make my blood pressure rise to boiling point. It is amazing how often parliament adopts a law, with much good will and the best intentions, which is designed to serve the small citizen of this country, yet after the regulations have been compiled by departmental officials it develops that parts of the law become simply bureaucratic nightmares.

• (2110)

The first example with which I shall deal is the additional $1,000 personal exemption that was proposed for persons 65 years of age or over for income tax purposes. To all members of this House the meaning was simple and clear. Persons 65 years of age, because they have more medical bills and particular needs because of age, in most cases have no ability for normal earnings and have limited income, should have an additional $1,000 deduction to ensure that their meagre income would not be taxed. To all members it was a simple matter. If it involved a married couple, the additional exemption was two times $1,000, or $2,000. Is this what we have? No. After the officials got through with the income tax forms, it turned out that in order to claim the $2,000 deduction both husband and wife must have earnings of at least $2,500. If only the husband has earnings and the wife simply has her $994.86 old age pension as earnings, her $1,000 additional exemption is useless to her and to her husband.

Again we have a case of gross discrimination. If each one of a couple has earnings of $2,500, their exemption in practical terms can reach over $5,000, but if only the husband has earnings of more then $5,000 the exemptions can reach only $1,000 less. If a way can be found by a bureaucrat to make life hard for the politician, you can bet your life he will find it. In this case they have found a way to make it tough not only for the politician but for the poor, old age pensioner through another example of discrimination which is more helpful to the high income earner than the low income earner. I would therefore ask the Minister of Finance (Mr. Turner) and the Minister of National Revenue (Mr. Stanbury) to quickly correct this injustice.

Another example relates to the deductions allowed a working parent for child care in the amount of $500 per child up to a maximum of $2,000. Again, members accepted this measure with great pleasure and pride, with much good will and the best intentions. However, Mr. Speaker, when the bureaucrats got through with the regulations for this bonanza to working parents, it became a nightmare that frightened away both the parents who needed the relief and the babysitters who are trying to help out. The babysitters want to quit because they become full-time employees. The parents throw up their hands in frustration because they become employers. This involves them in all the implications of unemployment insurance, the Canada Pension Plan, income tax deductions, forms of all sorts, and reports. This disgusts the two parties to the point that the benefit is refused. They would rather not have the help than become involved in all the bureaucracy. Surely a quick, easy and reasonably simple procedure can be found to accommodate these people. Surely we can do away with this nightmare without destroying the value of this measure.

The third point I wish to bring to Your Honour's attention has to do with unemployment insurance. I recognize that Bill C-125 will be in the House shortly and that my recommendations might be more appropriate at that time. But the situation I wish to talk about is in my view so distasteful that I feel a correction must be brought in now. It has to do with the infamous practice of having benefit control officers ask people who are seeking unemployment insurance to make statements. The officer interprets the statement, writes the report and has the claimant sign the report as his own. Some officers will ask, "How much do you have to earn to properly support your family?" The claimant will answer, "About $100 a week." The officer will mark on the sheet, "Will not accept less than $100 a week."

The officer then will ask, "Would you take a job in another area?" The claimant will say, "Well, I am established here. I have my family and my house here." The officer will write down, "Will not accept work outside of town." Then he writes, "I am writing these statements knowing exactly what they mean". He turns the sheet to the claimant and says, "Sign here". The claimant is so eager to receive his unemployment insurance benefits that he quickly signs, not knowing he is disqualifying himself completely from benefits.

Some hon. Members: Hear, hear!

An hon. Member: You are right.

Mr. Roy (Timmins): Mr. Speaker, I will vote for all the amendments the minister presents to prevent abuses in the system. I find the loopholes that were left repugnant and I will support the elimination of abuses as much as possible. However, in this case it is the system that is wrong and abusive. This procedure must cease. If any claimant is to incriminate himself, he should at least be left to do it alone without the help of a benefit control officer. It is a despicable practice. I sometimes ask myself why the control officers have not revolted against this procedure and forced the commission to abandon it. I urge the minister to change this situation, one which is the very opposite of the democratic process and the simple rights of an individual.

An hon. Member: He is not here.

Mr. Roy (Timmins): He will read about it tomorrow; I will make sure of that. It may be difficult to find a more efficient method to disqualify people from unemployment insurance benefits, but surely the nature of this procedure condemns it outright as an inhuman and unjust one. I urge the minister to quickly dispense with that sort of sordid practice. I have often thought we should have a committee of the House for the purpose of studying the consequences to individuals resulting from regulations which complement our laws. Mr. Speaker, the examples I have brought to your attention confirm the need for such a committee and I commend it to my House leader for consideration.

Some hon. Members: Hear, hear!

Mr. John Wise (Elgin): Mr. Speaker, this is the first occasion I have had to participate in debate in this House and I sincerely welcome the opportunity. My first wish is to join my fellow hon. members in expressing congratulations to you upon your election to the high office of Speaker, an office in which you conduct yourself so ably, with dignity and a great sense of humour. My congratulations and best wishes are also extended to the Deputy Speaker, the hon. member for Halifax-East Hants (Mr. McCleave), on his elevation to that high post. At this time,

Mr. Speaker, I have a desire to recognize the abilities of two other gentlemen among us, Mr. A. Fraser for his sincere personal interest, and Mr. J. Gordon Dubroy for his keen expertise.

I realize that it is customary for one in my position to spend some time setting forth some of the great virtues of the riding. Realizing that other members wish to speak in this debate, I will not linger in this area at any great length except to inform the House that the riding of Elgin is one that is steeped in some of the most interesting history of our great nation. Elgin, like many other ridings, is a mixture of urban and rural communities. Its industries range in size from a few employees to the giant Ford Company of Canada assembly plant at Talbotville employing between 3,000 and 4,000 people.

• (2120)

A great number of these industries are American-owned and they are excellent corporate citizens. I make that statement without any hesitation, Mr. Speaker. Therefore, any move to restrain or restrict American investment by this or any government would have extremely adverse effects upon the economy of an employment in my riding. Its agriculture is diversified, involving both dairy and beef cattle production. I might say that the Elgin herds possess some of the finest and highest producing cattle that can be found across this country. Food and vegetable growing is very common. We have cash crop production including corn, wheat and beans of many varieties. These are only some of our products.

It is my wish to point out that the single, most valuable crop grown in Elgin is flue-cured tobacco. Its production from Elgin growers alone recently brought in $35 million. When we consider that over $24 million goes for provincial and federal income taxes, and over $551 million for excise tax and duty, one can clearly appreciate the input of the flue-cured tobacco growers and the tobacco industry in our over-all economy. I would be remiss if at a time when I am mentioning some of the aspects of Elgin agriculture I did not draw the attention of hon. members to the world championship awards which were received by my constituents for soybean and tobacco production.

I was pleased to read in the government's estimates that significant amounts of money were granted for the construction of a new post office in the town of Aylmer, and that moneys will be expended on the Lake Erie Harbour of Port Stanley. In a recent conversation which I had with officials of the Department of Public Works regarding damage to the pier at Port Bruce, I was informed that the situation had been investigated, a report was being prepared and the port facilities would be repaired.

I regret that the government continues to ignore the deteriorating harbour, port facilities and property at Port Burwell. I am convinced that the neglect of Port Burwell is clearly a mistake. I make these remarks without fear because I want to draw to the attention of the government the fact that this harbour is within walking distance of the site of the new Dofasco steel plant and hundreds of acres of land have already been purchased for that purpose.

I want to be fair, and without taking too much of hon. members' time I should like to acknowledge with satisfaction those budget items that were welcomed by Canadians across the country. However, the minister and his colleagues can hardly take credit for them because they were measures we had recommended and they had been severely ridiculed by hon. members opposite in many instances and on many occasions.

For many years I have been of the opinion that income tax and tariff legislation governing farmers, farmlands, agricultural products, marketing rights and quotas have been grossly unfair. After studying some of the new proposals relative to these matters, I am convinced of their unfairness. If the reaction I have received is typical of producers across Canada—and I am positive that it is—then this government should well realize its shortcomings in this area. Mr. Speaker, this is another prime example of the lack of understanding, the lack of recognition or the absolute refusal to recognize conditions as they really are. It points to the huge, untravelled distance between those in the ivory towers and those at the grass roots level of this country.

All Canadians have a vital stake in the employment and income-generating potential of the agricultural industry. You will be interested to know that 20 per cent of the gross value of our manufactured goods is supplied by the agricultural industry; 33 per cent of the freight moving through the St. Lawrence Seaway and 20 per cent of the goods moved by our railways are of agricultural origin. How has agriculture performed over the past few years? It is a known fact that the number of farm operators has rapidly declined and their average age has rapidly increased. These are two serious and drastic trends that are still continuing, but they seem to be of little or no concern to this government.

During recent years the output per agricultural worker has increased 100 per cent as compared to 50 per cent for his counterpart, the industrial worker. The consumer has been the major beneficiary of these developments. Today Canadians spend less of their pay on food than ever before, about 19 per cent of the family budget as compared to 28 per cent in France, 24 per cent in the United Kingdom and 37 per cent in Italy. In fact, we Canadians require less of our pay cheques for food than people anywhere except in the United States.

There are two questions that I would like to pose to Canadians in other walks of life. First, what would you do if you had put in the same number of hours of work in your job, or the same effort into your business, but your sales or output dropped by 50 per cent in that year? Second, what would your reaction be if your wages, or prices for products, declined to 50 per cent of those in the previous year? Such things happen to large groups of farmers and are very commonplace in the agricultural industry.

Some of the principal reasons for these problems are poor production incentives, inadequate tariff protection, lack of sufficient export sales promotion and subsidies, and high support prices paid to producers in our traditional markets outside Canada. An example is the fact that in France, barley is subsidized for the export market at $1.23 a bushel more than the Canadian farmer receives for his barley. The average expenditure in agricultural subsidies in Canada per person in 1968 was $350, com-

pared to $1,287 in the United States, $1,059 in the United Kingdom and $1,502 in Switzerland. I mention these examples because there is a widening gulf of misunderstanding between farmers and the rest of the economy about the reason and need for assistance to Canadian agriculture.

It is only through an expansive, outward looking agricultural and food policy that the farm sector can ensure that its contribution to the general economy will continue. We need in this budget an energetic and positive program of incentives for our business and industry, both large and small, a program with guidelines which would ensure that public moneys earmarked for the purpose of improving employment truly end up in the creation of more jobs. Too often in the past moneys have ended up in modernization, automation and plant transfers, resulting in even fewer jobs than before.

No mention was made in the budget of lowering the age at which our senior citizens receive their pensions. I am of the opinion that serious consideration should have been given to such a course of action. It is most regrettable that the government has refused to remove the sales tax on building materials. The elimination of this tax would encourage construction and, speaking in human terms, I would remind the Minister of Finance (Mr. Turner) that construction creates jobs. A glance at the present national unemployment figure in this country would indicate that jobs are still high on the priority list, at least they are on this side of the House.

• (2130)

There are numerous other areas of concern that I would have liked to talk about at length tonight, but because of the limited time available I will be unable to do so. Therefore, Mr. Speaker, I have submitted these words with sincerity and genuine concern, and will continue to do so on future occasions for as long as I have the good fortune and the honour to represent in the House of Commons the great people of Elgin.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I take this occasion to make a few comments on the budget.

It is rather interesting, Mr. Speaker, to listen to a series of speeches on a budget which, according to some, seems to be the solution to all our problems and, according to others, seems to be the worst budget ever introduced and would have no beneficial effect.

I should like to express in an unbiased manner, as I always attempt to do, very honest opinions in respect of this budget. It is certainly not as great and not as good as some hon. members would have us believe, though it is not as bad as some other hon. members, in view of their opinions, tried to make us believe.

The outstanding points and objectives of this budget are of course to lower the unemployment rate and stimulate more rapid growth, to reduce inflationary pressures, also, and deaden the effects of past inflation, to increase actual income and to assure elderly Canadians or a more equitable share of the country's prosperity, and, lastly, to work towards a better balanced economic development of all regions of Canada.

How far will this budget allow us to carry out all of these objectives. I am not as optimistic as the Minister of Finance (Mr. Turner), who believes and claims that these measures will create 300,000 jobs. In any case, I hope that whoever estimated that 300,000 jobs could be created are not the same people who dreamt up the 100,000 jobs that the government of Quebec promised us a few years back, or the other 100,000 jobs that the building of an airport at Saint-Scholastique was guaranteed to provide. We know very well how wrong those forecasts were, and I trust, Mr. Speaker, that those responsible for the estimates in this budget are not the same people.

Taken as a whole, of course, the budget is not as bad as some would have us believe. The budget is definitely the product of a minority government. That is nothing new, and I have said several times before that a minority government could achieve in six months what a majority government has failed to achieve or could not achieve in four years. We see the government having to do more and better, when forced to act. In my opinion, the opposition should join forces to force the government to fulfil the people's hopes and needs.

The budget now under consideration is much more worthwhile than those of past years and I must say objectively that I will support it in spite of its deficiencies as most measures are generally deficient in one way or another. It remains nevertheless that this budget on the whole has some merit and that in my opinion it is preferable to support it rather than to reject it.

I could also dwell on some commitments in this budget concerning a basic exemption for taxpayers which will increase from $1,500 to $1,600 and an exemption for a married couple which will augment from $2,850 to $3,000. Moreover, the basic federal income tax will be reduced by 5 per cent and the personal income tax rate will be escalated from 1974. We are pleased also with the $18 monthly increase in old age security pensions.

I regret to see that the government has not seriously considered giving the old age security pension to people who are 60. We could at least have given it progressively over a period of 5 years, as was the case when the eligibility age was brought down from 70 to 65; I think we could also have thought of giving the old age security pension to the spouse of the beneficiary, even if he or she is not yet 65.

I think it is important to remind hon. members and the minister in particular of the problem that arises for an old couple, when one is not yet 65 and could get $170, when we know perfectly that a couple both aged 65 will be able to get $325 a month.

I think it will be important for all hon. members, when new bills issued from this budget will be brought in to propose the necessary amendments, and if we failed to legislate in order to control unemployment, I think I would not hesitate to remind them of the importance of bringing in amendments designed to force the government to give the old age security pension at 60, even if it is done progressively over a period of 5 years, if it appeared impossible for the government to do it quicker. I think that if we seriously want to find a solution to the problem of unemployment, this kind of measure would be quite right.

I recognize that the government made a tremendous effort to reduce unemployment by injecting new credits into the economy but after five years we realize not only that the rate of unemployment has not diminished but that it even has a tendency to grow. Now, I think it is the duty, the government to improve the social climate: what better way of doing it than by giving holidays to people who have reached an age when they deserve them? Of course, some will tell me that it will be extremely costly for the government to give the old age security pension as early as at 60.

I should like to put this question to the Minister of Finance: How much does it cost to provide for 500,000 to 600,000 unemployed, for instance? If the required calculations were made to grant the old age security pension as early as at 60 years of age, on an optional basis for some months and shortly after on a compulsory basis, we would finally achieve a truly acceptable social policy. Of course, people would become unemployed at 60, but they would be happy unemployed, thanks to a decent pension, contrary to our 20-year old unemployed who are rather inclined to be revolutionary. To my mind, the government always errs in a masterly manner when it applies itself to increasing the benefits and allowances of those who make up a generation we are in the process of spoiling.

• (2140)

In my opinion, it rests with the Opposition members, especially under the present circumstances, owing to the membership of the House, to suggest amendments to the bills which will be referred to us. The official opposition should make a point of introducing constructive measures and I would like to see the New Democratic Party take position on such proposals. Up to now, I somewhat regret the lack of aggressiveness of the New Democratic Party which is too readily approving the budget.

Once again, I admit as many others do that it contains some good provisions; moreover, on the whole, I will support the passage of the budget, because it contains a minimum of good provisions.

I heard this afternoon a member of the New Democratic Party say that if he had been a government member, he would have done better. But is there anything preventing the New Democratic Party from proposing positive amendments? The Progressive Conservative party has proposed an amendment, the Social Credit party has proposed a sub-amendment, but the New Democratic party has proposed no amendment. We could have made some evaluation of an amendment, voting for or against it.

I believe it important for the opposition parties not to subject The New Democratic party to difficulties, but to allow it to support a measure that would improve the lot of our older citizens. We do know that that party has always paid much attention to the older or the poorer citizens, and I believe that it would be very interesting to know about the amendments and suggestions that could be introduced in this House inviting the New Democratic party, as all the other opposition parties, to force the government to act, because the Canadian people know very well that the opposition is in a position to do so. No doubt the government will not allow itself to be defeated on a positive and worthwhile measure. We all know that the government is obliged to come to some arrangements and that it also pays heed to positive solutions or suggestions. Therefore, I consider it my duty to invite the opposition parties to discharge their primary responsibilities, forcing the government to improve the legislation placed before us.

I do not hesitate to say that the $20 increase in old-age security payments is welcome by those who can get it, but, there again, I believe that we would have benefited from lowering the eligibility age in order to make some room for the unemployed and for the young people waiting openings on the labour market.

For instance, I would have been happy if this budget had provided some moneys for amateur sports. I know that the Speech from the Throne says that amateur sports could eventually obtain some additional credits. When this government talks about youth's motivation toward physical fitness, I wonder to what point it is serious. A year and a half ago, I suggested to the Minister to grant some very special funds enabling municipalities to acquire the basic tools. But what are those basic tools? Whether one is talking about physical fitness, financial participation, direct or indirect, to the 1976 Olympic Games, youths must still be offered training facilities. But basic tools in municipalities mean arenas, playgrounds, lighting systems, public swimming pools, etc. How can municipalities acquire these? If they were acquired, I am convinced that volunteerism would follow, that interested people would offer to participate, and that at last we would set up facilities so that youths may acquire that physical fitness which is absolutely required.

I thought that the federal government was in a position to bring in a tripartite policy at the financial level. There should be no cheating, of course. The municipalities could ask the province to supply 25 p. cent, contribute themselves 25 p. cent and let the federal government pay the other half of the expenses incurred for the project.

In that way, we would not infringe upon the provincial jurisdictions and the fact that the municipality would be compelled to make a request to its province would enable the latter to adjust its planning at leisure. So, if the province accepts to pay 25 p. cent of the cost of an arena or of a public swimming pool, the federal government would pay 50 p. cent of the expenditures, would respect at the same time the provincial jurisdiction, would leave the province free to monitor the planning, the municipality would show its interest and good will by paying 25 p. cent of the cost of the project. I think this would be a way to prove that the federal government is willing to help youth in need of physical training.

The Acting Speaker (Mr. Boulanger): I regret to interrupt the hon. member, but his time is up.

[*English*]

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, in 1789 social needs were vital in France and Marie Antoinette responded to the cries of the French people for bread with, "Let them eat cake." In 1973 the Minister of Finance (Mr. Turner) meets the cries for employment, decent housing and the alleviation of poverty in Canada with, "Let them eat candy and drink pop". When we examine this budget closely, we see it for what it really is, a tale full of

sound and fury, signifying nothing. It purports to improve the lot of Canadians on fixed incomes by raising the old age pension by what appears to be $18 a month; in reality is a mere $15 per month.

We in the New Democratic Party find the increase a half-hearted response to the needs of our people who exist on fixed incomes. Even though it is a crumb, we will accept it. What were the Tories prepared to offer the pensioner? During the October election campaign that party was prepared to raise the basic old age pension to $90 a month. Since the election they have suddenly discovered the old age pensioners and are now calling for a greater increase than the government has proposed. It only serves to show that the Tories are just as opportunistic as the Liberals. But we must not forget that these two corporate parties have now entered a new era of disincentives for the poor and incentives for their corporate friends and allies. After all, the Liberals and the Conservatives would not want over one million Canadians, 65 years old and over, becoming lazy with large pension cheques.

Another crumb is in the area of personal taxes, where the government broke with the traditional concept of across the board tax cuts. The budget proposes a minimum $100 cut in tax. We accept this crumb also. The indexing system proposed is a small step in the right direction—another crumb, and we accept it. Apart from these meagre offerings forced out of this government, the rest of the budget does not deal seriously with unemployment and the urgent social needs of the Canadian people. On the contrary, the selective federal sales tax cuts might very well find their collective way into corporate pockets. We warn the government that the day will come when the people of Canada will want to eat at the table and will not be content with crumbs. They will want to share in the meal. Then these two old-line parties can exist side by side as the corporate concubines they really are.

The list of items on which the federal sales tax has been lifted indicates, first of all, that the government is not interested in the production and availability of necessary goods such as building materials and adult clothing. These members to my right, Mr. Speaker, would suggest that the 11 per cent federal sales tax on building materials be dropped. I should like to ask them why they would not use their influence with the premier of the province of Ontario to get that government to drop the 5 per cent sales tax on building materials, if they are so interested in stimulating the building market.

Stimulation of the consumer market, as I have mentioned, Mr. Speaker, would certainly have served to create employment opportunities so vital to the nation's economy today. By what logic is the tax on candy and pop removed, and not the tax on building materials? Even if the saving is passed on to the consumer, how does the Minister of Finance justify stimulating consumerism in a non-essential area? I grant that the selective federal sales tax on various items has been reduced, but what assurance have we that these decreases will result in savings to the Canadian people? The government has refused to implement any kind of monitoring system to ensure that the Canadian people get the benefit of these sales tax cuts. The minister seems to have blind faith that the marketplace of the free enterprise system will lower prices to the Canadian people. Alas for such faith! We know from past experiences that when the federal sales tax on prescription drugs was dropped by the last minority government—that was another crumb—the people never received the benefit. So why do we think we are going to receive benefits now?

• (2150)

If the minister is interested in dealing with one of Canada's most serious problems, why not provide a tax rebate to individuals who build their own homes or have their homes built for them? It seems to me that two problems would have been attacked by such a tax incentive, namely, unemployment and inflation. While the budget indicates the extent to which the Liberals are willing to tinker with the economy, it also exposes their opportunism and inability to effectively redirect the human, financial and natural resources of our country so that poverty may be eliminated and a better quality of life may emerge for the Canadian people as a whole.

[*Translation*]

Mr. Yves Demers (Duvernay): Mr. Speaker, the budget brought down by the Minister of Finance (Mr. Turner) on Monday, February 19, 1973, is considered by the vast majority of financial analysts as a masterpiece.

Its main objective is to check unemployment. But its strength, and this is what most surprises those financial analysts, lies in the fact that in addition to checking unemployment the budget also considerably dampens the effects of inflation.

Normally, in our North American economic context, when unemployment goes down, inflation goes up. By decreasing inflation, one creates more unemployment.

By reducing income tax, not only in the lower income brackets but also in the average income levels, the budget gives Canadians more purchasing power. Automatically our industries will have to produce more; they will therefore require more labour.

What I admire most in this budget is that the average-income group will also benefit from tax reductions. We often think about the Canadian middle class. Unfortunately, every time this happens, it is for the purpose of paying more taxes, indirect taxes as well as municipal and school taxes.

I even know about administrators who are looking for new ways of increasing taxes in future. This middle class which is made up of workers form the greater part of Duvernay. They are people who contribute heavily to all levels of the Canadian economy.

Finally in this budget the minister of Finance has shown that this middle class is also representing the overtaxed silent majority, to such an extent that many are discouraged in seeing such a large share of their working hours wasted on taxes of all kinds.

It must be remembered that, basically, our economy leans on the middle class which must be encouraged as best we can. It is due to these people that our gross national product is so high and that we are in a position to improve our social assistance such as old age security

pensions, unemployment insurance benefits, social welfare benefits, etc.

I said earlier this budget is intended to stop inflation to some extent.

In fact, by reducing the sales tax on several products, especially on children's clothing and shoes of all kinds for young people, there results an appreciable reduction of the family cost of living.

Indeed, I should have preferred to see an increase in family allowances, but the elimination of the sales tax is equivalent to an indirect increase of those allowances.

The budget provides for the Canadian taxpayer tax cuts varying from $100 to $500 a year. This reduction, which increases purchasing power, will also contribute somewhat to bringing down salary increases, a primary cause of inflation in this country.

A decrease in tax rates equivalent every year to the percentage of inflation has also been provided, a provision that will, I believe, most effectively curb the inflationary pressure. I shall clarify my statement.

In the late 50's, a construction worker earned an average of $100 a week. Now, hourly rates have gone slightly over $5 an hour for a 40-hour week, bringing present salaries slightly over $200 a week. Thus, in 14 years, salaries of those workers have doubled, from $5,200 to $10,400 a year. After payment on taxes on a salary of $5,200, a married, childless workers was left with a purchasing power of $4,300. Today, with a salary of $10,400, the purchasing power in the same case is only $8,100. Salaries have therefore doubled whereas taxes, because of increased rates, have gone $500 over double their amount.

These calculations therefore show that the progressive tax rate has substantially contributed to inflation during the past decade and that during the past 13 or 14 years the increase in tax rates accounted for some 20 per cent of inflation in Canada.

In order to curb this effect, there will be an indexing of personal income taxes as of January 1, 1974, in order to halt the erosion of purchasing power.

I should also like to point out another cause of inflation, the collective agreements which, over the past ten years—

May I call it 10 o'clock, Mr. Speaker?

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL DEFENCE—ALLEGED EXCLUSION OF GAGETOWN FROM BASES SHARING FUNDS FOR LABOUR-INTENSIVE PROJECTS

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, on January 22 I asked the Minister of National Defence (Mr. Richardson) if he could tell the House why base Gagetown in New Brunswick was omitted from the 40 bases sharing the $13.3 million allotted for federal labour intensive projects. I have referred previously to my concern about the increasing rate of unemployment in New Brunswick and in particular to the alarming rate of increase in my own constituency, York-Sunbury. The largest employer of unskilled and semi-skilled labour in New Brunswick is Canada's largest military training establishment, base Gagetown.

I believe that several hundred thousand dollars was requested by the authorities at base Gagetown under the winter works program to carry out much needed maintenance on defence properties, including accommodation occupied by military personnel and their dependants. I would like to ask the Minister of National Defence why, with such a large rate of unemployment in that particular area and the obvious wastefulness of allowing valuable properties to continue depreciating, he would select base Gagetown as one of the few military stations to receive absolutely no grant from his allotment of $13.3 million.

As part of the program of work that was proposed from base Gagetown involved a large portion of labour-intensive work on armouries and other defence properties throughout New Brunswick, it would seem that other hard-hit communities in my province have also been deprived of this opportunity for employment, opportunities that have been given to all other provinces except Alberta, the Yukon and the Northwest Territories.

• (2200)

I ask the minister to reconsider what appears to me and to the people of my constituency to be a case of unfair discrimination in the allocation of funds placed at his disposal. Urgently needed work has to be done at base Gagetown and a large number of men, most of them heads of families, are willing and able to do it.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, it was perhaps incorrect to direct this question to the Minister of National Defence (Mr. Richardson) because he does not have total discretion in the matter. If the hon. member will recollect, during the discussion on the $350 million winter works program an allocation of this sum of money was made across the country by provinces in relation to population, the rate of unemployment and the degree of seasonality of unemployment. It was hoped there would ensue a fair distribution of this money.

At the same time, the government set aside—this was subsequently approved in the supplementary estimates—the sum of $60 million in a Treasury Board vote for direct employment through the federal government for federal labour-intensive programs. The moneys were allocated by provinces in exactly the same way, using the same criteria as the federal winter works program, the larger program. Departments were then invited to submit proposals for work showing the cost, the type of project and the number of man-hours, from which it was possible to grade them in order of number of people employed per dollar expended or number of dollars required to secure one man-month of employment. The allocation of funds was made by provinces in accordance with the formula suggested by the provinces in respect of the $60 million and in relation

to those projects which would produce the greatest number of man-months per dollar expended.

In the case of the camp Gagetown projects, the number of man-months employed for the given number of dollars expended tended to be higher than others. For this reason, Gagetown was not selected. I sympathize with the hon. member because there is unemployment there, but the money could not usefully be used; it could more profitably and more urgently be employed elsewhere.

SOCIAL SECURITY—RETIRED PUBLIC SERVANTS, ARMED FORCES PERSONNEL AND RCMP PENSIONS—STATUS OF CONSIDERATION OF RAISING OR REMOVING CEILING ON ESCALATION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Wednesday, January 24, as recorded at page 610 of *Hansard*, I put this question to the President of the Treasury Board (Mr. Drury):

In view of the assurance given by the minister toward the end of the previous session that consideration would be given to raising or removing the 2 per cent ceiling on the escalation of pensions of retired public servants and also retired armed forces and RCMP personnel, can the minister say what is now the status of that consideration?

The President of the Treasury Board replied:

Mr. Speaker, in view of the genesis of the 2 per cent figure in the Superannuation Act, namely, its relationship to the Canada Pension Plan, perhaps these two matters could be looked at together.

I then asked a supplementary question which raised another issue in the same field. As the President of the Treasury Board knows, I am concerned about both issues. The second issue was that of the position of retired armed forces and RCMP personnel who are under 60 years of age and have to wait until that point before the escalation of their pensions begins. As the President of the Treasury Board knows, it has been my argument for some time, particularly since certain changes were made regarding early retirement, that such personnel should not have to wait until age 60 to start drawing their escalation.

However, let me concentrate this evening on the removal of the 2 per cent ceiling on escalation of the pensions we are speaking about tonight. As the minister knows, the first escalation of pensions was on the old age pension, and it was subject to a 2 per cent ceiling. But we make progress, even when the Liberals are in power, and we have now got to the point where old age and certain other pensions are escalated by the actual percentage rise in the cost of living. Indeed, we have gone a step further: there is now on the table of the House a report from the Standing Committee on Veterans Affairs which recommends that war disability pensions be escalated by an even more beneficial factor, namely, the wage index, and I emphasize the fact that that is higher than the cost of living index. That, in my book, is a wonderful report and a tremendous recommendation, and we shall get to it later in this session.

In light of the progress that is being made, I think it is unfair to retain for retired public servants and retired members of the RCMP and armed forces the 2 per cent ceiling, so that no matter by how much the cost of living goes up in a year their pensions cannot go up more than 2 per cent. I got back to the minister on this question again on Friday, February 9. I thought I made a good point, but all he did was look at me while the Speaker called order. On another occasion, namely, on February 12, I drew attention to the fact that figures which had been tabled that day showed a tremendous increase in the amount of money in the special fund out of which these escalation payments are made, to which the minister responded that this additional money had to be looked at as providing for a greater charge on the fund in later years.

Time is at a premium but I should like to argue with the minister on that point. I went back over the debate in 1970—even though I remembered it quite well—and I found no suggestion that this fund for escalating the pensions of retired public servants and others was to be put on an actuarial basis. The key sentence of the then President of the Privy Council, the present Minister of Energy, Mines and Resources (Mr. Macdonald), is to be found at page 4589 of *Hansard* for March 10, 1970, and is as follows:

These increases will in turn be financed by additional contributions of one half of one per cent by present employees, contributions that will be matched by the government.

As the minister knows, every time we have been faced with complaints by present employees that they have to pay this one half of one per cent in order to pay for the escalation of pensions received by those who are now retired, our answer—the minister's and mine—has been that when they get to the point of retirement the working public servants of that day will pay one half of one per cent to provide for the escalation of their pensions.

I feel that there is nothing in the record to indicate that this fund is on an actuarial basis. It is on a current or pay-as-we-go basis. I contend that, partly because the fund is growing rapidly, but even more so because of what is right—namely, that it is unfair to retain this 2 per cent ceiling—early action should be taken either to raise that ceiling to a much higher figure, or to put it on the basis of the actual cost of living or remove it altogether and accept the formula recommended by the Standing Committee on Veterans Affairs.

I do not expect the minister to stand up tonight, give me the perfect answer and say, "Yes, we shall get at this tomorrow morning and bring in the legislation tomorrow afternoon." But I do urge him to activate consideration of this matter. If it requires further consultation with representatives of the staff associations, for goodness sake let us have that consultation right away. I ask the minister not to wait until something is done about the Canada Pension Plan, because that involves federal-provincial relations and the minister knows how long that can take. In the meantime, it is only fair and just for retired public servants, and retired armed forces and RCMP personnel that their pensions should be accelerated every year by at least the rise in the cost of living.

• (2210)

Therefore I urge that steps be activated now so we can get rid of that 2 per cent ceiling, and I hope while he is at it the minister will take steps to get rid of the unfairness in respect of retired armed forces and RCMP personnel who are under age 60.

Adjournment Debate

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his allotted time has now expired.

Hon. C. M. Drury (President of the Treasury Board): Under the rules, Mr. Speaker, I believe I have only three minutes, so I will have to compress my remarks.

Mr. Knowles (Winnipeg North Centre): You could say yes in a few seconds.

Mr. Drury: The first benefits to which the hon. gentleman refers apply not only to public service superannuation annuitants, to members of the armed forces and the RCMP, but also to those receiving benefits under the RCMP Pension Continuation Act, the Members of Parliament Retiring Allowances Act and the Diplomatic Service (Special) Superannuation Act, so we are dealing with a much larger group than merely a certain selection of public servants.

It was quite clear in 1970 when this act was passed, as the hon. gentleman pointed out, that the cost of these additional benefits and the escalation was to be financed by employer contributions by the government and by employees under these various statutes.

Mr. Knowles (Winnipeg North Centre): Present employees.

Mr. Drury: Yes, present employees. Reference has been made to the desirability, and with this I heartily agree, of escalation starting at the time of retirement, but because the dates of retirement vary under each of these different acts, given a common contribution, and a common fund, a common age was sought, and 60 appeared to be the most appropriate to cover the largest number of people.

It is possible for members of the armed forces to retire on full pension at a considerably earlier age than is possible for public servants. It is possible for Members of Parliament to retire on pension at a considerably earlier age than age 60 provided for in respect of most public servants. As a result, age 60 was thought to be a common ground in view of the fact they were all drawing from a common pool of contributions on a common basis.

There are obvious difficulties. Present public servants are making contributions to this common fund to be used to finance, not only the pensions of public service annuitants but also pensions of armed forces personnel who start drawing their pensions very much earlier and, perhaps even more interestingly, the pensions of Members of Parliament who may theoretically retire at age 37 or 38.

Mr. Knowles (Winnipeg North Centre): That ought to be amended.

Mr. Drury: But that is the way it currently reads.

Mr. Deputy Speaker: Order, please. I regret to interrupt the President of the Treasury Board, but his allotted time has expired.

[Mr. Knowles (Winnipeg North Centre).]

NATIONAL DEFENCE—JERICHO LAND, VANCOUVER—INQUIRY AS TO CALLING OF TENDERS CONCERNING DISPOSAL

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, on January 26 I asked the Minister of National Defence (Mr. Richardson) a question concerning a property commonly known as the remaining 38 acres of Jericho defence land in the city of Vancouver lying north of Fourth Avenue. My question asked whether the government was making plans to sell this land. The minister's answer was that his predecessor indicated that if the city wished to reopen negotiations, because there was already an agreement with the city of Vancouver, the city could do so. He seemed puzzled that I should think they were going to sell this land, although the terms of the agreement, as I will show in a minute, with the city of Vancouver provided that the government could sell it.

There have been many briefs, hearings and discussions in respect of this land. I think it would be worth while to run through the history in respect of this land. Prior to World War II the land was used for recreational purposes by the city of Vancouver as a golf course and beach land. During the war, in 1942, the Department of National Defence acquired the use of the land primarily by lease and the citizens of Vancouver were willing to give up their recreational land as part of the war effort, particularly since the government assured them it would be returned after the war.

In 1947, instead of having the land returned, it was purchased by the federal government. There were several parcels, but they ended up with a total package of 172 acres. Then followed 20 years of discussions, meetings and letters. During the 1968 election campaign, the Prime Minister (Mr. Trudeau) landed on the land by helicopter for an election rally. He assured the voters or perhaps he mislead them—but in any event they received the impression they were not to worry about the Jericho land and that the government would certainly be returning it to the citizens of Vancouver.

In 1969, the agreement with the city was entered into which provides that 72 of the 172 acres would come to the citizens for park-land and 38 acres would be sold by the federal government in order to recover the cost of relocating the military installation. The agreement fails to mention, and the government certainly has not often mentioned it recently, that they still retained 62 acres south of Fourth Avenue. That is the situation today.

In 1971, certain groups of concerned citizens who realized this was not the best use of land in the city of Vancouver formed what is known as the Jericho Parks Committee. The membership is made up of representatives of 17 citizens' groups from the whole of the lower mainland of British Columbia. I was involved with this group during 1972. I took the Leader of the Official Opposition (Mr. Stanfield) there. It was agreed that a Conservative government certainly would return the land to the citizens of Vancouver for park use for the price of $1. In May, 1972, Mr. Benson, the then minister of national defence, said that the government would certainly part with the 38 acres, but wanted money for it. My Liberal opponent during the election campaign said he was cer-

tain Vancouver would get the land back. We will come to the matter of price in a moment.

Today the Vancouver paper carries a report that the parks board chairman has been to Ottawa and has spoken to officials here, I assume in the Department of National Defence, and that he finds the government now is asking questions such as, how does the city propose to use the land? I also find that he took back the date of March 6 when a final decision is expected by the government. But I am in Ottawa and I do not know what goes on in our area except by reading the papers.

Let us talk about price. In 1965, when the government first decided it would dispose of the Jericho lands, the price talked about was $12 million. Later, when we were about to have an election, the price being talked about by the government was $4½ million. In this day of inflation that is wonderful. That was for 110 acres, the whole of the section north of Fourth Avenue. By October, 1972, we were down, according to my Liberal opponent, to a price of about $500,000.

Let us talk about the moving cost. Certainly the government had to move the installation, but that was its choice. It certainly is not reasonable to have the citizens of Vancouver paying for an inevitable move that the government chose to make. Our Conservative defence critic told me that after his research he found that some two dozen similar cases existed in Canada and in most instances the investment by the government had been written off in the year of purchase.

The government still has the 62 acres on the south side of Fourth Avenue about which I have spoken. The latest blow, I believe, to the citizens of Vancouver happened two weeks before the election when the Secretary of State for External Affairs (Mr. Sharp) announced in Toronto that the federal government would give a gift of 86 acres of farm land to the citizens of Toronto at a cost of $30 million. The people of Vancouver wondered if they were still in Canada. Vancouver's reward for its contribution to the war effort in giving up the use of its land is to end up fighting the federal government in order to get it back. The government has no right to be there, and they make much of not charging us any taxes during the time they were there and making grants in lieu. We have been deprived of the use of our land for all these years, and we think we should be charging the government for the loss of its use.

• (2220)

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I am not in the middle of an election campaign; I am just delivering an official answer for the Department of National Defence.

The hon. member's representation on behalf of his constituency of Vancouver Quadra and the city of Vancouver is one that he has been most assiduous in pursuing. I note that on January 12 he placed a private member's notice of motion on the order paper concerning this subject. This was done following a very detailed reply by the Minister of National Defence (Mr. Richardson) in a letter to the hon. member dated January 3, 1973. At that time the hon. member was advised that there are no immediate plans to dispose of the 38-acre development area although such disposal is part of the understanding with the city of Vancouver.

In the same letter the minister enclosed a detailed departmental position paper on the whole subject of the Jericho beach lands. This was done to provide the member with the whole background of the subject, as there has obviously been much local misinterpretation of this issue. Further, on January 26 the minister, in response to a question in the House from the hon. member, as recorded at page 685 of *Hansard*, confirmed the departmental position.

Basically, the department made an agreement with the city of Vancouver whereby 78 acres of waterfront land at Jericho beach was turned over to the city of Vancouver for $1. The remaining property, some 38 acres, was to be sold by the department. This agreement is still in effect. The basic departmental position is that if the city of Vancouver wishes to reopen this agreement, the minister is prepared to listen to any official representations that may be made.

Motion agreed to and the House adjourned at 10.26 p.m.

HOUSE OF COMMONS

Wednesday, February 28, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

PROVINCIAL AFFAIRS

BRITISH COLUMBIA LAND COMMISSION BILL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, pursuant to Standing Order 43 I rise on a matter of urgent and vital importance. The provisions of the federal Bill of Rights are being challenged by Bill 42 of the British Columbia legislature, the Land Commission Act, which denies the public the right to appeal decisions of the commission. Section 11(5) states that the decision of the commission is final and no appeal lies from that decision. I therefore move, seconded by the hon. member for Okanagan-Boundary (Mr. Whittaker):

That this House instruct the Minister of Justice to immediately set up a parliamentary committee to investigate the constitutionality of the B.C. Land Commission Act, and to report its findings to this House.

Mr. Speaker: This motion is proposed to the House under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

TRADE

CANADA-UNITED STATES AUTOMOTIVE AGREEMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43. Because of the circumstances I am sure the motion will receive the unanimous consent of the House. The motion arises out of the statement made in Washington yesterday by a United States treasury official that, in spite of a very substantial trade deficit on Canada's part in Canada-U.S. automotive trade for 1972, the United States will continue to insist on the removal of the Canadian job-protection safeguards in the Canada-United States automotive agreement. In view of this major and continuing threat to employment in Canada, I move seconded by the hon. member for Waterloo (Mr. Saltsman):

That this House reassets its commitment to maintain the Canadian job-protecting safeguards in the Canada-U.S. automotive agreement of 1965.

Mr. Speaker: The motion proposed by the hon. member is put before the House under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

ACCEPTANCE OF MEDICAL CERTIFICATES FOR RECEIVING BENEFITS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Henry Latulippe (Compton): Mr. Speaker, I rise pursuant to Standing Order 43 to request the unanimous consent of the House on a matter of urgent and presseing necessity.

In view of the difficulties encountered by unemployment insurance recipients with respect to stoppage of work due to illness, I move, seconded by the hon. member for Champlain (Mr. Matte):

That medical certificates filed by applicants' doctors be automatically accepted with respect to the period of incapacity to work.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

REGIONAL ECONOMIC EXPANSION

SUGGESTION THAT GRANTS BE REPLACED BY COMPENSATED DISCOUNT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I rise pursuant to Standing Order 43 to request the unanimous consent of the House on the very important problem

of the viability of grants made by the Department of Regional Economic Expansion.

I move, seconded by the hon. member for Rimouski (Mr. Allard):

That this House instruct the Standing Committee on Regional Economic Expansion to examine the viability of grants made by the Department of Regional Economic Expansion to alledgedly create jobs and determine whether those same votes could not be more profitable to the Canadian economy and would not create more jobs if they were applied as a compensated discount to Canadian consumers when purchasing Canadian products now in difficulty because of foreign competition.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I regret to inform the hon. member that there is not unanimity. Therefore the motion cannot be put.

* * *

• (1410)
[*English*]

TRADE

CANADA-UNITED STATES AUTOMOTIVE AGREEMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of vital and common concern to all members. In view of the fact that the auto pact has not ensured for Canada an equitable share of production and employment in the automotive industry, I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That this House asserts that there should be improved safeguards in the auto pact to guarantee just levels of employment and production in the Canadian automotive industry and that the government negotiate improved safeguards at the forthcoming trade talks with the United States.

Mr. Speaker: The House has heard the motion proposed by the hon. member under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. I regret, therefore, to advise the hon. member that his motion cannot be put. Is the hon. member for Oshawa-Whitby rising on a point of order?

Mr. Broadbent: Mr. Speaker, I trust that *Hansard* will record that the opposition to this motion came from the Liberal benches.

Some hon. Members: Oh, oh!

[Mr. Boisvert.]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—NUMBER OF RETIRED EMPLOYEES

Question No. 16—**Mr. Knowles (Winnipeg North Centre):**

1. How many retired employees of the Canadian National Railways are in receipt of pensions of less than $25 per month?

2. How many are in receipt of a pension of $25 per month?

3. How many are in receipt of pensions of $25.01 to $29.99 per month (b) $30 to $39.99 per month (c) $40 to 49.99 per month (d) $50 to $59.99 per month (e) $60 to $69.99 per month (f) $70 to $79.99 per month (g) $80 to $89.99 per month (h) $90 to $99.99 per month (i) $100 to $124.99 per month (j) $125 to $149.99 per month (k) $150 to $199.99 per month (l) $200 to $299.99 per month (m) $300 per month and over?

Hon. Jean Marchand (Minister of Transport): The Management of Canadian National Railways advises as follows: The information shown being as of December 31, 1972 and does not reflect the escalation in pensions granted effective January 1, 1973. 1. Number of pensioners receiving less than $25 a month, 264.

2. Number of pensioners receiving $25 a month, 105.

3. Number of pensioners in receipt of: (a) $25.01 to $29.99 a month, 471; (b) $30 to $39.99 a month, 435; (c) $40 to $49.99 a month, 616; (d) $50 to $59.99 a month, 1,940; (e) $60 to $69.99 a month, 805; (f) $70 to $79.99 a month, 662; (g) $80 to $89.99 a month, 570; (h) $90 to $99.99 a month, 587; (i) $100 to $124.99 a month, 1,622; (j) $125 to $149.99 a month, 1,742; (k) $150 to $199.99 a month, 3,743; (l) $200 to $299.99 a month, 6,552; (m) $300 a month and over, 6,005.

In a number of cases the amounts of pensions paid by Canadian National Railways do not represent the total pensions payable to employees for railway service. Pensions payable by the CNR to international employees (service in both Canada and the United States) relate to their service in Canada only. Such employees also receive annuities payable under the U.S. Railroad Retirement Act or the Social Security Act for service performed in the United States. For example, in the group receiving pensions under $25 from CN, there are 27 former international employees who also receive U.S. Railroad Retirement or Social Security annuities in respect of CN service rendered in the United States. The balance of this group consists of employees who elected early retirement (before age 65) with reduced basic pensions ($25) and employees who had very short service and small contributions.

RAISING OF "IRVING WHALE"

Question No. 259—**Mr. Macquarrie:**

1. On what date is it now intended to raise the *Irving Whale* or to relieve it of its cargo?

2. On what date were tenders called for this project?

3. From whom were tenders received and in what amounts?

4. For what reason or reasons were contracts not awarded?

5. Since this time, what inspections of the *Irving Whale* have been carried out?

6. What are the reasons or factors which prompted the delay in raising the ship or its contents?

7. What is the nature of any technological developments which have come about in this type of salvage since the rejection of the tender bids in Part 2?

Hon. Jean Marchand (Minister of Transport): 1. No date has been set to raise the *Irving Whale.*

2. Tenders were called on September 13, 1971.

3. Tenders were received from: (a) Atlantic Salvage & Dredging Ltd., Smit Tak International Salvage Ltd., $1,770,000; (b) Marine Industries Ltd., M.I.L. Tug and Salvage Ltd., The Foundation Co. of Canada Ltd., $2,350,000; (c) Murphy Pacific Marine Salvage Co., International Underwater Constructors Incorporated, $4,400,000 (U.S.).

4. Tenders received were much higher than estimated with no guarantee that there would be no risk of pollution as a result of the methods of salvage submitted. The Treasury Board declined to accept these tenders and requested that the Ministry reassess the raising of the *Irving Whale* and attempt to gain further data and technical advice.

5. Visual inspection of the water surface in the vicinity of the sinking by aircraft and surface vessels for evidence of oil slicks.

6. There was a considerable delay from the time of the sinking until tender calls were made and tenders assessed due to various legal and technical problems. The preparation of specifications was very lengthy as the Ministry had not been faced with a project of this nature in the past. After the receipt of tenders and a review of the methods, it was finally decided to seek further information from various world sources who may have been faced with this problem, with the view of determining whether it might, in fact, be safer to leave the wreck undisturbed rather than attempt to raise it and thus create a potential pollution hazard.

7. The Ministry initiated further research into technological data on a worldwide basis which, it was hoped, could be incorporated into a project of this nature. To date, the information received is inconclusive but the technical data favours the leaving of the *Irving Whale* where it is in an undisturbed state.

PROFESSOR ISTVAN MESZAROS

Question No. 424—**Mr. Stackhouse:**

1. Is Professor Istvan Meszaros being allowed to enter Canada and, if so, for what reason?

2. Was Professor Meszaros previously barred from entry into Canada and, if so, what was the reason for the change in the decision?

3. Is the Department of Manpower and Immigration considering a quota system on admission of foreign scholars or other means of protecting the priority of Canadian scholars to academic posts in this country?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Yes. When Professor Istvan Meszaros was examined in England in the first week of January 1973, he was found to comply with Canadian immigration requirements and consequently his application for admission was approved. He is now in Canada as a landed immigrant.

2. Professor Meszaros gained entry to Canada by misrepresenting himself to be a visitor when in fact he intended to reside here permanently. He was ordered deported and appealed to the Immigration Appeal Board. By virtue of this appeal, he had effectively removed himself from the Minister's jurisdiction. It was not until after he had withdrawn his appeal and returned to the United Kingdom that a departmental review could take place. Since the illegal entry prohibition no longer applied, the results of the review were favourable and his immigrant application was approved.

3. No. The Department of Manpower and Immigration will not interfere with the hiring preferences of academic institutions since this is a field which comes under provincial jurisdiction.

EMPLOYMENT OF JEAN-PAUL MATTE

Question No. 436—**Mr. Matte:**

Is Mr. Jean-Paul Matte still a Special Assistant to the Minister of Indian Affairs and Northern Development and, if so (a) what were his duties between August and December, 1972 (b) what was his salary during that period (c) what expenses did he claim?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Yes. (a) Special Assistant to the Minister responsible as any assistants to other ministers for projects and tasks assigned to him directly by the Minister; (b) $15,000-$17,500; (c) nil.

UNEMPLOYMENT INSURANCE COMMISSION—SHERBROOKE REGIONAL OFFICE

Question No. 497—**Mr. Beaudoin:**

1. How many employees are there at the Sherbrooke Regional Office of the Unemployment Insurance Commission?

2. What is the area, in square feet, available to the employees?

3. Is the government considering the possibility of increasing the number of personnel in this office and, if so, on what date?

4. Is the government considering the construction or enlargement of the present quarters of this office and, if so, on what date?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. There are presently 254 employees on strength in the Sherbrooke District Office.

2. The total usable area in the Sherbrooke District Office is 19,816 square feet.

3. No increase in staff is expected at this time.

4. The UIC requirements in the Sherbrooke area are under review. Consideration is being given to improving the office facilities in Sherbrooke.

VANCOUVER INTERNATIONAL AIRPORT—CONCESSIONS

Question No. 567—**Mr. Reynolds:**

Has Host Rent-a-Car applied for space in the Vancouver International Airport and, if so (a) is it the intention of the government to approve the application (b) will the government give the coffee shop, the cigarette stand, the barber shop, the gift shop, expansion facilities on the same competitive basis?

Hon. Jean Marchand (Minister of Transport): 1. Host Rent-a-Car has not applied for space at Vancouver International Airport. (a) Not applicable; (b) Not applicable.

Order Paper Questions

CANADA ASSISTANCE PLAN

Question No. 572—**Mr. Holmes:**

1. As of December 31, 1972, what was the total number of personnel in the Welfare Assistance and Services Division of the Department of National Health and Welfare responsible for the administration of the Canada Assistance Plan either on a full-time or a part-time basis (a) the number of staff full or part-time administering the plan at central headquarters (b) the number of consultative staff full or part-time administering the plan at central headquarters (c) the number of field staff in each province (d) the number of full or part-time personnel providing consultative services in relation to (i) Indian welfare (ii) institutional care (iii) accounting and auditing (iv) welfare services (v) community care services (vi) work activity (vii) rehabilitation (viii) family and child welfare (ix) public assistance policy and administration (x) community development (xi) staff training and development?

2. What was the number of personnel responsible to the provincial and municipal authorities working on a full or part-time basis responsible for administering the Canada Assistance Plan?

3. What was the total federal administrative cost for the Canada Assistance Plan for the years ending March 31, 1971 and March 31, 1972?

4. What was the total provincial and municipal cost for administering the Canada Assistance Plan for the years ending March 31, 1971 and March 31, 1972?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. (a) Full-time, 36; Part-time, 4; (b) Full-time, 9; Part-time, 2; (c) British Columbia and Yukon, 2; Alberta, 2; Saskatchewan, 2; Manitoba, 2; Ontario, 5; Quebec, 6; Nova Scotia, 2; New Brunswick and Prince Edward Island, 2; Newfoundland, 1; Total field staff, 24; (d) Included in (b) above; (i), 1; (ii) 2; (iii), 2; (iv), 1; (v), 1; (vi), 1; (vii), 1; (viii), 1; (ix), 2; (x), 0; (xi), 0.

2. None. All personnel responsible for administering the Canada Assistance Plan are federal employees.

3. Year ending March 31, 1971 $634,556, Year ending March 31, 1972, $785,819.

4. The provinces and municipalities administer their own income support and welfare services programs, certain costs of which are shared on a 50 per cent basis by Canada under the federal-provincial agreements authorized under the Canada Assistance Plan. Therefore, they do not have any costs for administering the Canada Assistance Plan. However, in 1970-71, the costs of administering provincial and municipal programs as used in compiling claims on Canada were $88,953,000 and in 1971-72, $100,556,000. A significant portion of these administrative costs were in fact related to professional social services such as counselling, homemakers and similar services provided by employees of provincial and municipal governments to recipients of provincial income support programs (including children who are wards, residents of welfare institutions; and needy persons living in their own homes).

INCLUSION OF GRATUITIES AS WAGES IN CALCULATING UNEMPLOYMENT BENEFITS

Question No. 697—**Mr. Reynolds:**

Can waiters and waitresses include gratuities as wages in calculating unemployment benefits in the same manner as for income tax purposes and, if not, for what reason?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned: Gratuities received by waiters and waitresses directly from the customer are not included in insurable earnings for purposes of calculating unemployment insurance benefits. The legislation provides that premiums are to be deducted only if the remuneration is paid by the employer. Further to this, the employer does not know the amount of gratuities received by each employee. Where an employer includes a service charge in the billing to the customer and in turn passes this service charge on to the employees, he is required to deduct employees' premiums and pay employer's premiums with regard to gratuities that are paid in this manner. These gratuities would then constitute insurable earnings.

COMMERCIAL SHIPPING IN THE ARCTIC

Question No. 749—**Mr. Forrestall:**

What action has the government taken with respect to the recommendation of the Standing Committee on Indian Affairs and Northern Development that the government consider defraying part of the costs of imposing user charges on commercial shipping in the Arctic?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Given that there are no Polar icebreakers presently in operation it has not been necessary to make an immediate decision on the imposition of user charges on commercial shipping in the Arctic. However, before such a vessel enters into service the implementation of the recommendations of the Standing Committee on Indian Affairs and Northern Development will be given further consideration.

CBC POLITICAL BROADCASTS, NEW BRUNSWICK

Question No. 783—**Mr. Fairweather:**

1. Does CBC host a free-time television program in New Brunswick in which spokesmen for provincial political parties participate?

2. Were plans prepared to broadcast the program during the 1972-73 season?

3. At what hour was it planned to broadcast the program?

4. What facilities are available in Fredericton, the provincial capital of New Brunswick, for producing such programs?

5. Have protests been received from the Progressive Conservative and Liberal parties of New Brunswick about the 12.25 a.m. Sunday broadcast time and the lack of facilities for producing the program?

6. What are the Corporation's plans for a better broadcast time and provision of adequate broadcast facilities in Fredericton?

7. In what other provinces in Canada are free-time provincial political programs broadcast at 12.25 a.m. on Sundays?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. No such program has yet been broadcast in New Brunswick during the current season.

2. Yes. Free-time TV program periods were offered to official New Brunswick party associations.

3. At 12:15-12:20 a.m., following the hockey game, "Countrytime" and "National News". However, the Saint John affiliate CHSJ-TV might have been prepared to schedule the broadcasts early afternoon on Sundays. This possibility was not fully examined by the party associa-

tions following a meeting held November 14, 1972 at station CBZ in Fredericton.

4. A one-camera studio set up at station CBZ provides the possibility of microwaving the basic program material to Moncton for recording and final assembly.

5. No protests were received beyond the reservations expressed by the PC and Liberal association representatives at the November 14 meeting. At that time, strong unfavorable views had been put forth regarding the proposed late night broadcast time and the lack of flexibility of the production facilities.

6. The broadcast time is governed by programming constraints affecting the three maritime provinces. In addition, the CBC having no English network TV station of its own in New Brunswick, any discussion regarding a more suitable broadcast time should take into consideration the problems and requirements of the private stations called upon to distribute the programs. At the present time, the Corporation does not plan to provide broadcast facilities in the capital city. Production facilities, although minimal, are considered adequate for this type of program.

7. The normal release time for all provinces is 11:15 p.m. to 11:20 p.m. on Saturday nights following the National TV News. However, due to the hockey being telecast live to the Maritimes from 9:00 p.m. to 11:30 p.m., followed by "Countrytime" from 11:30 p.m. to 12 midnight, then by the National TV News from 12 midnight to 12:15 a.m., "Provincial Affairs" in Nova Scotia, New Brunswick and Prince Edward Island is scheduled from 12:15 to 12:20 a.m., and in Newfoundland from 12:45 a.m. to 12:50 a.m.

NORTHERN TRANSPORTATION COMPANY—TENDERS FOR MARINE ENGINES

Question No. 794—**Mr. Hales:**

1. Did the Northern Transportation Co. call for tenders for marine engines to be used on four large tugboats to be used on the Mackenzie River?

2. How many and what type of marine gear engines were involved?

3. What were the names and addresses of all the companies that submitted tenders?

4. On what date (a) were tenders called (b) were they let?

5. Was the contract let to the lowest bidder and, if so (a) for what amount (b) to whom?

6. Was the contract let to a Canadian company and, if not, for what reason?

7. Will the installation of the motors and other assemblies be performed by Canadian labour?

Hon. Jean Marchand (Minister of Transport): 1. Yes.

2. Sixteen engines and 16 gears involved. Diesel engines considered were Caterpillar D-399, and General Motors 16V-149Tl. Marine gears considered were Caterpillar model 7261, Lufhin RS1616F, and Western Gear model 180PCHR-AA.

3. Tenders were submitted by: Hoffars Ltd., Burnaby, B.C.; R. Angus Alberta Ltd., Edmonton, Alta.; Finning Tractor & Equipment Ltd., Vancouver, B.C.; Stewart & Stevenson Services, Inc., Houston, Texas.

4. (a) November 9, 1972; (b) January 3, 1973.

5. Contract was let to lowest bidder, R. Angus Alberta Limited; the amount is proprietary information.

6. Yes.

7. Yes.

*EXPORT DEVELOPMENT CORPORATION FINANCING TO MEXICAN COMPANIES

Question No. 839—**Mr. Stevens:**

1. Has the Export Development Corporation offers outstanding which have been approved by its Board of Directors to provide Section 29 financing to Comision Federal de Electricidad and to Nacional Financinciera S.A., both of Mexico, for $54 million and $34.5 million respectively and (a) if not, were such offers made and what was their final disposition (b) if so, what are the dates of expiration?

2. If one or more agreements have been signed for such financing or part thereof, what are the names of the main exporters in Canada who will benefit directly or indirectly from such financing and what are the terms of repayment for the loan or loans, including the interest rates thereon?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the answer to starred questions Nos. 839 and 848 is the same, so I wonder if I could have your permission to read it once?

Mr. Speaker: Is this agreed.

Some hon. Members: Agreed.

Mr. Breau: The answer is the following. The Export Development Corporation states that: 1. Approval of section 29 financing by its board of directors and EDC's offers to provide the financing are based on trade information received in confidence from Canadian business firms negotiating for export orders; as publication of any particulars would be a breach of the confidence, EDC is careful to treat all aspects of matters of trade security. (a) for the reasons mentioned above, EDC does not publish the fact that an offer is made, or the final disposition of any offer; it does publish the fact that a financing agreement is made, when that results; (b) similarly, EDC does not publish the expiry dates thereof.

2. Not applicable.

*EXPORT DEVELOPMENT CORPORATION FINANCING TO BRAZILIAN COMPANIES

Question No. 848—**Mr. Stevens:**

1. Has the Export Development Corporation offers outstanding which have been approved by its Board of Directors to provide Section 29 financing to (a) Companhia Siderurgica Nacional, Companhia Siderurgica Paulista and Usinas Siderurgica de Minas Gerais for $35,000,000 (b) Companhia Estadual de Energia Electrica for $13,000,000 (c) Centrais Electricas de Minas Gerais for $27,300,000, all companies being of Brazil, and (i) if not, were such offers made and what was their final disposition (ii) if so, what are the dates of expiration?

2. If one or more agreements have been signed for such financing or part thereof, what are the names of the main exporters in Canada who will benefit directly or indirectly from such financing and what are the terms of repayment for the loan or loans, including the interest rates thereon?

[*Editor's note: Please refer to starred question No. 839*]

Order Paper Questions

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—EMPLOYMENT OF TEACHERS

Question No. 866—**Mr. Orlikow:**

1. How many teachers are employed by the Department of Indian Affairs and Northern Development?

2. What are the minimum qualifications (academic) required for teachers hired by the Department?

3. (a) How many teachers working for the Department have more than the minimum academic qualifications required (b) how many have a Bachelor of Arts, Bachelor of Science, or Bachelor of Education degree?

4. Is the Department giving consideration to the payment of a bonus or an allowance similar to the $1,000 bonus now being paid by the Ontario Department of Education to teachers in isolated northern schools?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. In 1972-73, 1,579 teachers, principals and counsellors were employed by the Department of Indian Affairs and Northern Development.

2. See answer to Parliamentary Question number 1,105, tabled in the House of Commons on March 4, 1970.

3. In 1972-73: (a) 1,537; (b) 523.

4. See answer to Parliamentary Question number 1,105, tabled in the House of Commons on March 4, 1970.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—EMPLOYMENT OF PLACEMENT OFFICERS

Question No. 867—**Mr. Orlikow:**

How many Employment Placement Officers does the Indian Affairs Branch of the Department of Indian Affairs and Northern Development employ in each province and how many of these are of Indian descent?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development):

Province	Placement Officers	Placement Officers of Indian Descent
Maritimes	4	3
Quebec	8	–
Ontario	7	–
Manitoba	1	–
Saskatchewan	8	5
Alberta	10	1
British Columbia	7	2

INDIAN STUDENTS

Question No. 883—**Mr. Orlikow:**

1. How many Indian children attend elementary schools and how many attend secondary schools and of these how many are attending schools which are (a) purely Indian (b) integrated?

2. How does the percentage of Indian students attending (a) elementary schools (b) secondary schools compare with the percentage of the whole population attending elementary schools and secondary schools?

3. How many Indian students are attending universities or other advanced educational institutions?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The following enrolment figures are for 1971-72, the most recent year available.

Grades	Federal Schools	Non-Federal Schools	Totals
Elementary	26,445	32,844	59,289
Secondary	439	9,174	9,613
Special	143	1,338	1,481
	27,027	43,356	70,383

2. The percentage of Indian students enrolled in elementary or secondary schools in 1971-72 was:

	Percent of Indian Population	Percent for Whole of Canada
Elementary	86.3	68.9 (provided by
Secondary	13.7	31.1 Statistics Canada)

3. The following were the numbers of Indian students enrolled in post-secondary training during 1971-72. University, 559; Professional, 562; Nursing, 15; Teacher Training, 63.

USE OF FIELD STONE, JASPER NATIONAL PARK

Question No. 886—**Mr. Clark (Rocky Mountain):**

1. Is there a limitation on the use of field stone for construction or decoration in Jasper National Park and, if so, for what reason?

2. Is there a limitation pending or in effect on the taking of gravel from locations within Jasper National Park for purposes of construction within the National Park and, if so, for what reason?

3. Is there a general policy on the use or removal of rocks within the National Parks and, if so (a) what is that policy (b) on what date was each part of it brought into effect?

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. No, as long as the stone comes from outside the park.

2. Yes, there is a limitation pending. It is the National Parks philosophy that in site geological material should be preserved to the same degree as flora and fauna. Furthermore, previous uncontrolled establishment of sand and gravel pits have left unsightly scars that have no place in a National Park.

3. Yes. National Parks General Regulations No. 13. (a) "No person shall remove or displace any rock, mineral, fossil or other object of natural curiosity or interest in a Park without permission in writing from the Director". (b) latest amendment, 1965.

INFORMATION FILES ON MEMBERS OF PARLIAMENT

Question No. 892—**Mr. Cossitt:**

Has any person attached to, on loan to or employed by the Department of the Solicitor General compiled information files of any kind whatsoever on any persons serving as Members of Parliament since April 20, 1968 and, if so (a) what are the names of such Members of Parliament (b) for what reason were the files compiled?

Hon. Warren Allmand (Solicitor General): See the answer that has been given in reply to Question No. 268 on February 12, 1973.

DUPLICATION OF R.C.M.P. WORK BY PERSONNEL OF DEPARTMENT OF SOLICITOR GENERAL

Question No. 893—**Mr. Cossitt:**

Are there any persons employed by, attached to or on loan to the Department of the Solicitor General whose duties in any way whatsoever duplicate work performed in any field by the Royal Canadian Mounted Police and, if so (a) who are these persons (b) what is the exact nature of their duties?

Hon. Warren Allmand (Solicitor General): No.

*EXPORT DEVELOPMENT CORPORATION FINANCING TO THE REPUBLIC OF TURKEY

Question No. 896—**Mr. Stevens:**

1. Has the Export Development Corporation an offer outstanding which has been approved by its Board of Directors to provide Section 29 financing to the Government of the Republic of Turkey for $26,150,000 and (a) if not, was such an offer made and what was its final disposition (b) if so, what is the date of expiration of the offer?

2. Is Northern Electric Company Ltd. the chief Canadian exporter to benefit from such financing and, if so, what guarantee is there that all or part of the work will not be done in their plant in Turkey?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the Export Development Corporation states that: 1. It signed a loan agreement on February 13, 1973, with the Republic of Turkey to provide $13 million to finance the first half of a contract for telecommunications equipment and services required to implement the second five-year stage of Turkey's telephone expansion program; the loan agreement covers the requirements for 1972 to 1975 and, in addition, contains a commitment to provide similar financing of $13.15 million to support the remainder of the contract to be supplied over the period 1975-1977; (a) Non-applicable; (b) Non-applicable; and

2. Northern Electric Company Ltd. is the chief Canadian exporter to benefit from such financing, and the benefit will extend to a substantial number of Canadian companies who supply it. As to assurance that Turkish-made goods are not financed, EDC funds are disbursed only upon presentation of evidence as to the value and nature of the goods or services and as to the fact of export from Canada.

Order Paper Questions

EXPORT DEVELOPMENT CORPORATION—REFINANCING OF LOAN AGREEMENT WITH PAKISTAN

Question No. 902—**Mr. Stevens:**

What was the nature of the re-financing loan agreement No. 72-24R signed November 1, 1972 between the Export Development Corporation and the President of Pakistan for some $6,500,000 and what was its term, true interest rate and method of repayment?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Export Development Corporation states that: 1. The refinancing agreement signed on November 1, 1972 between the President of Pakistan and the Export Development Corporation for some $6.5 million was undertaken to provide Canada's share of debt relief established under a multilateral agreement among Pakistan's major creditors; the refinancing undertaken by EDC consolidates maturities falling due in the period from May 1971 to June 1973 under five separate financing agreements signed previously between EDC and Pakistan;

2. With regard to the term, the last repayment of the amount refinanced will be due July 1, 1977;

3. Interest, including accrued interest, is to be paid semi-annually from January 1, 1973; interest rates on Export Development Corporation long-term financing are not published since the disclosure of a rate established in respect of one transaction may seriously jeopardize current negotiations for export business; and

4. Repayment of the amount consolidated is in six semi-annual instalments beginning January 1, 1975.

VALUE OF CONTRACTS SIGNED UNDER SECTION 29 OF EXPORT DEVELOPMENT ACT

Question No. 903—**Mr. Hellyer:**

What was the total dollar amount of signed contracts under Section 29 of the Export Development Act as of December 31, 1972?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Export Development Corporation states that: The total dollar amount of signed contracts, under section 29 of the Export Development Act, as of December 31, 1972, was $841 million.

DEPARTMENT OF SOLICITOR GENERAL—COST OF REPORT FOR FISCAL YEAR ENDED MARCH 31, 1972

Question No. 941—**Mr. Andre:**

1. What was the cost of production, printing and distribution of the Report for the fiscal year ended March 31, 1972, for the Department of the Solicitor General?

2. How many copies of the Report were distributed?

Hon. Warren Allmand (Solicitor General): 1. The total cost of production, printing and distribution of the Report for the fiscal year ended March 31, 1972, for the Department of the Solicitor General was $15,567.27. The total cost consists of the following expenses: Production and printing $10,689.35; Addressing and handling $379.72; Postage and shipping to date $4,498.20.

2. 8,330 copies of the Report have been distributed to date.

Orders for Returns

QUESTIONS PASSED AS ORDERS FOR RETURNS

INDUSTRIAL RESEARCH ASSISTANCE PROGRAM

Question No. 163—**Mr. Broadbent:**

1. What were the names of the corporations which received cash grants under the Industrial Research Assistance Program (IRAP), in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date and, in each case, what were the amounts of money committed and paid?

2. What are the objectives of the program?

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

Return tabled.

NUMBER OF LOANS, 1970-71, APPROVED FOR NEW HOUSING BY CMHC

Question No. 209—**Mr. Gilbert:**

1. What was the number of loans, in 1970 and 1971, approved for new housing by CMHC under the Special Innovative Program (Sections 16 and 40 of the National Housing Act), for all types of dwellings and tenures, distributed according to family income group (1,000 interval with no cutoff) for each province and territory, and for each of the 20 metropolitan areas (Hull and Ottawa separately)?

2. What was the average size of these loans, distributed according to family income group ($1,000 interval with no cutoff) for each province and territory, and for each of the twenty metropolitan areas (Hull and Ottawa separately)?

Return tabled.

NUMBER OF HOUSING UNITS FINANCED UNDER NATIONAL HOUSING ACT

Question No. 210—**Mr. Gilbert:**

What were the numbers of housing units (separately for single-detached dwellings; semi-detached and duplex dwellings; row dwellings) financed under the National Housing Act in each of the past five calendar years, distributed according to family income group ($1,000 interval with no cutoff) and price ($5,000 range with no cutoff), for each province and territory, and for each of the 20 metropolitan areas (Hull and Ottawa separately), excluding activity under the Special Innovative Program?

Return tabled.

NUMBER OF LOANS APPROVED UNDER NATIONAL HOUSING ACT

Question No. 211—**Mr. Gilbert:**

How many loans were approved under the National Housing Act for condominium tenure (new housing), for each of the past five calendar years, distributed by family income ($1,000 interval with no cutoff) for each province and territory, and for each of the twenty metropolitan areas (Hull and Ottawa separately), excluding activity under the Special Innovative Program?

Return tabled.

DISPOSITION OF CROWN LANDS BY CROWN ASSETS DISPOSAL CORPORATION

Question No. 253—**Mr. Forrestall:**

1. By province and for each year since 1964 to December 31, 1972, how many acres of Crown land were disposed of by Crown Assets Disposal Corporation?

[Mr. Allmand.]

2. How many acres of the above were disposed of to incorporated municipalities, and to which ones, in what amounts, and on what dates?

3. Were all such municipalities given right of first refusal, regardless of other tendered prices and, if not (a) which ones were so treated (b) for what reasons?

4. Is it the practice of the government to sell Crown land to the highest bidder regardless of the damage done to interests of the municipalities concerned and, if so, for what reason?

Return tabled.

PARLIAMENTARY SECRETARIES AND PRIME MINISTER'S STAFF

Question No. 282—**Mr. Stevens:**

1. Is it the intention of the Prime Minister to maintain the number of Parliamentary Secretaries at 16 and, if so, for what reason?

2. Was the President of the Treasury Board requested to reduce the Prime Minister's personal staff and, if so, by whom?

3. (a) What are the duties and salaries of the members of the Prime Minister's staff (b) what is the job description for each position?

4. (a) What are the duties and salaries of the present staff of the Privy Council (b) what is the job description for each individual?

Return tabled.

LIP PROJECTS

Question No. 524—**Mr. Matte:**

1. How many LIP projects for the years 1972-73 were accepted in the following constituencies (a) Champlain (b) Portneuf (c) Saint-Maurice (d) Trois-Rivières-Métropolitain (e) Villeneuve (f) Berthier?

2. For each project, what is (a) the title (b) the location (c) the persons in charge (d) the number of jobs created (e) the amounts invested?

Return tabled.

LIP PROJECTS

Question No. 691—**Mr. Gauthier (Roberval):**

1. In each province, how many LIP projects were approved since the inception of the program and what were the amounts invested?

2. How many LIP municipal projects were approved for the same period?

3. How many local and municipal LIP projects were approved for each county of the Province of Quebec and what were the amounts invested?

Return tabled.

MOTION TO ADJOURN UNDER S.O. 26

TRADE

STATE OF NEGOTIATIONS WITH UNITED STATES ON AUTO PACT

Mr. Terry O'Connor (Halton): Mr. Speaker, I ask leave to move a motion for the adjournment of the House pursu-

ant to Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the state of negotiations between Canada and the United States with respect to the Canada-U.S. auto pact, in view of recent statements by the vice-president of General Motors Corporation and officials of the United States Treasury Department concerning a $100 million trade deficit for Canada and particularly the proposed continuing insistence by the United States on the removal of the present Canadian safeguards.

Mr. Speaker: The hon. member for Halton has forwarded the notice required under Standing Order 26 and I have had an opportunity to consider the several aspects of the proposed motion.

The precedents, as well as the Standing Order itself, provide that in ruling whether the business of the House ought to be set aside for an emergency debate the Chair should take into account a number of factors, including the opportunity for debate within a reasonable time. In the present circumstances it would be difficult for the Chair to ignore the fact that the House is now engaged in the budget debate. A long established practice indicates that the budget debate, as well as the throne speech debate, are both deemed to provide the type of opportunity for debate envisaged and contemplated by Standing Order 26. There are many rulings to this effect.

While I recognize the interest and concern of all hon. members in this urgent question, I have concluded that there are in fact, or will be, a number of opportunities for debate within a reasonable time, one of these being the budget debate which is to be called under government orders later this day. It is with regret that I have to reach this conclusion and make this ruling in the hope that the hon. member for Halton, who has proposed this debate under the terms of Standing Order 26, will have the opportunity during the budget debate or other opportunities within the next few days to bring this matter to the attention of the House, to make his representations and to institute a debate.

MOTIONS FOR PAPERS

[*Translation*]

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, notices of motions for the production of papers Nos. 14 and 24 are acceptable to the government.

Mr. Speaker: Is it the pleasure of the House that notices of motions Nos. 14 and 24 be deemed to have been adopted?

Some hon. Members: Agreed.

Motions for Papers

[*English*]

EVALUATION REPORT OF THE SUBVENTIONS FOR COAL TRANSPORT PROGRAM

Motion No. 14—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the latest evaluation report of the Subventions for Coal Transport Program (SCT).

Motion agreed to.

EVALUATION REPORT OF MACHINERY REMISSION PROGRAM

Motion No. 24—**Mr. Rodriguez:**

That an Order of the House do issue for a copy of the latest evaluation report of the Machinery Remission Program (MACH).

Motion agreed to.

[*Translation*]

Mr. Breau: Mr. Speaker, notices of motions for the production of papers Nos. 18 and 80 are acceptable to the government, subject to the usual reservations concerning confidential documents.

Mr. Speaker: Subject to the reservations expressed by the parliamentary secretary, is it the pleasure of the House that motions Nos. 18 and 80 be deemed to have been adopted?

Some hon. Members: Agreed.

• (1420)

[*English*]

EVALUATION REPORT OF INCENTIVES PROGRAM UNDER AREA DEVELOPMENT INCENTIVES ACT

Motion No. 18—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the latest evaluation report of the Incentives Program under the Area Development Incentives Act (ADIA).

Motion agreed to.

DEPARTMENT OF SUPPLY AND SERVICES TENDER No. LKT8080-2-1392 INSHORE OIL BOOM

Motion No. 80—**Mr. Hellyer:**

That an Order of the House do issue for a copy of invitation to tender File No. LKT8080-2-1392 Inshore Oil boom and all correspondence addressed to or by the Department of Supply and Services in relation thereto.

Motion agreed to.

[*Translation*]

Mr. Breau: Mr. Speaker, would you be so kind as to call notices of motions Nos. 4, 5, 6, 8, 12, 13, 15, 17, 19, 20, 21, 22, 25, 26, 31, 32, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 130, 156 and 157?

Motions for Papers

[*English*]

EVALUATION REPORT OF EMPLOYMENT SUPPORT PROGRAM

Motion No. 4—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the latest evaluation report of the Employment Support Program (ESP).

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, there is no evaluation report of the employment support program. I would therefore ask the hon. member to withdraw his motion.

Mr. Broadbent: Agreed.

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT OF DEFENCE INDUSTRIAL RESEARCH PROGRAM

Motion No. 5—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the latest evaluation report of the Defence Industrial Research Program (DIR).

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, there is no evaluation report of the defence industrial research program. I would therefore ask the hon. member to withdraw his motion.

Mr. Broadbent: Mr. Speaker, there should be, but I agree.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT OF INDUSTRIAL RESEARCH ASSISTANCE PROGRAM

Motion No. 6—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the latest evaluation report of the Industrial Research Assistance Program (IRAP).

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, there is no evaluation report of the industrial research assistance program. I would therefore ask the hon. member to withdraw his motion.

Mr. Broadbent: I agree, Mr. Speaker.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT OF BUILDING EQUIPMENT, ACCESSORIES AND MATERIAL PROGRAM

Motion No. 8—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the latest evaluation report of the Building Equipment, Accessories & Material Program (BEAM).

[Mr. Breau.]

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, there is no evaluation report of the building equipment, accessories and material program. I would therefore ask the hon. member to withdraw his motion.

Mr. Broadbent: Mr. Speaker, we are getting a clear revelation of how seriously the government evaluates its programs. Agreed, Mr. Speaker.

Mr. Nowlan: We knew that so why don't you admit it?

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT OF THE DEFENCE INDUSTRY PRODUCTIVITY PROGRAM

Motion No. 12—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the latest evaluation report of the Defence Industry Productivity Program (DIP).

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, there is no evaluation report of the defence industry productivity program. I emphasize "report"; that does not mean there is no evaluation.

Some hon. Members: Oh, oh!

Mr. Broadbent: Agreed.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT OF THE TRANSPORT SUBSIDIES PROGRAM

Motion No. 13—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the latest evaluation report of the Transport Subsidies Program (TS).

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, there is no evaluation report of the transport subsidies program. I would therefore ask the hon. member to withdraw his motion.

Mr. Broadbent: Mr. Speaker, I should like to know how the government can make an evaluation without a report.

Mr. Breau: Mr. Speaker, evaluation in this government is an ongoing process.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT OF THE SHIP CONSTRUCTION SUBSIDY PROGRAM

Motion No. 15—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the latest evaluation report of the Ship Construction Subsidy Program (SCSP).

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, there is no evaluation report of the ship construction subsidy program. I would therefore ask the hon. member to withdraw his motion.

Mr. Broadbent: Agreed.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT OF INCENTIVES PROGRAM UNDER REGIONAL DEVELOPMENT INCENTIVES ACT

Motion No. 17—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the latest evaluation report of the Incentives Program under the Regional Development Incentives Act (RDIA).

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, there is no evaluation report of the incentives program under the Regional Development Incentives Act. I would therefore ask the hon. member to withdraw his motion.

Mr. Broadbent: Agreed.

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT OF AUTOMOTIVE ADJUSTMENT ASSISTANCE PROGRAM

Motion No. 19—**Mr. Rodriguez:**

That an Order of the House do issue for a copy of the latest evaluation report of the Automotive Adjustment Assistance Program (AAA).

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, there is no evaluation report of the automotive adjustment assistance program. I would therefore ask the hon. member to withdraw his motion.

Mr. Rodriguez: More of the same, Mr. Speaker.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT OF DEVELOPMENT MANAGEMENT COURSES PROGRAM

Motion No. 20—**Mr. Rodriguez:**

That an Order of the House do issue for a copy of the latest evaluation report of the Development of Management Courses Program (DMC).

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, there is no evaluation report of the development of management courses program. I would therefore ask the hon. member to withdraw his question.

Mr. Rodriguez: Agreed.

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

Mr. Breau: Mr. Speaker, there are a number of these motions with the same answer—

An hon. Member: Call them all at once.

Mr. Speaker: I am not sure what is the wish of the House, whether they should be called individually—

Mr. Baldwin: Mr. Speaker, I think this farce ought to be terminated, the relationship between these two parties being such that they should all be withdrawn.

Mr. Hees: They should have been discussed in caucus this morning.

An hon. Member: One should not condone incest.

Mr. Speaker: I understand that Nos. 21, 22, 25, 26—the hon. member for York South.

Mr. Lewis: Mr. Speaker, despite the expected smart-alecky remark of the hon. member for Peace River—

Some hon. Members: Oh, oh!

An hon. Member: You don't know what smart-alecky is.

Mr. Lewis: —I cannot agree to lumping them together. I think *Hansard* should show in each case that there are no evaluation reports for these important programs.

Mr. Nowlan: On a point of order, Mr. Speaker, I listened to the hon. member for York South (Mr. Lewis) talking about smart-alecky remarks. I made a few remarks which were not smart-alecky.

Some hon. Members: Oh, oh!

Some hon. Members: Explain.

Mr. Nowlan: I intend to explain, Mr. Speaker. There is a difference between a smart-alecky remark and a smart remark.

Some hon. Members: Hear, hear!

Mr. Nowlan: The fact is that the alecks and the echoes to my left do not know the difference between being smart and smart-alecky.

Some hon. Members: Oh, oh!

Mr. Nowlan: The hon. member for York South may refer in any way he wants to the member for Peace River but the remarks I made were smart and were not meant to be smart-alecky. They were just describing an incestuous situation which is a farce in this House.

Some hon. Members: Oh, oh!

Mr. Howard: Mr. Speaker—

Mr. Speaker: Order, please. The Chair, of course, will recognize the hon. member for Skeena, but I am wondering whether we are serving a useful purpose by continuing the discussion on the point of order. The Chair is quite prepared to call the motions individually.

Mr. Howard: Mr. Speaker, I just wanted to ask, is it not a bit early in the day for the hon. member of the Conservative Party who just sat down to be in the condition he is in?

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

Mr. Nielsen: Mr. Speaker, on a point of order, that remark by the hon. member for Skeena carries personal imputations of a highly questionable nature, to put it most kindly, and I think that he, as a gentleman in the House, should withdraw it.

Some hon. Members: Hear, hear!

Mr. Nielsen: If it were possible so to do, Sir, I would ask that *Hansard* not record it, but that would be impossible. The least the hon. member can do, as a gentleman, is to withdraw the remark.

Some hon. Members: Withdraw!

Mr. Nowlan: Mr. Speaker, I will not persevere by asking the gentleman what he proposes to do. The remark was directed toward me and I must say I feel rather badly that it was. But I can tell hon. gentleman that, regardless of the hour of the day in my day I am still looking ahead and not behind me, as the hon. member is.

Some hon. Members: Hear, hear!

Some hon. Members: Withdraw!

Mr. Speaker: I think hon. members will agree--

Mr. Nowlan: Mr. Speaker, I do not ask the member to withdraw his remark—

Mr. Speaker: Order, please.

Mr. Nowlan: —directed at me because, as far as I am concerned, when he says anything negative about me—

Mr. Speaker: Order, please. I appreciate the point made by the hon. member for Annapolis Valley. At the same time, it is the responsibility of the Chair to express an opinion on whether in the view of the Chair such remarks tend to be unparliamentary and sometimes go beyond the thought of hon. members. I am sure the hon. member for Skeena would agree with me that his remarks were of a personal nature and, in that respect, ought not to have been made. I am sure he would agree with me and would be prepared to govern himself accordingly.

Mr. Howard: Mr. Speaker, I never disagree with you but I must say that the implication attributed to what I said about a condition obviously is the result of someone having an extremely thin skin. I did not mean it that way at all.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I think it might be said in charity about the hon. member's remarks that they were at least the subject of misinterpretation, and in this sense and to this extent I think the hon. member would want to clarify what he wanted to say and correct the record.

[Mr. Speaker.]

• (1430)

Mr. Howard: If I were to clarify it, Mr. Speaker, it would be out of order.

Some hon. Members: Shame!

Mr. Speaker: Order, please. I have to ask the hon. member for Skeena for his co-operation. I appreciate that these remarks are made in the course of debate and discussion when it is easy for any hon. member in the House to go beyond his thoughts and use words which in his view might be in order but are not consistent with the traditions of the House. The hon. member has to appreciate that he should respect these traditions. One of the traditions or well established practices for the protection of all hon. members is that there should not be personal allusions of any kind. I hope the hon. member will agree, in view of the fact his remarks can be interpreted unkindly, to withdraw them.

Mr. Howard: I tried to indicate that earlier. To the extent that the hon. member for Annapolis Valley finds them offensive, I apologize to him.

Some hon. Members: Hear, hear!

Mr. Speaker: I would think the hon. member is apologizing to the Chair because the hon. member for Annapolis Valley has not asked for an apology. Indeed, the Chair did not ask for an apology. I simply asked that the hon. member clarify the statement and withdraw it. He has perhaps gone a little farther. He suggests that to the extent that the Chair finds it offensive he withdraws it. I find it offensive and, on behalf of the House, I accept the hon. member's apology.

EVALUATION REPORT OF COUNSELLING ASSISTANCE TO SMALL ENTERPRISES PROGRAM

Motion No. 21—**Mr. Rodriguez:**

That an Order of the House do issue for a copy of the latest evaluation report of the Counselling Assistance to Small Enterprises Program (CASE).

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, there is no evaluation report of the counselling assistance to small enterprises program. I therefore ask the hon. member to withdraw his motion.

Mr. Rodriguez: Agreed.

Mr. Speaker: Motion dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT OF PROGRAM FOR EXPORT MARKET DEVELOPMENT

Motion No. 22—**Mr. Rodriguez:**

That an Order of the House do issue for a copy of the latest evaluation report of the Program for Export Market Development.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, there is no evaluation report of the program for export market development. I therefore ask the hon. member to withdraw his motion.

Mr. Rodriguez: Agreed.

Mr. Speaker: Motion dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT OF MOTOR VEHICLE MANUFACTURERS' REMISSION PROGRAM

Motion No. 25—**Mr. Rodriguez:**

That an Order of the House do issue for a copy of the latest evaluation report of the Motor Vehicle Manufacturers' Remission Program (MVM).

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, there is no evaluation report of the motor vehicle manufacturers' remission program. I therefore ask the hon. member to withdraw his motion.

Mr. Rodriguez: Agreed.

Mr. Speaker: Motion dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT OF THE ACCELERATED CAPITAL COST ALLOWANCE PROGRAM

Motion No. 26—**Mr. Rodriguez:**

That an Order of the House do issue for a copy of the latest evaluation report of the Accelerated Capital Cost Allowance Program (ACCH).

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): There is no evaluation report of the accelerated capital cost allowance program. I therefore ask the hon. member to withdraw his motion.

Mr. Rodriguez: Agreed.

Mr. Speaker: Motion dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT OF NORTHERN MINERAL EXPLORATION ASSISTANCE PROGRAM

Motion No. 31—**Mr. Firth:**

That an Order of the House do issue for a copy of the latest evaluation report of the Northern Mineral Exploration Assistance Program (NMEAP).

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): There is no evaluation report of the northern mineral exploration assistance program. I therefore ask the hon. member to withdraw his motion.

Mr. Firth: Agreed.

Mr. Speaker: Motion dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT—PROSPECTORS ASSISTANCE PROGRAMS

Motion No. 32—**Mr. Firth:**

That an Order of the House do issue for a copy of the latest evaluation report of the Prospectors Assistance Program (PAP).

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): There is no evaluation report of the prospectors assistance program. I therefore ask the hon. member to withdraw his motion. I would like to say, Mr. Speaker, this is the last of the evaluation reports, and the evaluation goes on.

Mr. Firth: Agreed.

Mr. Speaker: Motion dropped.

Order discharged and motion withdrawn.

[*Translation*]

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the reply to notices of motions Nos. 87 to 114 inclusive is the same. Must I read them out or may I dispense?

[*English*]

Mr. Speaker: In the case of motions Nos. 87 to 114, is it the wish of the hon. member that they be called together or individually.

Mr. Grier: Mr. Speaker, I am agreeable to having them all dealt with in one reply.

Mr. Speaker: Perhaps we might hear the parliamentary secretary's reply to motions Nos. 87 to 114.

[*Translation*]

Mr. Breau: Mr. Speaker, the answer is as follows: Notices of motions for papers Nos. 87 to 114 are internal documents of a confidential nature and therefore cannot be tabled. For these reasons, I invite the hon. member to withdraw his motions.

[*English*]

Mr. Grier: Mr. Speaker, I would request that these motions be transferred for debate.

COPY OF PROGRAM FORECAST BY DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Motion No. 87—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of Industry, Trade and Commerce for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

Motions for Papers

COPY OF PROGRAM FORECAST BY THE DEPARTMENT OF VETERANS AFFAIRS

Motion No. 88—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of Veterans Affairs for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY MINISTRY OF STATE FOR URBAN AFFAIRS

Motion No. 89—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Ministry of State for Urban Affairs for the lastest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY TREASURY BOARD

Motion No. 90—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Treasury Board for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY THE DEPARTMENT OF TRANSPORT

Motion No. 91—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of Transport for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY DEPARTMENT OF SUPPLY AND SERVICES

Motion No. 92—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of Supply and Services for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY THE DEPARTMENT OF SOLICITOR GENERAL

Motion No. 93—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of the Solicitor General for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

[Mr. Grier.]

COPY OF PROGRAM FORECAST BY DEPARTMENT OF THE SECRETARY OF STATE

Motion No. 94—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of the Secretary of State for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF FORECAST PROGRAM BY MINISTER OF STATE FOR SCIENCE AND TECHNOLOGY

Motion No. 95—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Ministry of State for Science and Technology for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY THE DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

Motion No. 96—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of Regional Economic Expansion for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY THE DEPARTMENT OF PUBLIC WORKS

Motion No. 97—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of Public Works for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY THE OFFICE OF THE PRIVY COUNCIL

Motion No. 98—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Office of the Privy Council for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY DEPARTMENT OF JUSTICE

Motion No. 99—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of Justice for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY DEPARTMENT OF LABOUR

Motion No. 100—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of Labour for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY DEPARTMENT OF NATIONAL DEFENCE

Motion No. 101—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of National Defence for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY DEPARTMENT OF MANPOWER AND IMMIGRATION

Motion No. 102—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of Manpower and Immigration for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY DEPARTMENT OF NATIONAL REVENUE

Motion No. 103—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of National Revenue for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY POST OFFICE DEPARTMENT

Motion No. 104—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Post Office Department for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY DEPARTMENT OF AGRICULTURE

Motion No. 105—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of Agriculture for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY AUDITOR GENERAL'S OFFICE

Motion No. 106—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Auditor General's Office for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY DEPARTMENT OF COMMUNICATIONS

Motion No. 107—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of Communications for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS

Motion No. 108—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of Consumer and Corporate Affairs for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY DEPARTMENT OF ENERGY, MINES AND RESOURCES

Motion No. 109—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of Energy, Mines and Resources for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY THE DEPARTMENT OF THE ENVIRONMENT

Motion No. 110—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of the Environment for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY THE DEPARTMENT OF EXTERNAL AFFAIRS

Motion No. 111—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of External Affairs for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

Motions for Papers

COPY OF PROGRAM FORECAST BY THE DEPARTMENT OF FINANCE

Motion No. 112—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of Finance for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY THE DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Motion No. 113—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of National Health and Welfare for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

COPY OF PROGRAM FORECAST BY THE DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Motion No. 114—**Mr. Grier:**

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of Indian Affairs and Northern Development for the latest year for which Parliament approved departmental expenditures.

Transferred for debate.

TRAINING AND EMPLOYMENT AGREEMENTS PREPARED FOR PROPOSED MACKENZIE VALLEY PIPELINE

Motion No. 130—**Mr. Harding:**

That an Order of the House do issue for a copy of training and employment agreements prepared for the proposed Mackenzie Valley pipeline as referred to at page 61 of the Annual Report of the Department of Indian Affairs and Northern Development.

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Sometimes white man's system crazy, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Marchand (Kamloops-Cariboo): While the department is in the process of preparing such an agreement, no final document exists and it is expected that considerable time will elapse before final consultations are completed with the pipeline industry. Under these circumstances, would the hon. member agree to withdraw the motion?

Mr. Speaker: Is this withdrawn? I am not sure whether the hon. member for Kootenay West wants the motion dropped or transferred for debate.

Mr. Harding: Transfer for debate, Mr. Speaker.

Mr. Speaker: Transferred for debate.

[Mr. Grier.]

COPY OF ORDERS ISSUED BY GOVERNOR IN COUNCIL

Motion No. 156—**Mr. Douglas:**

That an Order of the House do issue for a complete copy of all orders by the Governor in Council issued since September 29, 1970 under Section 11A (2) of the National Energy Board Part VI Regulations, in respect of the reports by NEB.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the National Energy Board reports that no orders have been issued by the Governor in Council since September 29, 1970, under Section 11A (2) of the National Energy Board Part VI Regulations, in respect of reports by the board. I therefore ask the hon. member to withdraw his motion.

Mr. Douglas: Agreed.

Mr. Speaker: Motion dropped.

Order discharged and motion withdrawn.

COPY OF REPORTS SUBMITTED TO CABINET BY NATIONAL ENERGY BOARD SINCE SEPTEMBER 29, 1970

Motion No. 157—**Mr. Douglas:**

That an Order of the House do issue for a complete copy of all reports submitted since September 29, 1970 to Cabinet by the National Energy Board under Section 11A (1) of NEB Part VI Regulations, in respect of the prices charged for exported Canadian gas.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the National Energy Board has carried out a number of studies and is keeping under constant surveillance the matter of prices charged for exported Canadian gas, but as of this date there has been no report submitted to the Governor in Council under Section 11A (1) of the National Energy Board Part VI Regulations. I therefore ask the hon. member to withdraw his motion.

Mr. Douglas: Agreed.

Mr. Speaker: Motion dropped.

Order discharged and motion withdrawn.

Mr. Speaker: Shall the remaining motions stand?

Some hon. Members: Agreed.

Mr. Nystrom: Mr. Speaker, I rise on a point of order. Would the parliamentary secretary check into notices of motions Nos, 152, 153 and 154? I understand they are available and it would only take five minutes to deal with them.

Mr. Breau: Mr. Speaker, I will bring that to the attention of the Parliamentary Secretary of the President of the Privy Council.

Mr. Speaker: Oral questions.

Mr. Broadbent: Mr. Speaker, I rise on a point of order. I wonder if we could get the unanimous consent of the House to revert to motions so that the Minister of Industry, Trade and Commerce could make a brief statement

on the current state of the trade talks that are going on between Canada and the United States.

Mr. Speaker: Oral questions.

ORAL QUESTION PERIOD

TRADE

CANADA-UNITED STATES AUTO PACT—REASONS FOR CANADIAN DEFICIT POSITION IN 1972—MAINTENANCE OF SAFEGUARDS

Mr. Terry O'Connor (Halton): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. With reference to the indication yesterday that our automobile and automotive parts trade position with the United States amounted to a $100 million deficit in 1972, will the minister advise the House of the reasons for such a deficit occurring and, further, whether this deficit is a temporary reversal or the beginning of a future trend?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, Statistics Canada today published the figure. The figure is not $100 million; it is a $41 million deficit on the merchandise trade account. This reverses the position of last year when, according to our figures, we had a surplus on merchandise account of just under $200 million. I would expect with the auto pact that there would be shifts in trade balance figures from time to time. I do not see that there is any emergency or any reason to push any panic button at this time.

• (1440)

Mr. O'Connor: In view of the fact there has been a transition from a $200 million surplus to a $41 million or $100 million deficit, as the case may be, is the minister satisfied that the production to sales ratio and the Canadian value-added safeguards contained in the auto pact were strictly adhered to by all auto manufacturers operating in Canada in 1972?

Mr. Gillespie: I should like to take this opportunity to say I believe there is a lot of misunderstanding with respect to the so-called safeguards. They were transitional measures introduced at the start of the auto pact, and at present levels we are exceeding the levels of those transitional provisions by $1 billion or more.

Mr. O'Connor: With respect, the minister has failed to answer my question. Is he satisfied that all manufacturers and parts manufacturers in Canada have strictly adhered to these safeguards as set out in the auto pact?

Mr. Gillespie: As I have pointed out, by at least a billion dollars.

Mr. O'Connor: Was the production and employment percentage of the total North American Market reduced from the levels achieved in 1971? Further, what steps is the government taking to ensure that these critical levels will not be substantially altered in the future?

Mr. Gillespie: With respect to production-employment ratios, I would have to check. I will be pleased to do so and report back to the hon. member.

Mr. A. D. Hales (Wellington): Will the minister insist, in his negotiations with the United States, that Canadians have the opportunity to buy cars made in Canada at the same price as Americans pay for Canadian cars?

Some hon. Members: Hear, hear!

Mr. Gillespie: As hon. members will recall, one of the first tasks I took on as Minister of Industry, Trade and Commerce, was to narrow the gap between the wholesale price of vehicles made in Canada and those made in the United States. I received an undertaking from the automobile manufacturers in Canada that if there is any increase in prices in the United States there will be no increase in Canada. To the extent that there is an increase in the United States, the gap will then be narrowed. At the time I received this commitment the United States companies were pursuing an application for a 3 per cent increase.

Mr. Hales: We are not asking for the gap to be narrowed. We are asking for exactly the same price.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): My supplementary refers to the answer the minister gave a minute or so ago. This is the first time to my knowledge that any minister of the Crown has publicly acknowledged that the government regards the safeguards as being transitional. Would the minister make it clear now that the government regards the safeguards in the Canada-United States automobile agreement as being transitional only?

Mr. Gillispie: I think it has been made clear in the past that the word "safeguard" is not a word used in the agreement itself. The phrase used in the agreement is "transitional provisions". When reference is made to the so-called safeguards I think the hon. member must be referring to the transitional provisions, because I am unaware of any other so-called safeguards in the agreement.

Mr. Broadbent: In view of the fact that in the opening paragraphs of the agreement there is a statement signed by both governments that Canada is to get its fair and equitable share of the production in the North American automotive industry and that this is followed in the agreement by a commitment that the level of production in Canada is not to fall below that achieved in 1964, and in view of the fact that yesterday in the United States treasury officials reasserted their desire to get rid of these aspects of the agreement specifically, as I understand the position, can the minister tell the House whether or not the government of Canada has agreed with that approach?

Mr. Gillespie: No discussions have taken place with the United States following the committee hearings to which the hon. member has referred. But let me repeat that the

auto agreement is, in our view, working very successfully. We believe it is working very successfully in the United States, and it is presently operating in Canada at a level of a billion dollars over those transitional provisions.

Mr. Broadbent: The minister is still being evasive. Will he tell the House whether it is the position of the government that the job-protecting requirements relating to production levels in Canada which are written into the agreement should be maintained? Is the government committed to maintaining them or is it prepared to allow them to be taken out of the agreement?

Mr. Gillespie: We are committed to making the auto pact work so that there will be increased employment. That is the important thing, I should like to remind the hon. member. I can see no point at this time in creating baseless fears in the minds of the public with respect to the so-called safeguards.

Some hon. Members: Oh, oh!

Mr. Gillespie: We are committed to making the pact work, to building a larger market in North America and a larger share in that market.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, when the minister says there are misunderstandings, he is right. Can he give any explanation for one of the auto companies saying there was a deficit last year of $100 million while according to Statistics Canada there was a deficit of $41 million? What is his department's estimate of the deficit last year?

Mr. Gillespie: I have already stated that Statistics Canada has published figures today showing that the deficit on merchandise trade flow was $41 million in the past year.

Mr. Lawrence: And I have asked for an explanation of that difference. Can the minister answer that question for me—

Mr. Speaker: Order. Is the hon. member repeating the question he asked in the first instance? If he is, there is not much point in his continuing.

Mr. Lawrence: Then I will ask the minister whether any date for new trade talks is now under discussion with the United States?

Mr. Gillespie: No date has been set. I should like to remind the hon. member that I am not the person who puts together the statistics issued by General Motors in the United States. If he wishes to find out the reason for the difference I suggest he call General Motors in the United States.

Mr. Lawrence: Don't you think you should do it?

CANADA-UNITED STATES AUTO PACT—CANADIAN REACTION TO UNITED STATES POSITION

Mr. Trevor Morgan (St. Catharines): Does the minister reject the position taken by United States treasury officials that the automotive trade figures last year were nothing more than an aberration and that the auto pact is actually working to the detriment of United States interests? If he does reject that position, will he tell the House why the government is lagging in its negotiations in connection with this matter?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I do not think the auto pact is any aberration. I do not think its success as far as Canada is concerned is an aberration at all. Nor do I think that spokesmen in the United States regard it in that way. In fact, one report I read stated that the auto pact had been of very considerable benefit to the United States, too.

Mr. Morgan: I would ask the minister again: does he reject the position taken by the United States and, if so, why has he not begun negotiations with them at an earlier date?

Mr. Gillespie: I am not at all clear what particular position the hon. member is imputing to the United States government at this time.

Mr. Speaker: Order, please. I will recognize the hon. member for a supplementary and then the hon. member for Waterloo.

Mr. Morgan: United States officials have said that last year's trade figures were a mere aberration and that the auto pact is working to the detriment of the United States. That is the official position of the United States treasury. If the minister rejects that position, surely he is going to enter into early negotiations and, if not, why not?

• (1450)

Mr. Speaker: Order, please. I suggest to the hon. member that he has made his point. He has asked the question twice and the minister has replied, though perhaps not to the hon. member's satisfaction. Perhaps we should allow the hon. member for Waterloo to ask his supplementary.

Mr. Max Saltsman (Waterloo): Mr. Speaker, I have a supplementary question I should like to direct to the Minister of Industry, Trade and Commerce regarding his statement about baseless fears. There may have been baseless fears prior to the minister's statements today, but some real fears have developed as a result of what he has said. Since this is the first time I have heard the minister use essentially the same language in describing the auto pact—a transitional agreement—as is being used by the United States government, does this mean that the minister is looking at the auto agreement in the same terms as the United States government and therefore describing it in the same language?

Mr. Gillespie: Mr. Speaker, I think that is quite an impossible question to answer. The hon. member is implying a particular view on the part of the United States government which I am not at all sure is the view of that government.

• (1450)

[*Translation*]

SPORTS

MONTREAL OLYMPIC GAMES, 1976—ISSUE OF SPECIAL COINS

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

Could he tell us whether the recent reported doubling of the price of silver will lead to a change in the government's policy on the issuing of special coins for the Montreal Olympic Games in 1976?

Right Hon. P. E. Trudeau (Prime Minister): I cannot, Mr. Speaker, but I will make inquiries on the matter.

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AIRPORTS

QUEBEC CITY—EXTENSION OF RUNWAYS

Mrs. Albanie Morin (Louis-Hébert): Mr. Speaker, I wish to direct a question to the hon. Minister of Transport.

In view of the increase in air traffic in the Quebec City area, could the minister say whether the runways are to be lengthened to 9,000 feet to make it possible for DC 9s loaded with passengers and fuel to take off and land without difficulty?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we are informed that the Department of Transport has set up a continuous program of airport expansion, and the Quebec City airport is on the list. I cannot say by how many feet the runways will be lengthened, but the problem is definitely being looked into, and we will try to find a solution soon.

[*English*]

Mr. Danson: Mr. Speaker, if the hon. member would like an airport I know where she can get one cheap.

Some hon. Members: Hear, hear!

An hon. Member: So that's your position.

Mr. Speaker: Order, please.

An hon. Member: There goes Cafik again.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I believe the hon. member for Waterloo still had a supplementary to his previous question. He will be recognized for that purpose, after which the Chair will recognize the hon. member for Calgary North.

TRADE

CANADA-UNITED STATES AUTO PACT—NATURE OF SAFEGUARDS

Mr. Max Saltsman (Waterloo): Mr. Speaker, in view of the importance of the issue concerning the auto agreement I should like to give the Minister of Industry, Trade and Commerce a chance to clarify his position, as he seems to be so concerned about doing so. We have been led to believe that the safety features of the Canada-U.S. auto agreement, as they now are, are binding in contrast with the position taken by the United States government that they are transitional. Can the minister state in an unequivocal way whether the government still views this agreement as binding or does it see it as transitional?

Mr. Baldwin: That is an impossible dream, Max.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think I made it quite clear that these provisions were provided for, in the language of the agreement, as transitional.

Mr. Lewis: It doesn't say transitional.

An hon. Member: Would you have a meeting with David Lewis, please, Alastair?

Mr. Hees: Why don't you go back to square one and start all over again?

Mr. Gillespie: I am trying also to explain—

Mr. Hees: Start all over again like a good boy.

An hon. Member: You shouldn't be talking about squares.

Mr. Hees: They don't build trade ministers today like they used to.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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ENERGY

SECURITY OF OIL SUPPLIES FOR EASTERN CANADA—REQUEST FOR TABLING OF REPORTS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. In light of the fact he confirmed last night the national energy policy which was established in Canada in 1961, and in light of his admission there has been a cutback in the export of crude petroleum of 3.7 per cent with the pipeline working at capacity, having regard specifically to supply east of the Ottawa line I should like to know whether there has been any consultation by the department, the minister or the government with other countries exporting crude petroleum to Canada, as our imports almost equal our exports, with a view to ensuring that imports will continue without disruption at this time as there is no pipeline into that area?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the arrangements with regard to imports either into the United States or the eastern part of Canada have not been conducted on a government to government basis but on a commercial basis between companies. We have no prospect of changing that at the present time.

Mr. Woolliams: In light of the fact they are not carried out on a government to government basis, can the minister assure the House there will not be any disruption of imports and that the domestic price of gasoline and other products from crude petroleum to the consumer will not go up in the next few months?

Mr. Macdonald (Rosedale): Mr. Speaker, I like the suggestion that I have the ability to control the political situation in the Middle East, but I cannot give that assurance.

Mr. Woolliams: May I ask a further supplementary question?

Mr. Fairweather: I thought the only thing this government would not admit being able to control was the weather.

Mr. Woolliams: Last evening the committee moved a motion requesting the minister to produce all the reports for which he has asked in reference to production and transportation because of the inadequacy of pipelines at the present time. Is the minister now prepared to agree to table these reports at the appropriate time, including those he may have asked for from the National Energy Board, and disclose them to the House of Commons and the public in order that we may find out what studies have been going on in the last four years?

Mr. Macdonald (Rosedale): As the hon. member knows, Mr. Speaker, under Section 23 of the National Energy Board Act that particular material is privileged. However, I did indicate to the committee that such material as was not covered by privilege, or would not in the public interest be difficult to produce, I would be prepared to produce. Many of the reports were, of course, made orally to myself and my predecessors.

MONTREAL OIL STORAGE CAPACITY IN EVENT IMPORTS CURTAILED

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I have a supplementary question for the minister. In the event of some sort of accident or international event which curtailed or cut off oil supplies to the Montreal market, can the minister indicate what our storage capacity is and how long refinery feed stocks would be available in Montreal?

Mr. Speaker: Order, please. The Chair has the impression that the question has hypothetical overtones. The minister might like to reply briefly.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Subject to confirmation, Mr. Speaker, and without special arrangements with regard to the transport of oil in Canada, I would say about 45 days.

[Mr. Woolliams.]

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ADMINISTRATION OF JUSTICE

YELLOWKNIFE INQUEST INTO PLANE CRASH—REQUEST THAT COUNSEL FOR INTERESTED PARTIES BE ALLOWED TO PARTICIPATE AND QUESTION WITNESSES

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Justice. Because of the understandable public interest in the outcome of an inquest now being held in Yellowknife, will he instruct the coroner to permit counsel for the National Indian Brotherhood and for the families of those who died in the accident that is the subject of this investigation to participate in the inquest and to question witnesses?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the general conduct of the inquest is in the hands of the coroner and I do not think it would be appropriate for me to issue the kind of instructions to which the hon. member refers.

• (1500)

Mr. Fairweather: Has the minister, or someone delegated by him, discussed with the coroner, Mr. England, the need for special arrangements for this inquest?

Mr. Lang: I know that there have been many discussions with the press on the part of the coroner and the local authorities, including a representative of myself who is there in an attempt to give the maximum accommodation to the press.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to direct a supplementary to the Minister of Justice as Attorney General for the Northwest Territories. Will he not intervene at this stage, as any provincial Attorney General would, and discuss the matter with the coroner so that a full and complete inquiry may be made to the end that justice will be met? Will he also inform the House why he thought it necessary, in view of the autonomous situation in respect of affairs judicial in the Northwest Territories, to send a special agent from his department, Mr. Trainor, to act on behalf of the Crown?

Mr. Lang: Mr. Speaker, in respect of the reference by the hon. member to the presence there of a representative of myself as Attorney General for the Northwest Territories, this indicates we are indeed following the situation very closely and are offering such assistance to the inquest and to the coroner as is reasonable. The autonomy which is extended to the Northwest Territories as well as to the Yukon territory over local legal affairs does not remove the direct obligation of the Attorney General, myself, in connection with prosecutions and other legal matters.

The question of whether to use someone from outside the Northwest Territories or from the regular legal staff of the Attorney General in the Northwest Territories depends upon the workload and other considerations, having regard to the nature of the case.

Mr. Speaker: Order. The Chair will recognize the hon. member for a supplementary and then the hon. member for Nanaimo-Cowichan-The Islands. There are other members who have supplementaries. The hon. member for Vegreville would like to ask a supplementary and will be recognized later.

Mr. Nielsen: Mr. Speaker, in the interests of justice and of having a complete inquiry, will the minister not at least indicate to his agent there, who in turn could consult the coroner, that other counsel involved in these proceedings should be allowed to participate in the examination of witnesses appearing before the inquiry?

Mr. Lang: Mr. Speaker, I can give the hon. member the assurance that I have made it quite clear that the function of my agent in these proceedings is to make sure that there is the fairest possible hearing, and I have no reason to doubt that this is happening.

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ENERGY

OIL SUPPLY—HEARINGS BEFORE NATIONAL ENERGY BOARD TO DETERMINE EXPORT QUOTAS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. It arises out of the fact that the National Energy Board has set export quotas on Canadian crude oil at the very high figure of 1,235,000 barrels per day which is higher than the applicants indicated they intended to export during the month of February. I ask the minister how long it will be before the National Energy Board will have completed its hearings and be in a position to set more realistic quotas for export, having due regard to the dwindling reserves of Canadian crude oil?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think I am correct in saying the board at the moment has not set a definite date for the hearings. I would anticipate it could be a matter of several months before it would be in a position to have the hearings proceed, and perhaps a month or so after that before it could complete its study in this regard. I would anticipate it would be some months yet before we can determine what the appropriate level of reserves is for oil and thereafter to set an appropriate export level.

Mr. Douglas: Mr. Speaker, in view of the fact the present export quotas that the board has set for the month of March seem to be based on exporting all the oil surplus to our immediate domestic requirements, I ask the minister whether he or the officials of his department are drafting guidelines for the National Energy Board that would ensure that exports of oil will be kept sufficiently low so that the life index of our reserves will be extended to enable this country to develop other sources of supply and to enable the environmental impact of pipelines in the north can be fully studied?

Mr. Macdonald (Rosedale): Mr. Speaker, with regard to the short run position—that is, in the next several months and until the proper reserve level can be established—I would not anticipate that there would be a very substantial draw on Canadian reserves in relation to the amount that is available. I would agree with the hon. gentleman that the National Energy Board should determine a position as to the appropriate level which we should have in reserve. I think it would be more appropriate, really, that the board should do that after there has been an opportunity for public hearings and for participation by interested parties, not the least being the government of Alberta, and make a determination at that time. Thereafter, of course, the future development of the reserves of the great plains will depend upon the board's determination and also agreements with the government of Alberta.

Mr. Speaker: Order, please. The hon. member for Nanaimo-Cowichan-The Islands seeks to ask a supplementary, as does the hon. member for Calgary North. I bring to the attention of all hon. members that if we allow these two supplementaries we will just about reach the end of the question period. I am a little unhappy about the situation of other hon. members but I appreciate that this is an important matter. Perhaps the supplementaries and the answers could be brief.

Mr. Douglas: Mine will be brief, Mr. Speaker. In view of the fact the National Energy Board will have to make some far-reaching decisions in the course of the next few months, and in view of the fact there will be a need to harmonize these with the government's energy policy, can the minister be more precise as to when he intends to announce the government's energy policy?

Mr. Macdonald (Rosedale): I have to confess to the hon. gentleman that there has been slippage from late winter to mid-spring now.

INTERPROVINCIAL PIPELINE—REQUEST FOR EARLY DECISION ON APPLICATION TO ENLARGE CAPACITY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in light of the fact Dr. Howland said last night before the committee that they were not coming here on the basis of an estimated shortage of oil, would the minister now undertake to have entertained immediately the application to enlarge the capacity of Interprovincial Pipeline to 125,000 barrels of crude petroleum per day, so that the project can start and the question of shortage will not depend on procrastination or failure in respect of building pipelines?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member is asking me to give instructions to private industry as to when it should bring forward its projects. I am interested that he would do that coming from one of his political party, but it seems to me that with the application being set down for next month it will go ahead in due course.

Mr. Speaker: Order, please. The Chair indicated a moment ago that we should try to give other hon. members an opportunity to ask questions. The hon. member for Richmond.

Oral Questions

[*Translation*]

NATIONAL FILM BOARD

REDUCTION OF BUDGET OF GILLES GROULX

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to ask the hon. Secretary of State a question.

Could he tell the House about the circumstances surrounding a budgetary reduction made by the National Film Board in the case of Mr. Gilles Groulx, a Quebec film producer.

Mr. Speaker: This is perhaps a matter to place on the order paper. However, the minister might take it as notice.

* * *

SOCIAL SECURITY

FAMILY ALLOWANCES—PRESERVATION OF UNIVERSALITY

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I would like to ask the hon. Minister of National Health and Welfare a question.

Could he tell the House whether his department is still considering the possibility of maintaining flat-rate family allowance payments?

Hon. Marc Lalonde (Minister of National Health and Welfare): As I said before, Mr. Speaker, my department is presently reviewing all possibilities in this respect.

* * *

[*English*]

DRUGS

CATALOGUE ISSUED BY DEPARTMENT—REQUEST FOR ASSURANCE OF THERAPEUTIC EQUIVALENCY

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. In view of the assertion of the minister that all drugs listed as approved by his department and published in a catalogue being sent to all doctors, are equivalents, would the minister assure the House that all drugs in this catalogue are equivalent in quality and have therapeutic equivalency in treating the same type of sickness?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the QUAD program is one of the steps taken by the government to help reduce the cost to the consumer of drugs in this country. The QUAD program contains three basic elements: one, to establish quality, the chemical testing; two, the evaluation of the manufacturing capabilities; three, the measure of clinical effectiveness. No single one of these three characteristics can guarantee equivalence, but if they are taken together these three factors provide extremely strong evidence of clinical equivalence. Thus, two brands of a given drug which have acceptable chemical analysis and bio availability, and have been produced under satisfactory conditions, can be expected to be therapeutically equivalent.

• (1510)

Mr. Speaker: Order, please. I apologize to the hon. member for Simcoe North, but the hon. member for Halton is rising on a question of privilege.

Mr. O'Connor: Mr. Speaker, my question of privilege arises out of the remarks of the Minister of Industry, Trade and Commerce this afternoon. On several occasions he referred to the transitional measures contained in the automotive pact. I was not sure at the time, but in the interest of being accurate I have since read the agreement and the letters of undertaking filed by various car companies, and nowhere in the agreement is there a reference to the measures of safeguards being of a transitional nature.

Mr. Speaker: Order, please. That cannot possibly be considered to be a question of privilege. The hon. member for Simcoe North has the floor.

Mr. Rynard: Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. Is it a fact that in all cases the government cannot guarantee either the quality or the therapeutic equivalence of the drugs listed in the catalogue?

Mr. Lalonde: I think my previous answer covers this point, Mr. Speaker.

* * *

AIR TRANSPORT

IMPROVEMENT OF NAVIGATIONAL AIDS IN NORTHERN CANADA AIR CORRIDORS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is supplementary to the questions posed by the hon. member for Fundy-Royal and the hon. member for Yukon. I wish to direct it to the Minister of Transport. It arises out of the inquest being held in Yellowknife. In view of the evidence that was presented yesterday to the effect that non-directional beacons along the prescribed route are inadequate, weak and feeble, is the minister now considering stepping up the program of improved navigational aids in northern Canada along the main airline corridors?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I could give more details this afternoon but I would prefer to do it tomorrow if the hon. member will accept this. We are working very hard to improve all navigational aids not only in the Arctic but everywhere in Canada.

DC-8 CRASH IN TORONTO—INQUIRY AS TO SETTLEMENT OF CLAIMS

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I ask the Minister of Transport the following question. Following the unfortunate crash of a DC-8, Air Canada jet in Toronto two years ago this coming July, I think it was, can the minister indicate whether the insur-

ance claims have been met so that the estates of the deceased can be settled?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will inquire into this matter. I will ask Air Canada to give me a report on it and I will transmit the information to the hon. member.

* * *

NATIONAL REVENUE

INQUIRY AS TO USE OF VETERANS LAND ACT ASSESSORS TO APPRAISE LAND IN ALBERTA

Mr. Dan Hollands (Pembina): Mr. Speaker, my question is for the Minister of National Revenue. Has the department at any time during the past 18 months engaged the services of Veterans Land Act land accessors to do a land appraisal in the province of Alberta?

Mr. Speaker: Order, please. A question in those terms should be placed on the order paper. The minister will be allowed to reply briefly since the question has been asked, but I respectfully suggest to hon. members that questions of this nature should normally be placed on the order paper. The minister will be recognized for the purpose of replying briefly.

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, my brief reply would be that I would be glad to look into the question and answer it either on the order paper or directly to the hon. member.

* * *

DRUGS

REQUEST THAT REPORTS OF STUDIES BE TABLED

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Would he table in the House the various investigative studies, including those in terms of bioavailability, which support the evidence presented in the QUAD 1972 presentation?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I do not know how many trucks I would need to carry all that information, but I am looking into the matter at present and will try to make as much information available as is physically possible.

* * *

AIR TRANSPORT

WARDAIR STRIKE—LEASING OF AIR CANADA VANCOUVER HANGAR SPACE—SUPPLYING OF FLIGHT INSTRUCTORS

Mr. Paddy Neale (Vancouver East): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact that Air Canada now owns one-third of the shares of Wardair, where a legal strike is now in effect, would the minister have his department investigate the leasing of Air Canada hangar space at Vancouver international airport to Wardair and the supplying of Air Canada instructors to train Wardair personnel to man the 747 aircraft that Wardair is purchasing?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am not aware of that strike, but I will inquire.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): I am not aware of the details of the strike. If the hon. member wishes to ask the Minister of Labour what the strike is about, O.K.

Some hon. Members: Oh, oh!

Mr. Baldwin: Why don't you ask him a question?

* * *

TRADE

MEASURES TO COUNTERACT UNITED STATES DISC PROGRAM AND COUNTERVAILING DUTIES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce which will give him a break from questions on the auto pact. In view of the use by the United States of countervailing duties in the case of Michelin and the use of DISC to promote its exports, and as the European Economic Community is using a value added tax to promote its economic interests, has the government of this nation any current policies, plans or measures to promote and protect Canada's economy as it is now, or must we practise passive endurance forever?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, as the hon. member made quite clear by his question, we are entering a very tough trading situation in the world. There is no question of it. That is all the more reason, therefore, for the House to adopt the corporate tax reductions so that we can put exporters on an equal basis and enable them to compete internationally.

Some hon. Members: Hear, hear!

Mr. MacKay: Apart from the general reply the minister gave me, has he any specific plans similar in nature to the Employment Support Act which was brought in August of 1971 to counteract the surcharges? Have we anything tangible at this time to counteract this difficult position?

Mr. Gillespie: I do not think there is anything more tangible than a tax cut which will put the exporters of end products, the manufacturers of this nation, in a better position.

SUGGESTED CONSULTATION WITH GOVERNMENTS OF ATLANTIC PROVINCES ON TARIFFS PRIOR TO DISCUSSIONS WITH UNITED STATES AND GATT

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I have a supplementary question. In light of the fact that tariff policies have an immense effect on the economic life of

the Atlantic provinces and will affect future opportunities in this area, will the minister consult the governments of the Atlantic region regarding proposals on tariff policies before future Canada-U.S. trade talks and the GATT talks expected to be held this year?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I expect to be discussing the Canadian position in the multilateral negotiations with the ministers of industry of the various provinces some time within the next five or six weeks.

* * *

AGRICULTURE

REQUEST TO EXTEND PERIOD OF EMBARGO ON IMPORTS OF FRUITS AND VEGETABLES OR TARIFF INCREASE

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my question is directed to the Minister of Agriculture. It concerns the tariff talks already referred to. In view of the concern expressed yesterday by the Canadian Horticultural Council, is the minister prepared to assure the House and the country that he will act unilaterally either by extending the embargo period with regard to fruits and vegetables entering this country or increasing the tariff to protect our thriving horticultural industry?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member was present last night when I addressed the Canadian Horticultural Council and I am sure that he heard what I said there, namely, that my interest was to make sure that Canadian horticultural production—

Mr. Horner (Crowfoot): Yes or no?

Mr. Whelan: —remains healthy. Yes, I am prepared to do that.

* * *

AIR TRANSPORT

CHARTER FLIGHTS—DISPARITY IN RATES BETWEEN CANADIAN AND BRITISH CARRIERS

Mr. Jim Fleming (York West): Mr. Speaker, I have a question for the Minister of Transport. Because there continues to be concern regarding the necessity of Canadians travelling abroad on charters to pay higher fares than, for instance, Europeans travelling to North America, could the minister give us any justification for this hardship to Canadians?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the Chairman of the Canadian Transport Commission informs me that the relevant regulations authorize the Commission to remove or waive some restrictions in certain individual cases.

Now the Canadian Transport Commission has decided to waive certain delays for all travel towards Eastern Europe, which means that no ethnic groups will meet with the problems they have faced so far.

On a question of privilege, Mr. Speaker, I wish to refer to what I said a few moments ago about not being aware of the Wardair strike. As a matter of fact I am aware that a strike is on, but not of the status of negotiations, which is quite different.

I apologize to the hon. member—

* * *

• (1520)

[*English*]

TAXATION

REMOVAL OF CAPITAL GAINS TAX ON FARMLANDS INHERITED BY SON OR DAUGHTER—SITUATION REGARDING FARM BUILDINGS

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is directed to the Minister of Agriculture. The budget included a provision that family farmlands will no longer be subject to capital gains tax when passed on to a son or daughter on the death of the farm owner.

Some hon. Members: Hear, hear!

Mr. Mitges: I would like to ask the minister if this exemption also includes the buildings on the farm, or is it just the land?

Hon. E. F. Whelan (Minister of Agriculture): It includes the complete farm, Mr. Speaker.

Mr. Mitges: Does it include the buildings?

Mr. Speaker: Has the hon. member a supplementary?

Mr. Mitges: In view of the fact that many family farms have been incorporated so as to make the family farm a more viable unit, does the minister intend to take steps to make sure that these family farm corporations will not be subject to capital gains tax and thus will be treated the same as family farm units which in fact they are?

Mr. Whelan: Mr. Speaker, I think it is fairly plain that the whole principle behind this provision in the budget is to make sure it is a family farm and that the family stays in farming. That is the idea of it.

Mr. Horner (Crowfoot): Why do you have to die first?

Mr. Speaker: Order, please. We have just about reached the end of the question period. The Chair will recognize the hon. member for Lethbridge.

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AGRICULTURE

STAGE OF NEGOTIATIONS WITH ALBERTA ON REPAIR OF FARM IRRIGATION DITCHES

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is directed to the Minister of Agriculture. As 75 per

cent of all irrigated lands in Canada are in southern Alberta, and since the ditches serving these lands are in a sad state of disrepair, has the government completed the agreement under negotiation with the province of Alberta whereby both governments would participate in the cost of upgrading this antiquated system?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I met with the people in that area of Alberta a week ago Saturday, and we are very close to completing this agreement. I am sure that even the hon. member will be happy with it.

* * *

[*Translation*]

PROVINCIAL AFFAIRS

INQUIRY RESPECTING BRITISH COLUMBIA LAND COMMISSION BILL

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I have a question for the Minister of Justice.

Is he familiar with Bill 42 of the government of British Columbia, which gives the Land Commission, whose members are not elected, the right to confiscate any farm land and dispose of it as it sees fit, to build land banks and parks, without concern for the rights of individuals or municipalities?

[*English*]

Hon. Otto E. Lang (Minister of Justice): I have seen the bill, Mr. Speaker.

[*Translation*]

Mr. Speaker: Order please. I have just mentioned that we are coming close to the end of the question period. I had hoped to recognize another two or three members, without accepting supplementaries, before calling the order of the day.

* * *

[*English*]

FINANCE

REQUEST FOR REVIEW OF REMOVAL OF TARIFF ON IMPORTS OF UNITED STATES BEEF

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct a question to the Minister of Finance. In view of the letter sent to him by the minister of agriculture for Saskatchewan protesting the removal of the tariff protection on cattle and beef coming into Canada from the United States, will the minister review this policy as requested and give farm organizations a chance to put their case before him?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, of course all the tariff reductions affecting consumer goods, whether they be industrial or agricultural, are on a temporary, one-year basis. They are meant, and were so researched, not to affect adversely either production or employment and we will analyse any adverse affect on either production or employment of every one of these reductions.

EXTERNAL AFFAIRS

REPRESENTATIONS ON BEHALF OF RONALD PATRICK LIPPERT IMPRISONED IN CUBA

Mr. Tom Cossitt (Leeds): Mr. Speaker, I wish to direct a question to the Prime Minister on a subject I have raised on several previous occasions in the House, namely, the matter of Ronald Patrick Lippert, a Canadian citizen from Kitchener, Ontario, in prison in Cuba for the last ten years as part of a 30-year sentence. In view of the lack of success, or perhaps lack of initiative by the Secretary of State for External Affairs, in dealing with the matter, will the Prime Minister consider approaching his counterpart, Prime Minister Fidel Castro of Cuba, in an attempt to obtain the release of Mr. Lippert as soon as possible?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Secretary of State for External Affairs has dealt with this matter on several occasions and I have nothing new to add at this point.

Mr. Speaker: Order, please. I apologize to hon. members who have supplementary questions and did not have an opportunity to ask them. Before calling orders of the day the Chair will recognize the hon. member for Burnaby-Richmond-Delta.

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PROVINCIAL AFFAIRS

BRITISH COLUMBIA LAND COMMISSION BILL—REQUEST FOR ASSISTANCE TO PROTECT CITIZENS' RIGHTS

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the right hon. Prime Minister or for the Minister of Justice. Have they received a telegram or a submission from the opposition parties in the British Columbia legislature asking for federal government assistance in removing those parts of Bill 42 that affect the individual rights of Canadian citizens and, if they have received such a telegram, what do they plan to do about it?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, so far as I know I have not seen such a telegram. I will check in my office to see whether one has arrived.

Mr. Speaker: Orders of the day.

* * *

BUSINESS OF THE HOUSE

CONVENING OF STANDING COMMITTEES

Mr. Baldwin: Mr. Speaker, I rise on a point of order which affects the business of the House. I would urge the government House leader to set in motion the various standing committees which will be inquiring into the estimates, not only because of the heavy burden involved and the late date at which we are approaching the examination of the estimates but because of a number of issues raised today that might well be inquired into in committee.

I was particularly taken by the questions asked of the Minister of Industry, Trade and Commerce. If the appropriate standing committee were convened, the whole question of the controversy over and discrepancies in the auto trade pact could be the subject of discussion in that committee, with questions asked and answers given. I am not going to suggest, Mr. Speaker, that that would relieve the burden you are now faced with in dealing with the question period, but I do suggest it would be a great measure of assistance to the Chair and to the hon. members if the committees were set in motion.

Mr. Beattie (Hamilton Mountain): Mr. Speaker, I rise on a point of order regarding recognition of members of the House. It does not concern myself. Two members on the opposite side asked questions today, one on family allowances and the other on charter air fares, which were asked and answered in the House yesterday. Either these members were not present or they do not read *Hansard*.

Mr. Speaker: Order, please. I think there has never been any suggestion that members on the government side are not entitled to ask questions, and as long as I am here I have every intention of allowing them to ask questions.

Some hon. Members: Hear, hear!

Mr. Hales: I rise on a question of privilege, Mr. Speaker, concerning the answer to written question No. 794 which I received today. In part 5 I asked:

Was the contract let to the lowest bidder and, if so (a) for what amount (b) to whom?

This matter concerns the Department of Transport. The answer was that the contract was let to the lowest bidder. That is fine. The name of the bidder was given but as to the amount the answer was that it is proprietary information. It has been a longstanding rule of the House that when a member asks for the name of a tenderer and the amount of the tender that information should be made available. I would ask the minister to see that I get information as to the amount and that I am not again told that it is proprietary information.

Mr. Danforth: Mr. Speaker, I rise on a question of privilege. I apologize to the House for holding up the normal proceedings. I bring to your attention, Sir, and to the attention of all hon. members that we are very fortunate to have in our galleries today, I believe for the first time in history, the Canadian Horticultural Council in a body, an organization which has for so long represented the fruit and vegetable growers and horticulture in this country.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Brome-Missisquoi.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I apologize to the hon. member, but the question period has ended. The hon. member for Burnaby-Richmond-Delta.

[Mr. Baldwin.]

• (1530)

Mr. Reynolds: Mr. Speaker, I rise on a point of order. My question was to the right hon. Prime Minister or to the Minister of Justice—

Mr. Speaker: Order, please. If the hon. member wishes to ask a question, I point out that the question period ended about ten minutes ago. Only with the unanimous consent of the House can we revert to the question period.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I would have no objection whatsoever if hon. members wished to revert to the question period. The hon. member rises on a point of order.

Mr. Reynolds: The point of order is that my question was asked of the Prime Minister or the Minister of Justice as to whether they had received a telegram or submission. I received an answer only from the Minister of Justice, and I would not want the press to pick up that the Prime Minister said he did not receive a telegram. Perhaps the Minister of Justice would straighten out this matter, because the Prime Minister has left the House.

Mr. Speaker: Order, please. That is not a point of order. The Minister of Justice rises on a point of order.

Mr. Lang: Mr. Speaker, I am happy to tell the hon. member that the Prime Minister indicated that his answer was the same as mine. Also, if the hon. member wishes to know whether we have received a telegram it might be wise to let us know in advance.

Mr. Speaker: Order, please. That is not a point of order but an answer perhaps to a supplementary question. Apparently the matter has been cleared up to the satisfaction of the hon. member. Orders of the day.

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Tuesday, February 27, consideration of the motion of Hon. John N. Turner (Minister of Finance) that this House approve in general the budgetary policy of the government.

[*Translation*]

Mr. Yves Demers (Duvernay): Mr. Speaker, since I had to interrupt my speech yesterday evening, I should like to point out that another cause of inflation is that collective agreements have these past ten years provided the Canadian workers with annual salary increases of about 5 per cent. Five per cent raises are granted to one sector of the economy one year, and the next year other collective agreements make it necessary to give raises to other sectors, so as to ensure some degree of uniformity in salary

scales, and so it goes on and on. In the end, everyone is earning more but no one is getting more buying power.

Not that I am opposed to collective agreements or to unions; on the contrary, I consider that they have done a fine job and have greatly contributed to the workers' welfare. I would, however, suggest that the federal government, the unions and the employers carry out a joint study of this vicious circle, with a view to putting an end to this plethora of raises, which are getting us nowhere and are adding to the inflationary pressures.

The budget also assists small businesses, Mr. Speaker, through elimination of the ineligible investment test as from January 1, 1972. According to the fiscal reform, small Canadian businesses are taxable at the rate of 25 per cent of profits resulting from their operations. However, any investment income was taxable at 50 p. 100. As a result, management of small businesses had adopted a policy of distributing as dividends or otherwise a very substantial part of accumulated profits, resulting in a serious lack of liquid assets in our businesses. A reduction of the tax rate on investment income from 50 to 25 p. 100 therefore encourages small businesses to increase their operating funds in periods of stability and to invest surpluses in bonds, mortgages or other Canadian investments.

In this manner, when those businesses are prepared to expand, they will merely have to liquidate their investments in order to finance development.

This is a measure which will enable our smaller industries to save more; thus, a larger share of our economy will belong to Canadians and no longer to foreign investors.

This budget also introduces a new concept in our tax system, that of including in the calculation of equalization payments the amounts paid in school taxes. Today, most of our Canadian municipalities are faced with a crucial problem. In 1973-74, $190 million will be paid to the Atlantic provinces, Manitoba and Saskatchewan; this amount represents 28 per cent of the school taxes levied in those provinces.

The Minister of Finance (Mr. Turner) also increased to $100 the basic old age security pension. I am happy to see that not only the guaranteed income supplement has been increased but also the basic pension because, to my mind, those Canadians who have paid taxes all their lives have the right to that pension; it is not a social security benefit, but their due.

The workers who have contributed to superannuation funds of private companies or other employers are eligible when they retire to a pension at a fixed amount proportional to the amount they have paid, notwithstanding their eventual investment revenues.

The present gap between the basic pension and the guaranteed income supplement must be progressively reduced, because it is unfair to the Canadian worker who, through his work and because of the sacrifices be willingly accepted in order to save money, has often managed to save $10,000 or $15,000 a year throughout his life. Canadians are thus penalized, because in calculating the guaranteed income supplement, the interest gained on saved capital is deducted, which leaves him with a pension altogether equal to that of the taxpayer who never took the trouble to save. Canadians are accordingly encouraged to spend all their earnings, knowing that when they reach 60 or 65 they can live at the expense of the state.

I even think that in the future the gap between the basic pension and the guaranteed income supplement should be further reduced even if the $1,000 tax exemption granted to pensioners has to be abolished.

The suppression of the $1,000 exemption would make the taxation system fairer, so that with an equal revenue, one would pay an equal tax.

This budget is certainly the best in many years, if not since the beginning of Confederation.

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, hon. members have several ways of analyzing the budget now under consideration. One of them is to look at it with the eyes of the head of a family. The more time passes by, the more it seems fair to me to say that it is in terms of its social impact that the budget introduced by the present Minister of Finance (Mr. Turner) must be assessed.

The Liberal members and those who are no longer in such a hurry and who are sitting to my left cannot indeed contend decently that this budget is beneficial to the average Canadian family. Looking at it this way would amount to considering the family merely through a statistical prim.

Mr. Speaker, a family is a reality. In the province of Quebec—and I am referring here to the family in Saint-Hyacinthe, as well as the family almost anywhere else in Canada—the family relies more and more on the authorities in search both of a reassessement of its status and life conditions which would not only encourage its complete development, but even constitute its very existence.

It is sad to realize today that our colleagues of the New Democratic Party, the new "democratic paradox", find it normal that the corporate welfare bums should retain what they use to call privileges, and at the same time that the family should gradually lose its rights. Helping out the family meant in particular—and that is what we would have done had we been in office—suppressing the 11 per cent tax on building materials. If I may parody here our Social Credit friends, I would say that we would have thus made financially feasible what is physically possible, namely the desire of every father and mother to have their children educated in a home that would be personal to them and rich in comfort and in intimacy.

Concerning the suppression of the tax on children's clothing and footwear, that is a step forward, but a most bashful one. It is well known, Mr. Speaker, that the 39 cents saved on the one hand on the purchase of footwear for junior will not be enough on the other hand to compensate for the increase, due to inflation, in the price of the maternity dress which the mother has to buy.

And now we know it, Mr. Speaker: a Progressive Conservative government would have removed the federal sales tax on all kinds of clothing and footwear; as for the mascara of the fashionable woman, I couldn't care less!

This, Mr. Speaker, would have really helped the family.

This budget will not put luxuries within the means of people aged 60 and over. At least 786,000 Canadian citizens between 60 and 65 are being told once more, despite the people's will: "status quo". The government would not even agree to lower the eligible age for retirement. Some 145,000 persons aged 64 across the country are disappointed with the last budget. Yet it is time, Mr. Speaker, to forget about partisanship and to bring gradually into to the federal pension plan all those aged 60.

Even here, "David" did not dare pit himself against the Liberal Goliath. Making a U-turn, he preferred in an anti-historical gesture use his sling against people smaller than him and in some cases against those very people who favoured him at the expense of Goliath.

This budget, Mr. Speaker, is not either that of the Golden Age, nor will it ever come of age, because it was stillborn. It was produced by a couple that entered into a friendly agreement which has more to do with political immorality than with the desire to create sound results for the people.

From the social point of view, Mr. Speaker, the budget of the present government is a failure since it ignores the family and minimizes the needs of older people.

From the purely economic point of view, my distinguished colleagues, and I am thinking here of the Leader of the Official Opposition (Mr. Stanfield) and the hon. members for Edmonton West (Mr. Lambert) and Don Valley (Mr. Gillies), have shown in this debate the weaknesses of the budget speech of the Minister of Finance.

The rate of increase of the cost of living erodes the increases in salaries or welfare benefits for some and the incentive to work for pay for others and yet the government is still doing nothing more, as the Minister of Finance said, than calling for voluntary restraint as a means to curb inflation.

• (1540)

[*English*]

Earlier, Mr. Speaker, I spoke as a family man, as a Quebecker. I say that no province has more to be bitterly disappointed about in this budget than Quebec. A province whose people have the right to participate in the mainstream of Canadian economic life has been given no meaningful incentive or encouragement to do so in this budget. The pensioner, the workingman and the small businessman in Quebec can, with strong reason, be united in their disappointment.

Mr. Speaker, the Prime Minister (Mr. Trudeau) and members of his cabinet have long prided themselves on the political success their party has had repeatedly in the province of Quebec. As I sit and look across the way at many of my fellow Quebeckers who chose to serve as Liberal members, and when I note the increase in costs and unemployment for Quebeckers under this government, I cannot but rephrase the words of a great parliamentarian of another era and say: Never have so many taken so long to do so little for those they represent.

Some hon. Members: Hear, hear!

Mr. Wagner: For while it is all very well for government agencies such as the one formerly headed by the Minister of Transport (Mr. Marchand) to seek to equalize disparity through regional development grants, the measure of a government's economic success lies in its ability to create a climate in which all citizens can help themselves to achieve a better standard of living.

Those who represent Quebec in this House know full well the type of people we have the honour of speaking for here in Ottawa. Whether a Quebec member sits with the government, the Créditistes or with the official opposition, he or she knows full well that those who sent us here are a self-reliant group of Canadians desirous of neither special economic favours nor handouts. We from Quebec know that Quebeckers want to participate in our nation's economy while standing on their own economic feet—

Some hon. Members: Hear, hear!

Mr. Wagner: —as opposed to relying on an election platform artificially propped up by some last minute grants. We from Quebec should ask ourselves what this budget should have done for young Quebeckers leaving CEGEP or college and seeking work, and what it should have done for housewives trying to meet the steadily rising cost of living. After asking these questions, Quebec members who support this budget know full well to what degree they are selling out their constituents' interests.

Mr. Speaker, we are getting closer and closer to the day when those whose interest was sold out on the carving block of parliamentary expediency will vote against those who so willingly made that sale. It may be very easy for government members from Quebec to join their colleagues in making parliamentary deals with the New Democratic paradox, but let them be fully aware that the price of NDP support this week in Ottawa will be paid by Liberal candidates in the 74 ridings of Quebec in the months to come. For when Quebeckers speak out at the polls they will be speaking out against a party that has allowed Quebeckers to suffer an unemployment rate which is at times a full two percentage points above the national average.

Mr. Paproski: Right on. Shame.

Mr. Wagner: They will speak out against a government that forces Quebeckers under the age of 25 to make their entry into the work force a particularly discouraging and difficult one.

Mr. Paproski: Yes, and I see the Minister of Transport smiling.

Mr. Wagner: They will speak out against the type of price instability that makes maintaining a decent standard of living, let alone improving one's standard of living, a discouraging and impossible battle for Quebeckers of all ages.

My colleague for Don Valley (Mr. Gillies) has already put forward the type of bold step a Stanfield government would have taken to move the economy of Quebec and of other provinces forward while ensuring that a basic form of price and cost stability was maintained. By comparison, the Turner budget lacks both imagination and understanding and deserves neither the trust nor support of the Canadian people.

• (1550)

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Wagner: This budget, as the Minister of Finance said, strengthens and supplements the budget introduced in the House in May 1972. It is true, Mr. Speaker, in this sense that it strengthens and supplements the image the people of Canada had of the incompetence and the loss of credibility of this government in general and the Minister of Finance in particular.

The challenge, Mr. Speaker, was not to convince the New Democrats but all Canadians. For our part—and it is the challenge—we are ready to meet the real needs of all Canadians.

[*English*]

Hon. John C. Munro (Minister of Labour): Mr. Speaker, it gives me great pleasure to enter this debate on the budget. The hon. member who last spoke quoted that great statesman and made the analogy that never have so many taken so long to do so little for those they represent. After listening to his speech, with all its colourful rhetoric and very few specifics, I think I can say that never have I heard so many people in the opposition talk so much and offer so little.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): The hon. member talked about what the Turner budget has done for the young Quebecker. As I recall, this man should know something about progressive policies to help the young Quebecker because he was a member of the government of that province: he is aware of the jurisdictional limits on how we can intervene to help.

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): I might ask him what he and his government did, and would he justify his own policies in terms of concrete assistance to young Quebeckers? Our record is quite clear, Mr. Speaker. As the hon. member knows, we have shared, in terms of post-secondary education, half the operating costs throughout the province of Quebec and have done so for many years. Is he not aware of that fact? Is he not aware of the millions, indeed hundreds of millions of dollars which have gone to that province, as they have to other provinces, as our share in the cost of post-secondary education? Does he condemn the Opportunities for Youth program?

Mr. Blenkarn: Yes.

An hon. Member: Who said that?

Mr. Blenkarn: I did.

Mr. Munro (Hamilton East): I take it that whoever in the opposition said yes, he does condemn it, does not speak for the official opposition. The hon. member for Saint-Hyacinthe (Mr. Wagner) talked about what this budget does for the housewife and the family in Quebec. Let me remind him that there are many tariff cuts and sales tax cuts which are designed to increase the purchasing power of the very housewives in Quebec about whom he speaks. Let me also remind the hon. member that it was this government which not so many months ago brought before this House a family income security plan.

Mr. Forrestall: Who killed it?

Mr. Munro (Hamilton East): Precisely. I wish the hon. member would keep interrupting; he is very helpful. I will tell him who killed it. Members of the official opposition killed it by delaying tactics throughout the debate.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): Some members of the official opposition from Newfoundland—one or two are not here now because they did not survive the last election—will testify that the Conservative party's position on FISP was a positive embarrassment to them in that province. That bill would have redistributed an additional $180 million over and above the $650 million already in the program to those very children and families about which the hon. member spoke. The hon. member is now a front bencher of the party which did so much to destroy the legislation that would have greatly helped young families in the province of Quebec as well as in other provinces of Canada.

Mr. Blenkarn: What about jobs?

Mr. Munro (Hamilton East): The hon. member asks about jobs. That shows how preposterous is the economic thinking on the other side, when they do not realize that an increase of this kind in social security moneys going to those in the lower income groups increases their disposable income and purchasing power for goods they desperately need and, by its very nature, creates jobs. Is that not what the hon. member for Don Valley (Mr. Gillies) has been trying to tell us and his own party?

Mr. Blenkarn: You are the minister of unemployment, not employment.

Mr. Munro (Hamilton East): Maybe the hon. member who just spoke has one advantage. He is a new member. For obvious reasons, he has chosen not to take any responsibility whatsoever for the past conduct of the party he represents.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): The hon. member for Saint-Hyacinthe spoke with passion about the high rate of unemployment in the province of Quebec but offered very few specifics to correct the situation in terms of policies. He was a member of the Conservative party which not so many days ago took a position that would have cut off moneys to the very unemployed he pretends to care about.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): He speaks about his concern for families of Quebec. Let him justify the position of his party on the FISP bill that would have done so much for the children of his province. I do not think he can. I had an opportunity to read the speech of the hon. member for Don Valley. I read in the newspapers that the hon.

member for Don Valley is the new financial critic for the Conservative party. I looked forward with considerable anticipation to his speech. Knowing his background in the academic field, I thought we might find something there of a novel nature which would be constructive. I found not one original thought in that speech.

• (1600)

Some hon. Members: Oh, oh!

An hon. Member: You should hear yourself.

Mr. Munro (Hamilton East): I hope his students felt he made a better contribution to their benefit than members of this House felt he did to theirs.

Mr. Gillies: I doubt whether members of the government felt that way.

Mr. Munro (Hamilton East): The hon. member who has just spoken referred to the great new formula which the hon. member for Don Valley had offered. But when you strip away the rhetoric, his solutions to unemployment and the economic problems confronting the country aside from policies already in place turned out to be wage and price controls. He talked about a 90-day period, a stabilization period, whatever that means; but I found an amazing lack of detail as to precisely what would happen after that period of 90 days.

Mr. Jamieson: Sixty days.

Mr. Munro (Hamilton East): He talked about wage and price controls. Nowhere in his speech did I see any suggestion that there ought to be any type of control of profits. When we talk about wage and price controls and offer them as some solution to the economic ills of the country, I believe we should be careful not to raise expectations among the people who are suffering most from inflation and from unemployment—expectations which can never be fulfilled. I take it that the hon. member for Don Valley would be the very first to admit that in terms of the unemployment which we have been facing and which we have been trying to cure—

Mr. Gillies: Unsuccessfully.

Mr. Jamieson: Oh, come on!

Mr. Munro (Hamilton East): —wage and price control is not a solution which will lower unemployment in the short term.

Mr. Gillies: Try it.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): If he is suggesting that it will—and it would appear that his party is doing so by the line it is taking—he is misleading the Canadian people. The fact is that wage and price controls, unless one spells out specifically how they would work and to whom they would apply and whether they would apply to profits, all too often hurt the very people who can least afford to bear their weight. I refer to the people in the lower income groups. These are the ones earning wages and salaries. These are the ones who could be subjected to control most effectively. These are the ones who enjoy the least benefits in terms of stock options, expense accounts, and so on, as a means of getting around controls. Any equitable approach to wage and price controls must ensure that the working population of this country is not asked to accept the full burden of such restrictions while those who enjoy profits, stock options and other sources of income escape.

The hon. member and other members of the Official Opposition talk about tax cuts. They suggest tax cuts across the board.

Mr. Gillies: Right.

Mr. Munro (Hamilton East): What novelty is there in that? Those in the higher income groups get the greatest benefit. That has been the traditional position of the Conservative party. I thought the hon. member for Don Valley would have something better to offer.

This budget places minimum and maximum limits on tax cuts so that they can exert maximum impact on the people who should benefit most—the people in the middle and lower income groups. Who would argue with that? This budget also increases real income by effecting reductions in sales tax. I think the hon. member for Don Valley would admit that, traditionally, sales taxes are retrogressive; they have been most severely felt by those in the lower income groups. By reducing sales taxes we are helping the people in the lower income groups who need help most. Surely, no one would disagree with that philosophy.

Mr. Speaker, we are considering a budget which increases disposable income, which reduces tariffs, which reduces sales tax, which reduces customs duties. Second, it reduces taxes. The hon. member for Don Valley has talked about this, but in a much less progressive fashion. The budget reduces taxes in a way which will have a major impact upon those who most need increased disposable income—the low income groups. Third, it contains a built-in mechanism as an inflationary hedge. It does so in a way which will work. I believe even the hon. member for Don Valley will admit that this type of inflationary hedge mechanism built into the platform of the Conservative party would have been entirely inoperative.

Fourth, it contains incentives to private industry to increase capitalization, modernize plants and upgrade technology, thereby improving the strength of its position in world markets. This is what hon. members opposite have been talking about during the question period. Fifth, it continues a policy of injecting money into the economy so as to provide jobs through such programs as Opportunities for Youth, LIP and manpower training. This provides a direct stimulus to the economy. Sixth, it increases disposable income in the hands of some 1,700,000 Canadians by expending many more hundreds of millions of dollars in this fiscal year on our senior citizens, one million of whom were surviving on all or part of the guaranteed income supplement. Now they will get a substantial increase in their pensions. Would anyone disagree that all these programs combine to increase substantially the amount of disposable income in the hands of Canadians?

Mr. Gillies: Not enough.

Mr. Jamieson: It is never enough.

The Acting Speaker (Mr. Laniel): Order, please. I regret I must interrupt the minister, but the time allotted to him has expired. As hon. members know, we have only limited time available to us.

Mr. Munro (Hamilton East): Could I have one more minute?

Mr. Knight: Sorry.

The Acting Speaker (Mr. Laniel): In the circumstances there is no possibility of an extension of time if we are to retain the order which has been arranged.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, it is an honour and a pleasure to be back in the House of Commons after an enforced absence. On the occasion of my first intervention in debate in this parliament, I would express my appreciation to the electors of the Fraser Valley East riding and publicly pledge my best efforts to represent them faithfully and effectively.

The current debate presents the opportunity to deal briefly with some of the issues facing us today, not only at the riding level but on a national scale, because we are well aware of the fact that the attitudes and actions of the national government establish the broad economic framework within which all Canadians must operate. In view of this fact, it can be readily understood that the altered stance of the government, as indicated in the last two budgets, cannot help but cause wonderment and confusion in the minds of the general public as to the direction in which this country is being led. The dilemma was clearly presented by the Leader of the Official Opposition (Mr. Stanfield) on Friday last when he asked the question:

• (1610)

How can you trust a government that within the short space of a few months has accepted so much of what it previously rejected, and in turn has rejected so much of what just a few months ago it readily accepted?

As my riding includes a substantial part of the limited arable land of British Columbia, I would first make some observations with respect to what is termed rural Canada. Economically and socially, rural Canada is facing a crisis in 1973, and the policies of this government are doing little to remove the source of that crisis. These problems are caused mainly by the increasing loss of manpower to the cities. Economically, rural Canada suffers an over-all loss in net income that has intensified over the past four years. In 1951, for example, 37.05 per cent of Canada's population was rural. By 1961, the rural population was down to 30 per cent, and in 1971 to 23.6 per cent. The reason for this exodus to the cities is obvious when we realize that in 1969 a full 36 per cent of families living in rural areas lived below the Statistics Canada poverty line. For unattached persons in rural areas the percentage was 50.4 per cent.

As well, four out of every ten Canadian farmers find it necessary to be employed to some degree in a non-farm job. In most cases this extra income only brings them up to the poverty line. Little wonder, then, that many farmers have given up the land and have moved to the city to try to make a living there. In a lot of cases these individuals do not have the skills necessary for employment in industry and therefore end up on the welfare rolls.

Agriculture in Canada, then, is still facing serious problems. One example is the decrease in realized net farm income. When we study these figures, we realize just how serious that problem has become. It is during this period of falling income that inflation and the cost of living have been the highest. It is the responsibility of the government to see that no individual is caught in the price squeeze—that income is, for all, adequate to purchase the necessities of life. I would submit that this government has failed in this responsibility, especially as it pertains to rural agricultural Canadians. Increased costs of production have certainly not been accompanied by increased prices for products.

There are one or two specific matters to which I should like to direct attention today, but because of the time factor I would just call the attention of hon. members to the speech made by my colleague, the hon. member for Kent-Essex (Mr. Danforth) yesterday in respect of one of the most serious situations referred to in the budget.

British Columbia is perhaps in the most vulnerable position of all the provinces of Canada in regard to agricultural tariffs, mainly because of its location. Immediately to the south lie the states of Washington and Idaho which together produce by far the heaviest volume of potatoes of any area in North America. In addition, Washington is a major producer of most common vegetables.

British Columbia has already felt the impact of the rapid expansion of production to the south, a prime example being the collapse of the market structure for strawberries for processing following the sudden upsurge of production in Mexico in 1970-71. The resulting flood of berries in the North American market drove both U.S. and B.C. prices far below the cost of production. At that time this labour-intensive sector of the industry provided a return of $6 million annually in this province.

In view of this experience, it becomes readily apparent that the fruit and vegetable industry in my province is deeply concerned about the possibility that its position, already demonstrably vulnerable to external pressures, will be severely undermined by these concessions in the form of tariff reductions. They are unilateral and, as a result, we lose all our bargaining position with foreign nations with respect to their tariffs. I would suggest that not only does the reduction in tariffs place our producers in a very vulnerable position, making it extremely difficult in many instances for them to carry on their operations, but it will also have tremendously detrimental effects on the employment picture in Canada, for we all know that the agricultural industry provides a great deal of employment.

With the exception of southern Ontario and the Prairies, about three-quarters of all farms in Canada are considered small farms, according to the Statistics Canada census, 1966, and it is these small farmers who bear the brunt of the inept agricultural policies of this government. I believe this is what concerns a great many of us today. The big man can take care of himself, but the little man

gets trampled by not only the big man but the big government, big taxes, big inflation and a bigger cost of living.

It is the same in the business world. Figures compiled by Dun and Bradstreet of Canada Ltd. last fall show that Canadian business failures during August, 1972, were the highest for that month since the depression years. They rose a fantastic 61 per cent since 1971, from 145 business failures to 233. These figures show that the ailment was widespread and general, for by region there were more failures in August, 1972, than a year earlier in every province except Saskatchewan, while Toronto led the nation with more than twice the number recorded in 1971.

There should be no reason for puzzlement about the rise in business failure and the drastic loss in productivity. Since the beginning of last year the Economic Council of Canada, along with my leader, warned that a healthy economy would require giving far more purchasing power and initiative back to the small businessman. Yet this government, this finance minister both in the budget he presented last May and in the one he presented last Monday night has to all intents and purposes ignored the plight of small business in this country.

We all know that attempts at tax reform led big government to ignore the vital interests of small business, yet small business in this country generates more employment, more real growth, more tax revenue and bears more of the cost burden of government than does so-called big business. It is my position and the position of this party that provision should be made for Canadian citizens to invest in the equity of Canadian-owned small business. We believe that the credit, which will be 50 per cent of qualified investments to a maximum of $5,000 each year, will either be offset against the person's income tax or rebated directly to him. This means that a Canadian who invests, for example, $1,000 in a qualified business or company will receive a credit of $500 against his income.

If implemented, the cost of such a program would be about $300 million—"cost" in the sense that this would be lost to federal revenue and treated as deferred personal tax. It would, however, be far less than the $1 billion spent on unemployment insurance payments to sustain an unemployment rate of 7 per cent. I realize that this government does not learn lessons very easily or very quickly, but surely by now it has learned that if we want to create jobs and encourage enterprise, the least effective way to do it is by direct government spending. As has been so clearly stated in this debate, the budget does virtually nothing to assist small businesses nor to encourage investment in small Canadian-owned enterprises.

The mention of tax reform brings to mind the introduction of a bill to introduce a great new deal for the Canadian taxpayers but in fact was, I believe, the perpetration of one of the greatest hoaxes by the Liberal government. It was a massive document, so complex that not even its authors were able to adequately explain either its intricacies or its ramifications. Rammed through parliament with indecent haste and characteristic Liberal arrogance, it further aggravated an already unintelligible jungle of tax laws and regulations.

A further move of the present government was the introduction of a new set of income tax forms that in their effect add insult to injury and have caused consternation in the minds of taxpayers across the nation. An advertisement in one of the west coast newspapers vividly portrayed the situation when it called attention to the fact that in view of the new tax forms there would be a tremendous demand for the services of tax consultants, and offered courses to prepare for this lucrative development. Accountants time and time again have complained that answers to inquiries cannot be obtained at the taxation offices of the Department of National Revenue. The magnitude of the muddle caused by the tax measure and tax forms is eclipsed only by the confused and confusing picture drawn either deliberately or unintentionally by the Minister of Finance (Mr. Turner) in the presentation of the budget currently before the House.

• (1620)

We appreciate the announced reductions in personal income taxes, but without an effective program to halt the constantly increasing cost of living, Canadians could well find that through the further erosion of the value of the dollar all benefits accruing from tax reductions will be effectively wiped out. We have constantly urged the elimination of the 11 per cent tax on building materials. I firmly believe this would be a practical and effective way to encourage the building of new homes. The exorbitantly high interest rates should be reduced and the interest paid on mortgage payments should be deductible for income tax purposes, as should the municipal taxes on property. We continue to advance these proposals as deserving of the consideration of government.

May I also raise another matter to which attention has been called on many occasions; that is, the desirability of the government facing up to the unfairness of the situation and settling in an equitable manner the pleas of the original purchasers of Government of Canada 3 per cent perpetual bonds sold, I believe, in 1936. There are a limited number of individuals involved and I believe the source of hardship and resentment should be eliminated by a settlement of the issue.

The government's policy with regard to inflation was even more disastrous than its agricultural and small business policy. I would remind the House of what the Prime Minister (Mr. Trudeau) said in 1969 about his government's policy toward inflation. He said, on December 22, 1969, about what he termed our worst enemy, inflation:

> There are a lot of people in this country who are bargaining that, oh well, the government can't hang tough for too long because it will only get frightened when it sees unemployment go up to 6 per cent. But if people think we are going to lose our nerve now, they should think again. We're not.

I think this is a shameful thing for the Prime Minister to say. If we look at the social and economic costs of the unemployment we have suffered, they would seem to indicate that there have been incalculable losses to the Canadian people, and this in the midst of statements by the Minister of Finance telling the poor people of the country that it was perfectly possible for a Canadian family to get along on $30 a week. If the government's policy to fight inflation had worked, then perhaps the Canadian people could forgive it for the chaos it brought about in the economic system. But the fact is that it did

not work and we still have inflation and high unemployment.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Bill Knight (Assiniboia): Mr. Speaker, it is with pleasure that I rise to take part in this debate. We have heard from one Liberal, the Minister of Labour (Mr. Munro), we have heard from a recycled Grit, the hon. member for Saint-Hyacinthe (Mr. Wagner) who has returned after having dwelt in the political wilderness of Quebec, and we have heard from the hon. member for Fraser Valley East (Mr. Patterson), a recycled Social Crediter who failed to mention the Bank of Canada. So the debate this afternoon has been close to being interesting.

I wish to deal with a number of matters. I note that with great piousness the government introduced a 5 per cent reduction in personal income tax in such a manner that the individual taxpayer will receive a reduction of a minimum of $100 or a maximum of $500; this will apply to the middle and lower income people in this country. I point out to the minister that it was this government, while it had a majority, which brought in a 3 per cent reduction in income tax in respect of which the greatest benefit went to those in the upper income group and not to those in the middle or lower income groups. Because of the development of a minority government in this parliament, the government has had to change its position and bring in this budget.

I believe there are things in the budget which will be of benefit, I hope, at least to the consumers of the constituency of Assiniboia. It is on that basis and with some reluctance that I support the budget. I want to point out that the government has increased the old age pension to $100 and the supplement to $170. I say to the Minister of National Health and Welfare (Mr. Lalonde), who is present, that in terms of the real needs of the pensioners in this country that kind of increase is not good enough and the government must look toward a greater increase. In addition, there is the matter of the age limit being lowered from 65 to 60. This is a question with which we must deal in the near future. Many widows and widowers between age 60 and age 65 have real need and very limited sources of income. A drop in the age level for eligibility in respect of pensions is greatly needed. I do, however, accept the increases in the sense of meeting the need as of April 1, 1973. I shall continue to push for a further increase across the board to $150 a month which is advocated by the New Democratic Party.

I might mention the manner in which the income tax reduction of 5 per cent with a maximum of $500 and a minimum of $100 was brought in. That is a plank which was stolen from the platform of the New Democratic Party. I say to hon. members that they can steal these planks all they like, so long as it is done for the people of Canada and so long as the greatest benefit goes to the people in the middle and lower income brackets. On top of that, we have seen the raising of the exemptions which I spoke about in my constituency during the election. These exemptions have been increased for the ordinary taxpayers of Canada.

Further, we have seen a reduction in tariffs. There is a temporary reduction involving in the neighbourhood of $1.3 billion worth of goods. I point out to the Minister of Agriculture (Mr. Whelan) and the Minister of Finance (Mr. Turner) that the significance of this reduction in tariffs is that it establishes a precedent in the area of tariff-setting in this country. For the first time in a long while a government has moved in the area of reducing tariffs on certain commodities. This may or may not benefit the consumer of this country, but a precedent has been set which those of us from the west will watch with great interest, no matter which old-line party is in power. People in the west have lived for a long time under the protective umbrella of tariffs which did nothing but protect the interests of the people in the east. So a very important precedent has been set in terms of the future development of the country.

Because this government is in a minority position we have had a reduction in sales tax on such things as children's clothing, shoes and other footwear. That is significant. I have already had managers of stores and co-operatives writing me for further details in order to lower the price of their products. If this reduction is passed on to the consumer, it will help to lower the cost of living, especially for people who are at present raising children and are in need of all the purchasing power they can get.

• (1630)

Furthermore, there is in this budget an equalization formula which increases payments by some $190 million to the Maritimes, the Atlantic provinces, Quebec, Manitoba and Saskatchewan. This will be of further assistance in giving purchasing power to people in Saskatchewan where we are attempting to alleviate the pressure of the property tax, to shift it more in relation to a man's income. We are trying to reduce school property tax as a cost. That is important in terms of what is in the budget, coming from a minority government.

Further to that, there has been some change in the area of tax reform. I will not jump with joy over a couple of these changes, for a number of reasons. When the minister made his speech in the House of Commons, he mentioned that the capital gains tax has been removed from the transfer of a farm from father to son, so as to keep the farm units going. The Minister of Agriculture jumped with great glee at that and shook the hand of the Minister of Finance, praising him to his colleagues around him, I am sure. Then he probably went home that night and made the mistake of reading the details and finding out that first you had to drop dead before getting this exemption.

We in this party moved an amendment against the tax reform bill of 1971 to exempt the transfer of farmland which kept the farm unit going from father to son or even daughter-in-law. We moved that amendment, but the government has not gone far enough and the Minister of Agriculture, for all his talk, should not get so excited about it. I am sure there are other things in the budget that did not excite the Minister of Agriculture. There has been a move back to allowing a producer to set up a basic herd. That is important in my area for many people

involved in the cattle industry. This is a move in the right direction, although it does not go far enough in setting up basic herds. These are the things in the budget that have some merit.

We have now left the kind of dinosaur economic philosophy which was practised in 1969, 1970 and 1971 and are moving in the direction of an expansionary budget, although it does not go far enough. We are moving in this direction only because this is a minority government, and as insensitive as it has been during its four years of governing, the government now finds itself in a minority situation and reacts thereto.

I suppose that when we reach 5.45 p.m. tonight and we get to the point of voting on the final element of this budget, we will find the Tory party voting against the following measures. It will vote against an increase in the old age pension. It will vote against an increase in war veterans allowances. It will vote against the reduction of 5 per cent in personal income tax with a maximum of $500 and a minimum of $100. It will vote against the removal of the tax on children's clothing, etc. This budget provision will be of great value to the young consumers in my constituency.

Tory members from the Maritimes, Saskatchewan and Manitoba will be voting against the equalization formula in order to provide additional moneys amounting to $190 million to the revenue of those provincial governments, to assist in the education and property tax. That is what they will do at 5.45 p.m. They will vote against a change in the capital gains tax as it relates to farmers, limited as it is. They will vote against the change in the basic herd concept, limited as that change is. This should be on the record, Mr. Speaker.

In the few moments that I have left I want to say that this government which bases its philosophy on outdated concepts, as outdated as those of the party to my right, has not yet begun to deal with the real issues; and this budget does not deal with the real issues that face the people of this country, such as the redistribution of income. Although there is a limited redistribution of income in this budget, it has not been carried out in terms of a fundamental change in the tax system, in spite of the cries of some members of the Tory party that the system is unfair to their big business friends.

Further to that, there is a need to revamp our housing programs. There is real need for a strong foreign takeover bill, stronger than the one presented to this parliament, to meet the real challenge of the continual increase in the foreign ownership of our economy. One issue that will tickle the hearts and the fancies of the members of the Tory party is the energy policy. We are facing an energy crisis, and let there be no mistake about it, in spite of the cry from the Tory members from Alberta and in spite of the weak-kneed approach to the whole issue by the Minister of Energy, Mines and Resources (Mr. Macdonald). The government's energy policy is a disaster. It is a disaster when the Minister of Energy, Mines and Resources and the National Energy Board come before the committee of the House and state that on the night of February 1 they did not know whether they had enough oil resources for the month of February.

[Mr. Knight.]

Since one of the Tory members from Alberta is trying to speak up, let me remind him that the Tory members present in the committee said that there is no problem, no crisis; we do not need any quotas or controls, everything is fine, let us export in the traditional free enterprise system. One of the Tory members from Calgary pointed out in the committee a fundamental issue facing the people of this country, that is, the price that we will have to pay for our natural resources if we keep selling our present reserves. We will then have to rely on the reserves in the Mackenzie delta and in the Arctic. If we keep selling them, the consumers in my constituency, because of the free enterprise philosophy of that party in Alberta and of the Minister of Energy, Mines and Resources, will be paying twice as much for their fuel requirements. This is what my constituents will have to do; and this applies to the farmer, the consumer of natural gas in the city, the old age pensioner and everybody else.

What this country needs is a fundamental policy related to the redistribution of income, related to housing, to control of foreign ownership, and above all in this decade we need a national energy policy to answer the real needs of the Canadian consumer.

• (1640)

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, I would like first to congratulate the Minister of Finance (Mr. Turner) on the optimism he has shown in the "Budget Highlights" which he handed out to hon. members on Monday, February 19, 1973.

In this publication, the first words of the Minister of Finance are as follows:

> A budget designed to reduce unemployment and to stimulate a more rapid growth

If, as stated by the Minister of Finance, this is the first goal of his department and of the government on the fight against unemployment, we shall be the first to support him as long as the legislation proposed by the government is really adequate.

As the NDP spokesmen said, that party is naturally inclined to support the government as well as the budget of the Minister of Finance where the government states its intention of fighting unemployment.

As to hon. members of the official opposition, I think their feelings have been expressed by their financial critic, the hon. member for Edmonton West (Mr. Lambert) who told the House on February 21:

> Coming to the point of unemployment and those massive measures needed to turn the corner, Mr. Speaker, all sorts of proposals have been tried by the government over the past several years but there were still 688,000 people seeking work this last month.

The hon. member for Edmonton West has good cause for being shocked because 688,000 persons had no paid job last January. Members of the official Opposition are undoubtedly right when they state that the measures proposed in the past and still being proposed by the government to combat unemployment will not have the expected results.

The Canadian people are justified in distrusting a government which, at a time when all kinds of goods are plentiful, allow so many people to live in destitution.

Mr. Speaker, one may wonder whether the Progressive Conservatives could do better. Have they found practical ways to cope with the unemployment problem? What were their solutions when they were in office from 1958 to 1962? Do they have better answers to offer now and what concrete measures to they suggest?

We of the Social Credit Party of Canada would like it very much if the Progressive Conservatives could suggest solutions likely to solve the unemployment problem. We would like to be able to endorse all their criticisms about the present situation and we would like very much to see another government at the head of the country.

Unfortunately, the Progressive Conservatives who offer themselves as alternative solutions to the Liberals have no credibility when it comes to fighting against unemployment. They have no credibility and they will not have the chance, I think, to replace the present government because electors aware that the Progressive Conservatives have no solution to offer to settle the unemployment issue. They have shown their inefficacy and their ineffectiveness when they were in power in Canada from 1958 to 1962.

In September 1971, Statistics Canada published a most interesting and revealing study on the unemployment problem in Canada. Entitled "Unemployment Data, 1960-71" this study enables us to analyse the unemployment situation in the course of the years 1960, 1965 and 1970.

Here are the yearly average unemployment rates in relation to the total manpower for each of the five Canadian areas. For the Atlantic region, in 1970, the unemployment rate amounted to 7.6 per cent in relation to the total manpower; in 1965, it was 7.4 per cent, and in 1960, under the Progressive Conservative government, the unemployment rate reached 10.7 per cent.

For the Quebec region, in 1970, the rate of unemployment stood at 7.9 per cent; in 1965, 5.4 per cent, and in 1960, 9.1 per cent, which means that in Quebec also, the rate of unemployment was higher under the Progressive Conservative regime of the sixties.

In Ontario, we note the same occurrence: the unemployment rate was 4.3 per cent in 1970 and 5.4 per cent in 1960.

In the Prairies, unemployment reached 4.4 per cent in 1970 and 4.2 per cent in 1960.

Lastly, in British Columbia, the unemployment rate was 7.6 per cent in 1970 and 8.5 per cent in 1960, under the Progressive Conservative government.

I suggest, Mr. Speaker, that with such a record and so poor a performance in respect of unemployment, the Progressive Conservatives have nothing to teach anyone and they should be the least inclined to criticize the present government which has not been and is not able to check unemployment.

According to statistical data from January 1953 to December 1971, here is the unemployment situation from 1959 to 1962, under the Progressive Conservative government, and from 1968 to 1971, under the Liberal government.

In 1959, the unemployment rate, by sex and age categories, was 6 per cent. It roses to 7 per cent in 1960. It reached 7.1 per cent in 1961, decreasing to 5.9 per cent in 1962, when the Progressive Conservative party was in office.

In 1968, under the government of the present right hon. Prime Minister (Mr. Trudeau), the unemployment rate was 4.8 per cent; it fell to 4.7 per cent in 1969 and again went up to 5.9 per cent in 1970, reaching 6.4 per cent in 1971.

On pages 12 and 141 of Catalogue 71-201 showing unemployment and labour figures from January 1953 to December 1971, there is clear evidence that the unemployment rate, from 1958 to 1962, under a Progressive Conservative government, reached absolute figures higher than those registered under this government from 1968 to 1971.

Mr. Speaker, I would not take the time of the House to quote all the figures available to me, but may I say only that in 1961 the labour force had 2 million fewer workers than in 1971. The unemployment figure reached 716,000 in February 1961 and 702,000 in March 1961.

Under this government, the unemployment figure never exceeded 700,000, although in Canada the labour force has increased by two million workers.

Therefore, the unemployment rate stood at 11.4 per cent in March 1961, 11.24 per cent in February 1961 and 10.77 per cent in January 1961.

An analysis of these statistical data enlightens us on how the Progressive Conservative party members felt about the problem of unemployment when they occupied the front benches. I therefore cannot bring myself to place confidence in the Progressive Conservatives when they are dealing with this problem because they did worse than the present government when they were in power.

It is true that the Progressive Conservatives have changed their leader since 1962 but I believe, that the party's past record has not been impressive. We even have some documents to the effect that the present leader (Mr. Stanfield) has never been very popular. The people of Canada cannot even grant him the benefit of the doubt, saying "Let us gives him a chance to prove himself, since he has already been tested as premier of Nova Scotian".

As a matter in fact, in issue No. 39, for March 21, 1967, of the proceedings of the Joint Senate and Commons Committee on Consumer Credit, we find a brief submitted by Mr. Duncan MacIntyre, who represented a department of St. Francis Xavier University as well as low-income families of the eastern ridings of the province. Now, the author of this brief states that only three constituencies in the province had less than 40 per cent poor families. In fact, in some constituencies, 59, 56, and even 63 per cent of families were poor.

If one uses the same criteria as were used in writing the brief, one can say the Mr. MacIntyre was perfectly right, since the families he refers to were, and I quote:

(1) families other than agricultural families, with incomes under $3,000;

(2) agricultural families with incomes under $2,500;

Using these figures, constituencies could be found in Nova Scotia where 63 per cent of families were not even getting the wretched incomes mentioned above.

Since, therefore, we cannot trust the solutions put forward by the Liberals, because they have not put an end to unemployment or prevented prices from rising, and since we cannot trust in the Progressive Conservatives, because they were no more successful in bringing prosperity and security to Canadians from 1958 to 1962, I suggest that all that remains to us is to try Social Credit, which has not yet failed us and is full of promises.

• (1650)

I imagine that the majority of hon. members are not happy about the misery and distress of almost 700,000 Canadians who have no jobs in this country. So we, of the Social Credit Party of Canada, want to ensure economic freedom and security for all Canadians. For this, we propose that the Canadian population apply a system which has never been applied anywhere, and which cannot be worse than the one proposed in turn by the Liberals and the Progressive Conservatives.

It was on June 26, 1937, during a lecture he gave in London, that the founder of Social Credit gave a detailed definition of it. Here it is:

> In the minds of many people, Social Credit is a plan for monetary reform, and that is why today when money and credit are scarce the monetary reforms it proposes are so popular. But Social Credit is not only that, Social Credit is the policy of a philosophy. This philosophy may be described as the partnership philosophy or the power of human beings living in partnership to get the wanted results in order to meet their needs.

If we make a more thorough analysis, we may ask ourselves: What is credit? This is the answer: Credit is just the belief that partnership brings along benefits. For instance, the first Canadians relied on the wealth which were within their reach and able to meet their needs. That is what is called the real credit of a country. This credit includes the country's wealth as well as all the men who want to exploit them. Therefrom one may conclude, that the real credit of a country is a social common thing. Therefore, the real credit or the social credit is a reality, a fact for our country. But, if social credit is a reality, a fact, why do members of the Social Credit party not stop complaining, asking above all for social credit, trying to change the monetary system and to have enough members elected in Parliament in order to reach their objective? The only reason is, Mr. Speaker, that the present financial system does not reflect reality and that our bank system prevents consumers from taking advantage of the result of their partnership, because the financial system keeps for itself the benefits of partnership which should normally belong to every citizen.

This is the situation, Mr. Speaker, which led the Right Hon. Mackenzie King to say once, and I quote:

> Yesterday's promises are today's taxes.

So that Canadians really benefit from the results of their partnership, we must therefore relate the financial credit to the real or social credit, that is to say relate money and credit to what Canadians produce and provide and are able to produce and provide.

[Mr. Godin.]

Values that were far sounder and far more basic than the present bank system have been put aside. Religion, Catholicism, papal authority, private property, respect for the human life of the foetus, and many other things have been put aside.

And, Mr. Speaker, what about the desperation of international bankers who are seeking a new international bank system. If the international financial system has to be reconsidered and worked out again from scratch, this is because the national financial systems also have to be reconsidered and worked out again from scratch.

This, Mr. Speaker, is the task which the Creditistes are trying to carry out, being precursors and innovators, misunderstood perhaps and rejected sometimes because they dare attack finance. Fortunately, finance is no longer a taboo subject today, the monetary system is no longer sacro-sanct, and because facts prove us right, Creditistes are going to continue even more successfully, I think, to expose the present system which has no justification in the nature of things and perpetuates a false concept of money in a human society.

[*English*]

Mr. Deputy Speaker: Order, please. Perhaps this is rather irregular for the Chair, but before I recognize the next speaker I would point out that there are six names left on my list. We have 50 minutes left in this debate, and if those six members were agreeable that I call each of them for 8½ minutes, that would give everybody who has offered to make a contribution an opportunity to do so. This, however, would have to be with the agreement of the six speakers on the list. Although it might be a departure from the normal practice, is it agreed?

Mr. Lefebvre: We are always ready to agree on this side, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Bonavista-Trinity-Conception; eight and a half minutes.

Mr. Dave Rooney (Bonavista-Trinity-Conception): Mr. Speaker, I have decided to give my first address to this honourable House an official title: "Budgets may come and budgets may go, but inequalities go on forever." That statement is not likely to startle many hon. members; indeed, it is not my intention that it should do so, nor is it my intention to sound cynical or pessimistic. On the contrary, I am very optimistic about the future of this country and about the future of this government.

I am sure that the statement contained in the title will be forever true. But it is also true that the very uncomfortable extreme of inequality has always been borne by great numbers of dependent, unorganized and often helpless recipients of meagre financial means. What has always disturbed me greatly, Mr. Speaker, is that in our own times and in our own nation this situation has been perpetuated largely by the insensitivity and inaction of those with the political power to make more equitable adjustments to the distribution of our nation's wealth. I might add that, prompted by a remark made in this House, I had considered another title: "In this House there are many mansions". While that statement is made in jest, it also bears the reality that in our plush-bottomed chairs and

glamorous surroundings it is easy to become distracted from, and less sensitive to the extreme and persistent poverty that exists in the midst of affluence and great national wealth. Having accepted that inequalities will always exist, admittedly much more so today in other countries than in Canada, we must then be concerned with the degree of inequality that exists at a given time in our history and in our nation.

This, in my opinion, has been the greatest single achievement of this year's federal budget. This is not to say that our government has done anything near the ultimate, it is not to say that the measure of intention will be equalled or surpassed by the measure of success; it is to say that this Liberal government has made a vigorous and commendable attempt to counter the forces that ever threaten the common good, the common interest and the common comfort that Canadian democracy can and should provide to all who participate in that democracy.

Of course, the official opposition, playing their traditional opposition role, have to sneer and jeer and criticize. After all, their only hope of ever assuming office is to make our best programs look like their worst ones in the eyes of the general public. The hon. member for Gander-Twillingate (Mr. Lundrigan) cannot admit that Newfoundland will this year receive in excess of $24 million in additional tax equalization payments alone as a result of the new budget. What does he say to Newfoundlanders? What does he say to his own people? That the federal government has given up on its theme of eliminating regional disparities!

A few days ago, the same hon. member told this House that I had not been saying much about the fisheries and related unemployment and, as if to chide me a little, wondered aloud when I would be making my maiden speech. I can tell the hon. gentleman quite sincerely that what I have to say, either in this House or in public will, I hope, be a little more responsible and more informed than certain statements he has made concerning regional disparity and the unemployment situation.

Some hon. Members: Hear, hear!

Mr. Rooney: I have never in my life heard of a person getting so much mileage out of his biweekly interpretations of the unemployment statistics. I would remind the hon. member that to be unemployed at a given time and to be in need of employment are two very different situations, and sufficiently different to require explanation. I, too, have given some thought to the problem of unemployment, Mr. Speaker. In terms of those in need of work, with no acceptable alternative, an unemployment rate of 1 per cent is just as serious as an unemployment rate of 10 per cent. Bringing down the rate of unemployment a few percentage points does not alleviate the severity of the problem; it merely makes it less noticeable.

Mr. Speaker, time does not permit me to elaborate on the many unfair criticisms levelled at this budget. Let me say, however, that the opposition's reaction to the budget reminds me of the watchdog that guards his master's interests well until you find that he is only barking because he is afraid, afraid perhaps of being placed in the dog-house.

I should like now, in brief detail, to offer my interpretation of what the budget will mean in very real terms to the constituents of Bonavista-Trinity-Conception, to Newfoundlanders in general—not in isolation but as one small part of our great Canadian nation. Essentially, the budget is committed to increasing the real income of the burdened Canadian consumer. This means not only an increase in terms of dollars and cents but an increase relative to the cost of living and the standard of living—that their dollar will either buy more or cost less.

• (1700)

Those concerned with tax reform are pleased to learn that the basic exemption for all taxpayers has been increased to $1,600 from $1,500, and that the basic exemption for married couples has been increased from $2,850 to $3,000. The working people of my riding are happy to learn that, beginning next year, income tax will decrease to offset any increase in the cost of living. The increase in the basic rate of old age pension, the increase in the guaranteed income supplement and the increase in war veterans allowances has prompted many favourable comments from elderly and other people in the riding. With a little more complexity, the new budget elaborates on the federal government's efforts to reduce the cost of living by removing federal taxes from numerous necessities, for which I am sure Newfoundlanders will be appreciative.

This government, through the budget speech, has committed itself to a complete overhaul of our welfare system. I assume that the slight delay in this area can be attributed to the necessary negotiations which have to be completed with the provincial governments concerned, including Newfoundland. This House has already been told that these negotiations will also include the long awaited family income security plan. I understand that we can expect an announcement soon after the conclusion of these negotiations which I am told will take place in April. I am confident that, in harmony with the spirit of the budget's specific commitments in areas of total federal government responsibility, the new welfare program will also be geared to both the rising cost of living and a decent standard of living.

With respect to the family income security plan which was vetoed by the hon. member for Trinity (Mr. Hellyer), the delay in the implementation of this program has meant considerable hardship to the parents of large families in my riding.

Mr. Jamieson: The hon. member is right.

Mr. Rooney: Since Newfoundland is a province of large families and relatively low incomes, this new legislation would have meant that the average child in Newfoundland would have been eligible for payments twice as large as those paid under the present family allowance plan. This had meant a loss of nearly $20 million per year to Newfoundland, and this loss is being borne by those who need it most. What bothers me most about the budget is the danger of our provincial government lapping up some of the benefits received from the federal government. In Newfoundland we have seen how, in mere anticipation of the—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, particularly during his maiden speech. I thank him for his co-operation in accepting the suggestion made by the Chair a few minutes ago.

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, it is a great pleasure for me to rise on this occasion in the House of Commons. In prefacing my remarks, I would like to say a few words about my predecessors. Hon. Pat Mahoney represented Calgary South in the twenty-eighth parliament. Though I rarely agreed with the policies of the party Mr. Mahoney represented, I respected him as a Member of parliament and as a friend, one who has followed the high standards of members who have in the past represented this riding. The House will remember the contributions of Carl Nickle, Arthur R. Smith, Senator Harry Hays and Ray Ballard as well respected members who have represented Calgary South. Previous to the rapid growth of Calgary in the 1950s, my riding formed the southern part of Calgary West, a riding distinguished by the representation of Right Hon. R. B. Bennett, Judge Manley Edwards and Arthur L. Smith. As I recall their contributions, I am truly humbled by the honour bestowed on me by my constituents in Calgary South.

Since coming to Ottawa, I have been continually grateful for the hospitality and assistance accorded to me as a new member. I congratulate Mr. Speaker on re-election to his high office. I learned to appreciate his skill and tact very early in my parliamentary life. I extend congratulations to Mr. Deputy Speaker and my thanks to the Clerk of the House for his generous assistance and the guidance extended to me and other new members.

In view of the time restriction imposed on speeches, I am particularly appreciative today of the works of Pauline Johnson who, in a few short lines, captured the pride and enthusiasm of my constituency in this excerpt "Calgary of the Plains":

> Not of the seething cities, with their swarming human hives,
> Their fetid airs, their reeking streets, their dwarfed and poisoned lives,
> Not of the buried yesterdays, but of the days to be,
> The glory and the gateway to the golden west is she.

This is Calgary, a city of the future with a rich and exciting heritage, centered in Canada's most prosperous province. Calgary's geographic location is ideal. The clean, crisp air of the foothills and nearby Rocky Mountains and the warm, sunny climate invite visitors from around the world. I invite members from all sides of this House to visit Calgary and hope that I may have the pleasure of being host to many of you in the months and years ahead.

May I now comment on the budget which the Minister of Finance (Mr. Turner) presented to this House on Tuesday last. The people of Canada, more, I believe, than at any other time in the history of this country, were hoping and even expecting that this tired and disabled government would at long last come down to earth and give to this country leadership to lift Canada from its tragic level of underachievement of the last five years. Mr. Speaker, if I were to describe last Tuesday's budget in a word, I would say it is a humbug budget. I say this not because of any special treatment accorded confectionary but, in the words of the Oxford dictionary, a budget of sham and deception; "a type of hard-boiled sweet, usually flavoured with peppermint."

It is presented as a budget to cure the country's economic ills, but it has no chance whatsoever of meeting such an objective. Its benefits to individual Canadians are small, and the minister must know that it will do little to bring down unemployment or to cure inflation. To be fair to the Minister of Finance, I do not think he is the kind of man who would purposely present a humbug budget to this House. I just do not think that he and his advisers have the knowledge, experience, staff or courage to produce what is needed.

It has become painfully obvious to this House that this government has abdicated its responsibility to govern Canada on the basis of any principles or policies of its own. It has no policy, as was evident to the Canadian people during the election last fall, and it has no principles. Today it is governing as a coalition between the Liberal and New Democratic parties. Canada today has a coalition government, and it is now clear that much needed legislation will be sacrificed in the interests of narrow political gain. For that reason, this government is not master of the destiny of Canada. In fact, it never has been.

The cost to Canada, in just one case, is illustrated in the government's handling of the bill to amend the Unemployment Insurance Act. The government refuses to debate the bill. The minister has said that passage of the bill would save Canadians $1 million per year, or over $275,000 per day. Why has this bill been stalled? The reason, I suggest, is that the Prime Minister (Mr. Trudeau) and the leader of the NDP are playing "house" while the taxpayers of this country are paying the price of this common law arrangement. In short, Mr. Speaker, this budget confirms the belief of many in this country that the government continues to be incapable of managing the economy. Notwithstanding its acceptance of some important Conservative principles, it now refuses to consider a temporary freeze on prices and incomes. I am sure that by August they will again be adopting our policy and bringing it before parliament, but it will be six months late.

The approach of this government is that of trial and error. Every time there is a trial, there is another error. The hon. member for Verdun (Mr. Mackasey) when speaking in this debate defended this approach by saying, "If necessary, the minister can bring in two or three budgets." Canada cannot afford such a "try and try again" type of government. I am sure the members of the NDP also recognize this, Mr. Speaker, and if they support the government in today's vote they will know that they are not, in a moral sense of right or wrong, acting in the best interest of the people of Canada.

A budget is expected to be a future looking document which, on the basis of experience and sound judgment, sets the ground rules under which the country can achieve its economic and social goals in the year and years ahead. The minister said last Tuesday that this year we are expecting the expansion to be driven mainly by business capital investment, inventory build-up and exports. Can we really expect the necessary expansion in capital investment? The Economic Council of Canada reported in the fall of 1971 that capital investment intentions in Canada

fell far short of levels necessary to provide sufficient jobs for the growing labour force. Such investment continues to fall short.

That, Mr. Speaker, brings me to the matter of confidence. Business will only respond to the required degree when a climate for confident economic growth has been restored in this country. The creation of jobs is directly related to the investment of capital. For many years a pall of uncertainty has hung over the business community of this country. It is still with us in the areas of taxation, competition and labour legislation and is increased by many unnatural interventions into the marketplace by government. These uncertainties weigh much heavier on small business as few have legal or accounting experts on their staff, nor can they afford to employ such people. What has this budget offered small business? It has offered a correction of mistakes handed to them in the last budget.

• (1710)

Has not the time arrived in Canada to consider a royal commission to investigate the Department of National Revenue and determine whether the method that the department is using to deal with smaller businesses is as it ought to be? The adverse effects of harassment by this department on the smaller company are much more significant than on the big company. Small business cannot afford to proceed and fight the claims in court. Former employees of the department freely admit that unreasonable tax assessments are often imposed on the little man because they know he cannot fight back.

The result of this, Mr. Speaker, is that the morale of businessmen in Canada is low. With the credibility of this government completely shot with the business community, I can see no less than a new, fresh Progressive Conservative government to get this country going and to recognize that business strength and morale is a vital and integral part of the community, not distinct from it; that national economic defence requires building of business strength and morale so it may meet the competitive assaults from government-supported foreign business.

Some hon. Members: Hear, hear!

Mr. Bawden: A Conservative government would have recognized the important role of small business in Canada as an employer and as a potent force in stimulating the economy by offering positive measures to encourage Canadians to invest in such enterprises.

A factor overlooked by ministers in this government and large numbers of their boffin-ridden staffs is that profit is still a good word in Canada and it is a necessary word if a free enterprise system is to work. Profits are simply a payment for the use of capital, including an allowance for the element of risk. The government is a full partner of business, sharing through taxes the rewards of success, but business failures are for the account of the investor. It is only from a healthy growth in tax revenues that we can advance—

Mr. Deputy Speaker: Order, please. I thank the hon. member for his co-operation.

The Budget—Mr. Walter Smith

Mr. Walter Smith (Saint-Jean): Mr. Speaker, I am indeed delighted to take part this afternoon in the debate on the budget, already known across Canada as a budget for the Canadian family. Members across the floor do not appear to approve of this budget. I did not expect they would. This is no surprise. It is clear they are determined to criticize everything this government proposes.

I am pleased to learn that the senior citizens of this country are going to receive an increase in their old age pension. The basic pension will be increased by 15 per cent to $100 a month effective April 1, 1973. The maximum payment with income supplement will be increased from $150 to $170 for individuals and from $285 to $325 for married couples, the highest guaranteed income pension in the world.

[*Translation*]

Veterans' allowances will now be $151 for single persons and $257 for married veterans. Guaranteed income for veterans over 65 has been increased to $206 and for those over 65 who are married, to $357.

[*English*]

Income tax is being cut 5 per cent, with a maximum reduction of $500 and a minimum reduction of $100. The individual tax exemption is being raised from $1,500 to $1,600 and, for married couples from $2,850 to $3,000. I am also pleased to learn that starting in 1974 personal income tax exemptions and rates will be adjusted to reflect the changes in the cost of living. With these tax changes, about 750,000 Canadian taxpayers will be dropped from the federal tax rolls. All this is aimed at increasing real income and improving the standard of living for Canadians from one end of this country to the other.

The 12 per cent federal sales tax on all children's clothing as well as shoes and other footwear is being abolished. This is very important. The federal sales tax on confectioneries, chocolate bars, soft drinks, fruit drinks and similar food products is being abolished. This is well accepted across Canada. The 10 per cent luxury tax on toiletries and cosmetics is being abolished. The 17 per cent luxury tax on clocks and watches, except when the manufacturer's price exceeds $50, is being removed. With regard to small business, corporations receiving the small business deduction are allowed to reinvest earnings without restriction. The government will announce additional specific proposals to assist small businesses. Family farms are now permitted to pass from generation to generation free of capital gains tax.

Many times I have talked to farmers in my region about feed grains. There is an injustice with regard to farmers in Quebec and the Maritimes where the price of feed grains is much higher than in any other part of Canada. The Minister of Agriculture (Mr. Whelan) and the minister responsible for the Wheat Board have promised that a solution will be found and announced in the near future. I will not be satisfied until a fair solution is found.

The federal government represents every Canadian in every province and territory. It is responsible to all Canadians, not simply to those in the wealthy regions or those in regions where additional political popularity would be helpful in elections. That is why we shall continue the system of equalization payments, for it is one of the

basic pillars of our federal system. If it is our belief that the unity of Canada is essential, as it is mine, then no party leader can claim the luxury of opting out when situations demand standing up and speaking out for principle.

There are many issues which will involve us in the course of this session, but I repeat that none is so important as my belief that this Canada is a favoured place and that it is so because persons in every part of the country are able to seek fulfilment through the help and understanding of their fellow Canadians.

The opposition are constantly criticizing the high percentage of unemployed. However, in the five-year period 1965-70 more than one million jobs were created. This figure exceeds the total number of new jobs created in Belgium, Germany, Italy, France, the Netherlands, Sweden and the United Kingdom combined. The total population of these seven countries, 12 times as great as Canada's, created fewer jobs than did Canada in the same period. In Canada this momentum is continuing. In 1971 more than 200,000 new jobs were created. It was this government that created the Department of Regional Economic Expansion and has spent millions in the past three years creating new jobs in regions of Canada in greatest need.

[*Translation*]

In the riding of Saint-Jean, several industries have benefited by federal grants for building new plants and for expanding and modernizing others.

The constituency was proclaimed a designated zone in 1970. Several industries are therefore eligible for a maximum grant of 10 per cent of cost, up to $2,000 for each new job created.

• (1720)

[*English*]

Many jobs have been created in my riding, thanks to the Local Initiatives Program which has been well received by many. Unfortunately, some of the projects submitted were not accepted. Over a million dollars have been allotted to date under this program, and my thanks go to the officials of the manpower department who approved constructive projects. The local manpower office in Saint-Jean, and others have been very helpful in preparing and suggesting projects to be created—projects to correspond with the local needs in each section of city or country. Many new projects are being submitted at the present time under another program called Opportunities for Youth. This had much success last year, its first year of experience. Students welcome such initiatives and it is hoped that many worth-while projects will be accepted for this coming summer, permitting students to earn enough money to continue their studies next fall.

Agriculture is very important in the country, and the dairy industry is perhaps the industry which occupies most of our farm people. Only two years ago this industry was not too healthy, but thanks to the dairy commission and the federal-provincial marketing plan which was brought about and accepted by the dairy producers, today there is nothing but praise for the government's guidance in the production and marketing of dairy products. The price of butter, milk, cheese and milk powder has increased in the past years. My congratulations extend to the industry for their co-operation and good understanding.

Market gardeners occupy an important sector of the country, especially in the rich, black soil where several thousand acres are sown to potatoes, carrots, turnips, onions and many other small vegetables every year. Nevertheless, more protection should be given to producers of green vegetables in full season by better control of imports from the United States. The wet season this year really set the farmers back, and although they are receiving a $400 grant, it is in many cases too little. I have just noticed that I am running out of time, Mr. Speaker.

Mr. Deputy Speaker: I thank the hon. member for his co-operation.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, it is indeed an honour for me to rise today to make my first speech in the House of Commons. I would like to extend to you, Mr. Speaker, and to Mr. Deputy Speaker the best wishes of the people of Lanark-Renfrew-Carleton, and to add to them my congratulations on your election and appointment to these high offices.

I shall not dwell at length on any topic other than the budget, as time is short. First, I would like to say that I wonder whether this is a good budget. I would not like to say that the whole budget is bad, for indeed the Minister of Finance (Mr. Turner) and the Liberal-NDP coalition have taken four of the major points in this budget directly from the Progressive Conservative party platform made public in the autumn of 1972. This is a compliment, of course, to the Progressive Conservative party and it adds a great deal of credibility to our party as being the party of the future, the party which does the thinking.

The fact that the Liberal party did not have any policy shows they are bankrupt of ideas and unable to conceive of intelligent, economic planning. One of the four major planks which were taken had to do with a decrease in personal income tax. During the last election the Progressive Conservatives called for a decrease of at least 7 per cent. The Minister of Finance intimated during that campaign that this was not being responsible. However, on budget night we saw a reduction of 5 per cent.

During the election campaign, part of the Conservative party platform for 1972 was a call for an increase in old age pensions. At that time this was pooh-poohed as not being responsible. The Liberals said they had given the old people an increase to cover the cost of living in the spring of 1972. On budget night the old age pension went up by the sum of $13, to $100 a month.

The Progressive Conservative party during the election campaign called for the exemption of the family farm from capital gains tax when it was passing from father to son. This was casually brushed aside by the governing party as a phony issue. On budget night, the minister announced that the exemption would stand and that no longer would the family farm be taxed as a capital gain when it passed from father to son.

The Leader of the Opposition (Mr. Stanfield) in May, 1972, put forward the constant-dollar theory in relation to taxation. This policy became a major plank in the plat-

form of our party and as early as June 6, 1972, the Minister of Finance, speaking in Truro, Nova Scotia, ridiculed the idea and charged the Leader of the Opposition with being irresponsible. On budget night, this very proposal was adopted almost without change.

It can therefore be readily seen that many of the proposals contained in this budget come originally from the Conservative party. However, it is not a good budget because it does not go far enough. By adopting only half the measures put forward by the Progressive Conservative party it has not resulted in a good budget. All the measures we proposed should have been accepted, not just half measures. If someone likes a package of free paper and pretty ribbon, they will like this budget, Mr. Speaker. But if a person likes to wait until they open the package to see the prize inside, then I think he will find the budget disappointing.

The 5 per cent income tax allowance turns out to be only 2 per cent over last year's rate. In terms of dollars in one's pocket it might not be too impressive. A married breadwinner supporting two children under the age of sixteen years and earning around $7,000 a year will have in his pocket about $1.97 more. It certainly won't burn a hole in his pocket. I was very surprised that the old age pension was not raised to at least $115 a month. I would hope that this goal will be attained in the very near future. My personal feeling is that our senior citizens deserve this consideration.

In the long run I think this budget will fail. It will not reduce unemployment below the present rate of 6 to 7 per cent. I think inflation will continue. The Minister of Finance should have continued to follow the Tory policies. He should not have drawn back. He should have gone much further. He was too timid. He should have pulled the throttle wide open and made personal income tax cuts of the order of 7 to 10 per cent. The old age pension should have been raised to at least $115, and he should have introduced across the board tax cuts for Canadian-owned corporations to encourage expansion and Canadian ownership.

Perhaps even more important, he should have introduced a price-wage-profit-dividend freeze to cool our inflationary psychology for a 90-day period during which we could have held discussions with business, labour and other sectors of the economy with a view to agreement upon a more permanent scheme of controls so that inflation would not run rampant.

In the budget of February 19 the minister told us the government would lead the way in showing restraint in terms of expenditure. In fact, expenditures increased. I believe the government should set an example and cut down on money being spent on unnecessary programs. I believe the government should have the courage to introduce Bill C-125 and have it debated. I suggest the introduction of a small business tax incentive to encourage small business, which is the lifeblood of our society. Incidentally, this would help create more jobs.

I believe the 11 per cent sales tax on building materials should be removed so as to stimulate the construction industry and provide more employment. I believe sales taxes should be removed from all clothing, thus placing more purchasing power in the hands of the individual. I believe, further, that we should encourage Canadian equity ownership by means of tax incentives.

• (1730)

Unfortunately, the budget did not include provisions for encouraging the export industry. This industry definitely should be encouraged so more jobs will be created and Canadians will have a better standard of living. Lastly, I believe there should have been included a definite "buy Canadian" program with the Canadian government encouraging Canadians to buy the products of Canadian industries rather than continuously purchasing abroad.

I believe my time has expired, Mr. Speaker.

Mr. Deputy Speaker: I thank the hon. member for his co-operation.

[*Translation*]

Mrs. Albanie Morin (Louis-Hébert): Mr. Speaker, I should like to seize this opportunity to bring up a matter which, in my opinion, is very important for the riding of Louis-Hébert and for the whole metropolitan region of Greater Quebec.

[*English*]

Several projects to provide infrastructure, currently under way, in the vicinity of Quebec City will enable that area after 300 years of existence to catch up gradually with the rest of Canada, or at least to reduce the gap separating the standard of living of Quebeckers from that of Canadians in other provinces.

[*Translation*]

Now, Mr. Speaker, to serve this large metropolitan area which is in the process of becoming one of the great Canadian capitals, we, in Quebec, need an airport capable of meeting the needs that will spring from the economic vitality that is just around the corner for Quebec.

[*English*]

Is Quebec asking to be treated differently from other areas of the country?

[*Translation*]

Is the extension of the runways important to the development of the Quebec area? Let us look at the situation, Mr. Speaker.

Of the ten provincial capitals in Canada, Quebec is the one that has the shortest landing strips. Of the metropolitan areas with more than 400,000 people, Quebec is the one with the shortest landing strips. Finally, of the ten largest metropolitan areas in Canada, Quebec is the only one that is not served by an international airport.

[*English*]

Mr. Speaker, we were pleased to learn that the main runway at Windsor airport, which was 7,000 feet long, would be increased to over 8,500 feet. We were also pleased to learn that the main runway at the airport at London, Ontario, would also be lengthened. Yet in terms of passenger arrivals and landings, these airports are in eighteenth and nineteenth places, whereas the Quebec city airport is in tenth place.

[*Translation*]

Mr. Speaker, those few facts answer well the question of knowing whether or not Quebec City is asking for a favour by requesting extended runways. In the past, it was always argued that, in order to develop, Quebec could eventually bank on the use of medium-range planes such as DC-9s.

[*English*]

However, just recently a group of businessmen who wanted to charter a DC-9 found that, fully loaded, the plane would have to stop at Montreal airport for an hour to refuel since the length of the runway at the Quebec City airport would not allow it to take off with full tanks.

Some hon. Members: Shame!

Mr. McGrath: We want Jamieson.

[*Translation*]

Mrs. Morin: Mr. Speaker, now that I have clearly established that we do not request any preferential treatment but the equivalent of that asked by the other regions, let me remind hon. members that this equivalent is important for the long-term economic growth of the region.

The most promising aspect in the field of economic growth, at least as regards job creation, seems to be the expansion of tourist industry.

The Quebec region is now increasing considerably the number of hotel rooms, namely by over 2,000 units. Most of them will be built by major international hotel enterprises. Those enterprises believe it possible to extend the tourist market of the region.

[*English*]

On the municipal level, the city, to aid in stimulating expansion, has agreed to invest $4 million to build a conference centre. This clearly demonstrates the willingness of Quebec taxpayers to promote their own expansion. On the federal and provincial level, as you know, important work is being done to increase tourist attractions in Quebec City. I will just mention the restoration of old Quebec and the development of Mont Ste-Anne.

[*Translation*]

Everyone will agree that surely it is our interest, for a country such as Canada, to facilitate the restoration of this old capital which saw the advent of the country and of America and which, given the number and the quality of its monuments which resisted the elements until now, is undoubtedly the major historical asset of North America.

Finally, tourism promotion budgets have increased fivefold and now amount to half a million dollars and this is indicative of the private and public sectors willingness to exploit fully the tourism market potential. A whole set of new marketing structures, and mainly the systematic chartering of planes during tourist seasons, are now under preparation. But our contacts with external market representatives demonstrate that we must improve our air services.

[*English*]

The question of air services, including the lengthening of runways, is important not only to tourist development but to industrial growth. Air freight is playing an increasingly important role in industrial development. In addition to air cargo potential, especially in the case of large corporations which must maintain regular contacts between various factories and the head office, passenger transportation is a factor that cannot be overlooked.

[*Translation*]

Now it is certain that any possibility of establishing new air routes, both for freight and passengers, is related to the problem of extending runways, particularly when one realizes that even medium range aircraft cannot leave the Quebec airport with a full load of fuel, passengers and luggage.

[*English*]

Furthermore, Mr. Speaker, the Quebec City airport, once its runways have been lengthened, could be used as an accessory emergency airport, especially when bad weather prevails at Dorval and Ste-Scholastique. At the moment it is the Bagotville military airport which, although unable to provide the other complementary services, is being used for this purpose.

• (1740)

[*Translation*]

Moreover, Europe bound charter flights for Quebec groups could take off from Quebec City rather than from Montreal, which would allow the citizens of eastern Quebec to save both on costs and disadvantages.

Mr. Speaker, in the light of those facts, we ask that runways be extended to a minimum of 9,000 feet, in order to meet fully the requirements of medium an long range aircraft.

[*English*]

Mr. Deputy Speaker: Order, please. I thank the hon. member for her co-operation.

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

Some hon. Members: Oh, oh!

Mr. Haliburton: I should just like to say that I agree with much of what the last speaker said, but the founding of Canada took place in my constituency, at Port Royal, and not in Quebec.

Mr. Keith Taylor (Churchill): Mr. Speaker, it is a privilege to have the opportunity of saying a few words during this budget debate, although I realize it is just about concluded. I should like to congratulate you, Sir, and Mr. Speaker upon appointment to the very high offices which you hold. I know from the short time I have been here that you are a credit to those offices and to this House.

It is an honour for me to represent the people of Churchill. They are accustomed to good representation of the kind provided for the past five years by Mr. Bud Simpson. I certainly hope I will be able to provide the citizens of the Churchill constituency with the same type of representation.

I have one of the largest, if not the largest, constituencies in Canada. The difficulty of representing a constituency of that size is very formidable. Mr. Speaker, as I am sure you will agree, it is a privilege to be able to represent

people whose livelihood ranges from living directly off the land to being involved in the most advanced space age technology.

The people of Churchill, of course, have the same problems as those experienced by other Canadians, namely, unemployment and inflation. This is especially so in the northern area of the province of Manitoba where transportation costs add considerably to the cost of construction projects and even the food all of us buy every day. The budget presented in this House will do very little for the citizens of the north. Our party has offered many suggestions during the course of this debate which would considerably improve the lot of all Canadians. I would have hoped that all parties in this House would have adopted them. However, I am amazed at the attitude of the Leader of the New Democratic Party (Mr. Lewis). This is the man who during the throne speech debate called for more action in the field of housing. He now says that the Conservative proposal to remove the sales tax on building materials would be the biggest bonanza in Canada for gouging developers.

Now, of course, we are used to extreme language from the hon. member for York South, so his latest inflammatory remarks do not shock us. But it is interesting to note the length to which he will go in order not to support a Conservative proposal no matter how meritorious. What he would do, he says, to deny this bonanza to gouging developers would be to rebate to the person who buys a house the tax on building materials that went into the construction of the house. I noticed that while he was saying it even some children in the parliamentary gallery were laughing. This would not only be a bureaucratic nightmare, as the hon. member for Don Valley (Mr. Gillies) said, but it would be so difficult to administer that much of the revenue saved would be spent on administrative costs. It would be a totally useless exercise.

If conditions were such—and theoretical and empirical evidence suggest that they are not—that the developer would not pass on the tax reduction to the home buyer, then the NDP proposal would not make one iota of difference. There is nothing in that proposal to prevent a developer from raising the price of the home enough to offset any rebate that the home buyer would receive. The trouble with the position of the hon. member for York South is that elimination of the building materials' sales tax would reduce the cost of housing, increase construction and create jobs; so he cannot admit to being against it. At the same time, however, it is a Conservative proposal, so he cannot support it. Thus he finds himself in a quandary, and in his attempts to wiggle out of it he becomes ludicrous.

It is the same thing with sales taxes. Studies show that lower income groups pay a greater proportion of their income on sales taxes than higher income groups. But the hon. member for York South cannot support our proposal to eliminate sales taxes from all clothing because it would also eliminate taxes on all clothing of higher income groups. It is difficult to know whether to feel sorry for the members of the NDP or to be angry with them. Their fear to face the electorate is understandable. It is irritating, however, to sit in this House and note their mock pleasure at the latest budget.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member. I thank him and the five other hon. members who have participated in the debate in the last 55 minutes.

It being 5.45 o'clock p.m., it is my duty, pursuant to section 7 of Standing Order 60, to interrupt these proceedings and put forthwith the question necessary to dispose of the motion now before the House. The question is on the main motion. Is it the pleasure of the House to adopt the said motion? All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Turner, Ottawa-Carleton) which was agreed to on the following division:

• (1750)

(Division No. 13)

YEAS

Messrs.

Allard	Davis	Herbert
Allmand	De Bané	Hopkins
Andras	Demers	Howard
Barnett	Dionne	Hymmen
Basford	Douglas	Isabelle
Beaudoin	Drury	Jamieson
Béchard	Dubé	Jerome
Bégin (Miss)	Dupont	Knight
Benjamin	Dupras	Knowles (Winnipeg North Centre)
Blackburn	Duquet	
Blais	Ethier	
Blaker	Faulkner	Lachance
Blouin	Firth	Laflamme
Boisvert	Fleming	Lajoie
Boulanger	Fortin	Lalonde
Breau	Foster	Lambert (Bellechasse)
Brewin	Fox	
Broadbent	Gauthier (Ottawa East)	Lang
Buchanan		Langlois
Caccia	Gendron	Laniel
Campbell	Gilbert	Laprise
Caouette (Charlevoix)	Gillespie	La Salle
	Gleave	Leblanc (Laurier)
Caron	Godin	
Chrétien	Goyer	LeBlanc (Westmorland-Kent)
Clermont	Gray	
Comtois	Guay (St. Boniface)	
Corbin	Guay (Lévis)	Lefebvre
Corriveau	Guilbault	Leggatt
Côté	Haidasz	Lessard
Cullen	Harding	Lewis
Cyr	Harney	L'Heureux
Danson		Loiselle

Division

Messrs.

MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.)
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mather
McRae
Morin (Mrs.)
Munro (Hamilton East)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
Olivier
Orlikow
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Portelance
Poulin
Prud'homme
Railton
Richardson
Rodriguez
Rompkey
Rooney
Rose
Rowland
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Symes
Tétrault
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whelan
Whicher—143.

NAYS

Messrs.

Alexander
Alkenbrack
Andre
Arrol
Atkey
Baker
Baldwin
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bell
Blenkarn
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Cossitt
Crouse
Danforth
Darling
Dick
Diefenbaker
Dinsdale

Messrs:

Ellis
Epp
Fairweather
Forrestall
Frank
Fraser
Grafftey
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Higson
Hollands
Holmes
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Howie
Hueglin
Hurlburt
Jarvis
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Kuntz
Lambert (Edmonton West)
Latulippe
Lawrence
Lundrigan
MacDonald (Egmont)
MacDonald (Miss) (Kingston and The Islands)
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
Madill
Marshall
Masniuk
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Morgan
Muir
Munro (Esquimalt-Saanich)
Murta
Neil (Moose Jaw)
Nesbitt
Nielsen
Nowlan
Oberle
O'Connor
O'Sullivan
Paproski
Patterson
Reilly
Reynolds
Ritchie
Roche
Rynard
Schellenberger
Schumacher
Scott
Skoreyko
Stackhouse
Stevens
Stewart (Marquette)
Taylor
Thomas (Moncton)
Towers
Wagner
Whittaker
Wise
Woolliams
Yewchuk—102.

• (1810)

Mr. Speaker: I declare the motion carried. This House stands adjourned until two o'clock tomorrow afternoon.

At 6.13 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 1, 1973

The House met at 2 p.m.

PRIVILEGE

MR. CAFIK—FAILURE OF DIVISION BELL TO RING IN PARTICULAR AREA OF WEST BLOCK

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I rise on a question of privilege of which I gave notice this morning under Standing Order 17(2). My question of privilege relates to the ringing of the division bells within the buildings of the House of Commons. Last night at 5.45 p.m. there was a pre-scheduled vote in the House. About half an hour prior to that I returned from an organizational meeting of the committee on health and welfare to my office to make some urgent constituency calls, awaiting the ringing of the division bells. However, the bell did not ring in that particular area. I draw to your attention the fact that my office is not located in the ordinary halls of the House of Commons but rather in Room 268 of the west block on a smaller hallway running from one side of the building to the other.

I have also noted that this problem has occurred in the past. I refer the House to *Hansard* of Friday, June 18, 1971, page 6857, when my predecessor, who occupied the same office, made the same complaint on that date in respect of a vote on the previous night.

In view of the fact that we are in a minority government situation and that each vote in the House is extremely important, I hope this matter will be looked into and corrected.

Some hon. Members: Oh, oh!

An hon. Member: You were asleep.

Mr. Speaker: Order, please. There can be no debate on the question of privilege raised by the hon. member. I have taken note of his complaint. Of course we accept his word that the bells did not ring. The matter will be brought to the attention of the Sergeant at Arms and of the staff of the House to ensure that there is no further difficulty with that or other bells.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, on the question of privilege—

Mr. Speaker: Order, please. The hon. member would have to rise on a different question of privilege. When there has been a ruling on behalf of the House by the Speaker that there is no question of privilege, there can be no debate.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a question of privilege with reference to the ringing of the bells yesterday. I would call Your Honour's attention to the fact that I do not question what the hon. member has raised by way of a question of privilege, but the bells did ring beyond six o'clock. I also draw the attention of the hon. member to the fact that at two minutes after 6 p.m. the Prime Minister walked into the House for that vote and we proceeded from there.

Mr. Cafik: Mr. Speaker, I rise on a point of order—

Mr. Speaker: Order, please. I would hope we would not get involved in a debate on whether the bells did or did not ring. I might indicate for the benefit of hon. members that I have notices of four questions of privilege and numerous other procedural matters, so if we want to get to the business of the House eventually we should try to avoid debate on each one of these questions of privilege.

Mr. Cafik: Mr. Speaker, I rise to ask whether the hon. member is imputing improper motives to me in his statement and, if so, that he withdraw the imputation. I do not question whether the bells rang elsewhere in the buildings. I simply raise the point that they did not ring in the corridor off which my office is located, and I resent any suggestion by any hon. member to the contrary.

Some hon. Members: Oh, oh!

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, if the hon. member checks the record he will find that I did not question the statement he made.

Mr. Cafik: What were you doing?

Mr. Speaker: Order, please.

An hon. Member: Where were you when the bells were ringing?

Mr. Speaker: Order, please.

[*Translation*]

Mr. Prud'homme: Mr. Speaker—

Mr. Speaker: Is the hon. member rising on a question of privilege?

Mr. Prud'homme: Yes, Mr. Speaker. I should not wish to—

Mr. Speaker: The hon. member will have to wait, because I have received notice of questions of privilege that should have immediate consideration.

• (1410)

[*English*]

MR. COSSITT—WORDS USED BY SPECIAL ASSISTANT TO MINISTER OF TRANSPORT IN REFERRING TO MEMBER

Mr. Tom Cossitt (Leeds): Mr.Speaker, I rise on a question of privilege of which I have given prior notice to Your Honour. In this regard I would like to refer to page 5 of the Ottawa *Journal* of this date, Thursday, March 1, 1973. There appears on this page an article concerning an address made last night in Smiths Falls, Ontario, to the annual public meeting of the local Liberal association in that town by the special assistant to the Minister of Transport (Mr. Marchand), Reverend Gervais Black. The headline of the article and the article itself quote the special assistant to the Minister of Transport as referring to me as a "purveyor of hatred."

He—

Referring to me.

—is developing a reputation now . . . throughout the country as . . . the number one purveyor of hatred—

Some hon. Members: Shame!

Mr. Cossitt: I take strong exception to such a statement which I believe goes beyond the bounds of all normal political criticism. I came to this House to represent the people of the good constituency of Leeds to the best of my ability and to do my best on behalf of my country as well.

Some hon. Members: Hear, hear!

Mr. Cossitt: I am not a purveyor of hatred and I consider that such a statement is slanderous and reprehensible.

An hon. Member: Sue him.

Mr. Cossitt: I ask that this matter be referred to the Standing Committee on Privileges and Elections for a full investigation of all the circumstances surrounding it. I trust that the Minister of Transport will now rise in the House and immediately disown any connection with such statements alleged to have been made by a member of his staff.

In conclusion, Mr. Speaker, may I say that I fully realize that what I said about the Liberal party in the House on Monday last may have made them mad, but surely this goes beyond the bounds of normal political retaliation. This is a matter of privilege.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member gave somewhat late notice of his intention to raise this matter. He has referred to an article in a newspaper, which the Chair would like to read in due course. I think I should indicate to the hon. member that I have always had some doubts, based upon considerable precedents and jurisprudence, that statements made outside the House can be the basis of a question of privilege and of referral to the Standing Committee on Privileges and Elections, although I think there are aspects of this case which are certainly worth looking into a little more closely. This the Chair will do on behalf of the House and of the hon. member.

[Mr. Speaker.]

Mr. Nielsen: On a point of order, Mr. Speaker, the minister was about to rise, and in order to give him the opportunity to create a wholesome atmosphere in the House I think he should be permitted to reply.

MR. BROADBENT—CANADA-UNITED STATES AUTO PACT SAFEGUARDS—STATEMENT BY MINISTER OF INDUSTRY, TRADE AND COMMERCE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a question of privilege based on a statement made in the House yesterday by the Minister of Industry, Trade and Commerce (Mr. Gillespie), at which time he misinformed the House concerning certain provisions in the Canada-United States automotive agreement. The minister is reported at page 1751 of yesterday's *Hansard* as referring to "the so-called safeguards" as being "transitional measures introduced at the start of the auto pact . . ."

The minister knows that in the Canada-U.S. automotive agreement of 1965 there were certain key provisions known as safeguards which, among other things, made it mandatory for automotive companies in Canada, in order to be eligible for certain tax remissions to do a certain percentage of production in Canada. These safeguards, Mr. Speaker, are not anywhere in the pact referred to as being transitional in nature. Indeed, they are embedded deeply in the core of the pact itself. Therefore, Sir, if you agree that this is a legitimate question of privilege and that the minister has misinformed the House I will move that this matter be referred immediately to the Standing Committee on Industry, Trade and Commerce.

Mr. Speaker: The hon. member for Oshawa-Whitby has filed with the Chair notice of his intention to bring this matter to the attention of the House under terms of Standing Order 17.

The hon. member claims that a statement made to the House yesterday by the Minister of Industry, Trade and Commerce in reply to a question is incorrect and that it is his right to have the matter referred to the Standing Committee on Privileges and Elections or some other committee of the House as a breach of parliamentary privilege. I refer the hon. member to citation 113 of Beauchesne, Fourth Edition, which reads as follows:

Members often raise so-called "questions of privilege" on matters which should be dealt with as personal explanations or corrections, either in the debates or the proceedings of the House. A question of privilege ought rarely to come up in parliament.

And later in the same citation:

. . . a dispute arising between two members, as to allegations of facts, does not fulfil the conditions of parliamentary privilege.

The hon. member suggests or claims that the minister has misinformed the House. This in itself, even were it so and even if the information given by the minister were not correct, could not be the subject of a question of privilege for consideration by a committee.

MR. NYSTROM—ANNOUNCEMENT BY DEFEATED LIBERAL CANDIDATE OF ACCEPTANCE OF LOCAL INITIATIVES PROJECTS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have given notice under provisions of Standing Order 17(2) to pursue a matter of privilege that I feel infringes upon my rights as a Member of Parliament as well as those of all members of the House.

It was brought to my attention this morning that the former candidate for the Liberal party in the October 30 election in the constituency of Yorkton-Melville has notified some successful applicants for local initiatives projects that their applications have been approved before they were officially notified by officials of the local initiatives program.

Some hon. Members: Oh, oh!

An hon. Member: The same old gang over there.

Mr. Hees: Pork barrel politics!

Mr. Nystrom: I have also been informed, Mr. Speaker, that this practice has been carried on in some other constituencies which I do not think I should name at this time.

I genuinely feel that this sort of activity infringes upon the rights of all members of the House regardless of political party. Programs such as the local initiatives program are designed with the taxpayers' money to provide jobs and ought not to become a private political vehicle for defeated Liberal candidates no matter how desperate they may feel.

If Your Honour finds that I have a legitimate question of privilege I would move that the subject matter be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: The hon. member for Yorkton-Melville has also forwarded the notice required by Standing Order 17. This has given the Chair an opportunity to ponder this situation and to be prepared to give an opinion to the House which I hope will be acceptable.

The hon. member suggests in his notice, as well as the remarks he has just placed on record, that certain announcements of certain government projects are a breach of parliamentary privilege. The definition of parliamentary privilege found in Erskine May's Parliamentary Practice has often been quoted in the House. To paraphrase the citation, the particular privileges of the Commons are the sum of the fundamental rights of the House and of its individual members as against the prerogatives of the Crown and the authority of the courts. In other words, parliamentary privilege is what places members of the House in a special category and gives them special rights so as to exercise freely their responsibilities in the Commons.

I doubt that the special status granted by parliamentary privilege can be extended to cover the situation of which the hon. member complains. Members know the distinction between privilege and grievance. An hon. member may have a very legitimate complaint or grievance about certain actions of the government, of members of the public service, of the press or of individual citizens. This cannot always be deemed to constitute a breach of parliamentary privilege. In this instance I would find that while the hon. member may have a grievance I cannot conclude that there is a legitimate prima facie case of privilege. In the circumstances, I would not think that the hon. member would expect the Chair to put the motion and have a debate on whether this matter should be referred to the Standing Committee on Privileges and Elections.

• (1420)

ROUTINE PROCEEDINGS

PENITENTIARIES

KINGSTON—TABLING OF REPORT ON DISTURBANCES IN APRIL, 1971

Hon. Warren Allmand (Solicitor General): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table in both official languages copies of the report of the commission of inquiry into the disturbances at Kingston Penitentiary during the month of April, 1971, commonly referred to as the Swackhamer report.

* * *

[*Translation*]

AGRICULTURE

MEASURES TO RESOLVE FEED GRAIN PROBLEM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I rise under the terms of Standing Order 43 to propose a motion on a matter that deserves immediate attention.

In view of the growing concern of agricultural producers in eastern Canada about the government's slowness in introducing legislation leading to a fair solution of the feed grain question, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the government take immediate steps to insure that producers in eastern Canada may at all times buy feed grain at the same prices as western producers, and that the Canadian Wheat Board be placed under the Minister of Agriculture's jurisdiction.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Bellechasse. This motion is put forward under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put, since there is not unanimous consent.

Unemployment Insurance Act, 1971

CONSUMER AFFAIRS

SUGGESTION THAT COMPENSATED DISCOUNT BE ALLOWED ON FOOD PURCHASES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, under Standing Order 43, I would like to ask the unanimous consent of the House to propose a motion concerning an extremely urgent subject which involves all Canadians.

The catastrophic increase in food products prices in the last ten years will soon result in a situation where only the rich and the well-to-do will be able to afford quality food products. I propose, seconded by the hon. member for Compton (Mr. Latulippe):

That this House do study the possibility of creating a compensated discount on essential consumer products so that the level of food products be brought down according to the financial means of all Canadians.

Mr. Speaker: Hon. members have heard the motion presented by the hon. member for Abitibi under Standing Order 43 which requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There being no unanimous consent, the motion cannot be put.

* * *

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

PROVISION FOR ASSISTANCE BY LABOUR ORGANIZATIONS TO UNORGANIZED WORKERS WISHING TO APPEAL BOARDS OF REFEREES' DECISIONS

Mr. John Rodriguez (Nickel Belt) moved for leave to introduce Bill C-154, to amend the Unemployment Insurance Act, 1971.

Some hon. Members: Explain.

Mr. Rodriguez: Mr. Speaker, this bill would eliminate the discrimination against those who are unorganized and desire to appeal boards of referees' decisions to the umpires. At the present time they are denied the advantage of the advice of labour councils and trade unions, which they may need and seek.

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

[Mr. Speaker.]

MOTION TO ADJOURN UNDER S.O. 26

TRADE

CANADA-UNITED STATES AUTO PACT—STATEMENT BY MINISTER

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I ask leave, seconded by the hon. member for Saskatoon-Biggar (Mr. Gleave), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the future of employment in the Canadian automotive industry. This important matter arises from a statement made yesterday by the Minister of Industry, Trade and Commerce (Mr. Gillespie) in which he described—

Mr. Speaker: Order, please. Under the terms of Standing Order 26 the hon. member may indicate what the matter is without argument. He may only put on record the notice he has submitted to the Chair. If he has only a few more words he will be allowed to complete his statement.

Mr. Broadbent: Thank you, Mr. Speaker—in which he described the production safeguards in the Canada-United States automotive agreement as being "transitional" only.

Mr. Speaker: The hon. member for Oshawa-Whitby has given notice of his intention to seek the adjournment of the House for the purpose of discussing the subject matter of a statement made by the Minister of Industry, Trade and Commerce.

Substantially, this is the same problem as that on which an adjournment was sought yesterday by the hon. member for Halton. It was indicated yesterday that the Chair has to take into account opportunities for debate within a reasonable time. The comments made in connection with the motion proposed by the hon. member for Halton under Standing Order 26 apply substantially to the motion proposed today by the hon. member for Oshawa-Whitby. In the circumstances, I believe that the Chair would not be justified in putting to the House a motion which would set aside today's business under government orders for the purpose of an emergency debate under Standing Order 26.

I realize that this is a matter which is of the utmost concern to the House. I trust, however, that in the course of the coming days there will be a number of opportunities to debate it, both in the House and in a committee.

ORAL QUESTION PERIOD

TRADE

CANADA-UNITED STATES AUTO PACT—POSSIBLE TRANSITIONAL NATURE OF SAFEGUARDS—NATURE OF MEASURES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Foster: Nice to see you back.

Mr. Stanfield: I thought there would be more applause from the other side of the House.

Some hon. Members: Hear, hear!

Mr. Stanfield: I wish to direct a question to the Minister of Industry, Trade and Commerce. Will the minister state what his authority is, other than statements of United States government officials, for saying that the provisions in the auto pact which we have all regarded as safeguards are, to use his term, transitional measures? Can the minister quote a section of the act or point to any part of the agreement to support his statement?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, in referring yesterday to the phrase "transitional provisions" the words I used, I think, were "in the language of the act". I inadvertently misled the House with respect to that particular phrase.

Some hon. Members: Oh, oh!

Mr. Gillespie: What I should have said was "in the language of the negotiators of the agreement".

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, now that the minister has referred to the views of the negotiators rather than the language of the auto pact, I wish to ask the minister to what these transitional measures refer? Were these measures transitional to an agreement, an auto pact without safeguards, or transitional to an agreement providing a common market for automobiles in North America?

• (1430)

Mr. Gillespie: I think the agreement makes the purposes of the auto pact very clear. What I was referring to and hoped to make clear was that the Canadian content provisions or the Canadian value-added provisions, are based on the year 1964. In that year the Canadian value added was $780 million. Last year, 1972, the Canadian value added was very close to $2 billion. I was pointing out that I did not see how we could regard those Canadian value-added provisions, based on 1964, as a safeguard in the sense of maintaining employment today at current levels.

Mr. Diefenbaker: A poor alibi.

Mr. Stanfield: I expect others will pursue the minister along that line. In light of his statement in the House yesterday that there were no safeguards in the auto pact, that they were simply transitional measures, I should like to ask the hon. gentleman in what sense his view of the auto pact and the negotiations differs from that being adopted by representatives of the United States.

Mr. Gillespie: Obviously, I cannot honestly speak for the United States, but I will say that from the point of view of the Canadian government we regard the auto pact as a very successful pact. In the eight years it has been in existance sales have increased 37 per cent, production is up 120 per cent and employment is up 41 per cent.

Some hon. Members: Hear, hear!

Mr. Gillespie: —or very close to 100,000 new jobs, and we intend to keep it that way.

Some hon. Members: Hear, hear!

Mr. Stanfield: On a point of order, Mr. Speaker, with all due respect, I recognize that the minister is not obliged to give direct answers to questions put to him in the House, but that does not give him any excuse for putting a lot of propaganda before us.

Mr. Trudeau: Was there no propaganda in the question?

Mr. Stanfield: I should like to ask the minister this question. To what kind of agreement does he regard these transitional measures as being transitional?

Mr. Gillespie: I put it to the Leader of the Opposition: would he be satisfied with a safeguard which—

Some hon. Members: Order!

Mr. Gillespie: —operated 40 per cent below existing levels? I am not satisfied with it.

Some hon. Members: Hear, hear!

Mr. Hees: Just answer the question.

CANADA-UNITED STATES AUTO PACT—REQUIREMENT THAT MANUFACTURERS MUST MAINTAIN MINIMUM PRODUCTION LEVEL TO OBTAIN TARIFF EXEMPTION

Mr. Edward Broadbent (Oshawa-Whitby): Bearing in mind that perhaps the most crucial of the four safeguards embodied in the pact is the requirement that in order to gain exemption from certain tariff provisions manufacturers in Canada must maintain a certain minimum level of production, whatever it may be, will the minister assure the House that the government has no intention of abandoning that provision in principle?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I assure the House that we shall do everything we can to expand the job opportunities represented by the auto pact. As to the particular point made by the hon. member, the level set is so low that I am not prepared to accept that it is a satisfactory one, and I do not think

hon. members generally would be prepared to accept it, either.

Mr. Broadbent: Mr. Speaker, we are still getting misinformation. Having regard to the wording of article one of the pact to the effect that both countries are to share on a fair and equitable basis in future expansion of automotive production in Canada and the United States, can the minister assure the House that in the present negotiations he is pointing out to the Americans that we are currently producing at a lower level than we are actually consuming in terms of automotive production and that therefore the minimum requirement in terms of implementation now expected from the companies should be raised and not lowered or abandoned?

Mr. Gillespie: I have been informed on that latter point that we are in fact producing at a higher level than this particular provision of the act requires.

CANADA-UNITED STATES AUTO PACT—PRESENT NECESSITY OF SAFEGUARDS TO PROTECT PRODUCTION AND EMPLOYMENT

Mr. Terry O'Connor (Halton): If we are over-fulfilling the safeguard provisions of the act, is it the position of the minister and the government that the present safeguards are no longer necessary to protect production and employment in the Canadian automotive industry?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I think I made it quite clear that in my view the Canadian value-added provision is not an adequate safeguard for Canadian jobs today. It operates at far too low a level. The effort of the government will be to provide for the future expansion of jobs and to secure future job opportunities for Canadians in any changes there may be in the auto pact. Let me make it clear we have made no changes in the auto pact and we have taken no decision to change any provisions in the auto pact.

Mr. O'Connor: In that case, would the minister advise the House as to the types of new safeguards he is considering to further protect Canadian production and employment?

Mr. Gillespie: Those are the kind of provisions which would, I think, be subject to negotiation and I do not believe it would be in the interest of negotiating any changes successfully if we were to discuss them at this time.

CANADA-UNITED STATES AUTO PACT—CANADIAN POSITION ON UNITED STATES WISH TO REMOVE SAFEGUARDS

Mr. David Lewis (York South): Mr. Speaker, may I pose this question to the minister. In view of the fact he was a private member of the House before he was Minister of Industry, Trade and Commerce and must have heard discussions across the floor to the effect that negotiations were in progress and that the auto pact was one of the trade irritants, as they were called, and that United States negotiators were seeking to remove some of the safeguards, may I ask the minister whether it is still the case that United States negotiators are seeking to remove the safeguards—whatever he may think of them they seem to think they are important—and, if so, what is his position?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): There have been no recent negotiations with the United States respecting these provisions so I cannot add to the record in that regard.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for York South on a supplementary and then recognize a questioner from the party across the aisle.

Mr. Lewis: In view of the fact that until recently United States officials made it clear that they intend to continue to press for the removal of the safeguards from the auto pact, can the minister now assure the House that the government will continue to maintain the position that while the safeguards might be improved they will in no circumstances be abandoned?

Mr. Gillespie: I am certainly interested in seeing them improved, and that will be the position of the government. If there is any change with respect to these provisions, it will be to improve them so as to make them more workable.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

CRIMINAL CODE

ABORTION—PUBLICIZING OF CLINICS IN NEWSPAPERS

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, I wish to direct a question to the Minister of Justice.

Is the minister aware of advertisements in the press inviting pregnant women to get a legal abortion in Montreal or at low cost in New York clinics? If so, has the minister made any inquiries to determine whether this is contrary to the provisions of the abortion legislation?

[*English*]

Hon. Otto E. Lang (Minister of Justice): These particular advertisements have not been brought to my attention, but similar ones have and I am looking into them.

POSSIBILITY OF IMPROPER USE OF MAILS TO PROMOTE ABORTION

Mr. James A. McGrath (St. John's East): I have a supplementary for the Postmaster General. May I ask the hon. gentleman whether he has given consideration to the possibility of the mails having been improperly used to promote this illegal activity?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I shall look into the situation.

[*English*]

IMMIGRATION

SMUGGLING OF VISITORS TO CANADA INTO UNITED STATES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the minister responsible for immigration. The other day I gave him notice of a peculiar situation existing in Canada inasmuch as visitors are being smuggled into the United States in consequence of the hardship suffered by many of them by reason of the November 3 cut-off date. Has the minister had an opportunity of looking into this matter and has he had any consultations with United States authorities. If so, what has been the result of such meetings?

• (1440)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I regret that I have not got the results of the report that I asked for following the hon. member's question the other day, but when I have the information I will convey it to him.

Mr. Alexander: A supplementary question, Mr. Speaker. I appreciate the minister's concern and I hope he will make a statement as soon as the information is available. There is another problem that seems to be bothering foreign students—

Mr. Speaker: Order, please. If the question is not supplementary the hon. member should be recognized later for his second question. If it is not supplementary I will recognize the hon. member for Edmonton-Strathcona.

Mr. Alexander: On a point of order, Mr. Speaker, I am dealing with immigration and therefore it is supplementary.

Mr. Speaker: I would suggest to the hon. member that that might be stretching the point a bit. I will recognize a supplementary to the first question and then go to the other question that the hon. member would like to bring to the attention of the same minister. The hon. member for Edmonton-Strathcona.

APPLICATION FOR LANDED IMMIGRANT STATUS BY VISITORS

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the minister's statement a few days ago expressing his desire to deal compassionately with certain visitors in Canada who may be eligible for landed immigrant status, the November 3 regulations notwithstanding, will the minister send to his departmental officials the same information he sent to me in a recent letter citing what circumstances might be acceptable so that his officials might be able to deal with these cases with knowledge of the positive feeling of the minister?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think that would be going full circle. I am sure they are aware of the contents of the letter that I sent to the hon. gentleman.

OPPORTUNITY OF FOREIGN STUDENTS TO OBTAIN WORK

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to put to the minister the problem of foreign students which seems to have been exaggerated as a result of the November 3 cut-off and the need for work permits. The students do not quite know where they stand. Has the minister reviewed this matter in order to relieve any hardship, and can he assure the House that there will be no obstacles unduly placed in the way of these students to prevent them from gaining employment, as they have in the past?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we have circulated the details of the exemption for foreign students from the employment visa requirements. I will not go into full details here except to say that all are exempted except foreign students who came here on their own. These came under circumstances that indicated that they were self-sufficient and self-supporting. Nevertheless, we are reviewing that situation as well. Even under the present regulations, if they apply for jobs in Canada which are jobs that cannot be filled by Canadians, there is no obstacle preventing foreign students from taking that work. However, we are looking a little farther behind this once more with regard to foreign students who were here before the employment visa system was introduced in early January.

Mr. Alexander: In view of the emergency situation that exists, with many of these students soon leaving school and seeking summer employment, and the need for some direction from the government immediately, would the minister at least assure me that he will reach his conclusions in the very near future and publicize them to the several universities, colleges, etc. so there will be ample time for these students to know what is happening on the government's side?

Mr. Andras: Mr. Speaker, I have already indicated we will be doing this directly through some of the representatives who came to see me.

* * *

AGRICULTURE

AMOUNT OF LAND IRRIGATED FOLLOWING CONSTRUCTION OF SOUTH SASKATCHEWAN DAM—ALLEGED FAILURE OF PROVINCIAL GOVERNMENT TO LIVE UP TO AGREEMENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of the Environment and it has to do with the agreement that was entered into between the government of Canada and the government of Saskatchewan when the hon. member for Nanaimo-Cowichan-The Islands was premier of that province in connection with the construction of the South Saskatchewan River dam. Among the provisions in the agreement was one to the effect that a minimum number of acres within a certain period of time should have completed irrigation. The government of Saskatchewan has now broken that agreement, and I ask the minister what he is going to do about it. Is he going to call on the government

of Saskatchewan to live up to its agreement, and what discussions have taken place so far with that government?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I am not personally that familiar with this agreement but I will look into the matter, as the right hon. gentleman suggests, and provide him with what I hope will be a satisfactory answer.

Mr. Diefenbaker: Mr. Speaker, I would not want to break up this beautiful relationship between the Liberal party and the NDP, but in view of the fact that the banns have not yet been published, I hope that for the benefit of the province of Saskatchewan some action will be taken.

* * *

AIRPORTS

PICKERING TOWNSHIP SITE—EXPROPRIATION OF LAND—MEMBERSHIP AND TERMS OF REFERENCE OF COMMITTEE OF INQUIRY

Mr. John Harney (Scarborough West): Mr. Speaker, my question is for the Minister of Transport and it has to do with the inquiry announced in conjunction with the decision to expropriate land for the Pickering airport. Will the minister report what progress is being made, if any, on the selection of the chairman and the membership of the inquiry?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we are trying to choose from a rather extensive list of possible candidates and when we have reached a decision as to which candidates we shall propose, we shall discuss it with the province of Ontario.

[*English*]

Mr. Harney: Mr. Speaker, may I ask the minister a supplementary question with particular reference to the latter part of his answer. Have the terms of reference been set for the committee, and is the government of the province of Ontario now co-operating by making the inquiry sufficiently broad as to involve all planning considerations for the region?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, we are in the process of defining the mandate of this commission. I trust that within a few days we will be in a position to inform the Ontario government of it.

[*English*]

PICKERING TOWNSHIP SITE—RELEASE OF SURROUNDING LAND FROM MINISTERIAL ORDER

Mr. Sinclair Stevens (York-Simcoe): A supplementary question, Mr. Speaker. While the minister is carrying on his present plans, would he inform the House whether he has been in touch with the government of Ontario to inform them which of the 70,000 acres surrounding the proposed airport that were frozen may be released from the ministerial order of March 1, 1972, which was put on at the request of the minister on the understanding that it would not be required for longer than four months?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): I believe, Mr. Speaker, that the expropriated area which could be handed over to the interested parties was defined in the news release, and that the information was also transmitted to the Ontario government.

* * *

[*English*]

FINANCE

REQUEST FOR STATEMENT ON INTERNATIONAL MONETARY SITUATION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Minister of Finance. I wonder whether the minister would make a statement on motions, either tomorrow or on Monday, in which he would give the government's views on the present and continuing international monetary crisis, in view of this week's assaults on the dollar and the rumour that the Common Market countries are going to float their currencies, and on what is going to happen to the Canadian dollar, whether it is going to go down with the U.S. dollar or be allowed to float upwards?

Mr. Drury: Where is your crystal ball?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I want to thank my partner for his support. I do not think the House would want me to speculate on the future of the Canadian dollar, for obvious reasons. At the moment the Canadian dollar is stable and in rough parity with that of the United States. While it is true that today the markets in Europe are finding the U.S. dollar under considerable pressure, if the situation reaches the stage described by the hon. member I would, of course, consider his suggestion.

Mr. Lambert (Edmonton West): Mr. Speaker, I wonder whether we could have a statement so that the minister could expose all the circumstances that he feels proper to put before the House and so the House would be able to comment on them as well as on the nature of Canada's U.S. holdings and their, shall I say, frozen state?

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INDIAN AFFAIRS

ELECTION OF CHIEF OF KAMLOOPS No. 1 BAND—REQUEST FOR REPORT ON SITUATION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. I asked a similar question a couple of weeks ago when he was absent, and I am glad to see him back and now in good health. His parliamentary secretary said at the time that the Indians in Kamloops are quite O.K. I should like to ask the minister how the hearing is coming in Kamloops and if things are O.K. there, where the Indian people have been deprived of

their welfare payments and so on? Can the minister report on that matter?

Mr. Speaker: The minister can give the House a quick report or reply to the question briefly, but the hon. member is inviting the minister to give a reply that ought normally to be made on motions. However, the minister will be given the floor for the purpose of replying briefly to the question.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will give an answer later to the hon. member. I am not in a position to give him any details at this point because it would take too long, but I will keep him posted on the situation.

* * *

• (1450)

[*English*]

NATIONAL DEFENCE

ALLEGED INTENTION TO ABOLISH TRADITIONAL RANKS AND TITLES IN NAVY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of National Defence. In view of persistent reports that the government intends to abolish traditional ranks and titles in the Royal Canadian Navy and replace them with their army equivalents, would the minister advise the House whether the government is considering such a move or intends to take such action?

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker. There is no change in that regard.

Mr. Hees: I know there is no change so far, but does the government intend to take such action or is it considering such action? Mr. Speaker, may I rephrase my question.

Mr. Speaker: Order, please. Perhaps before rephrasing the question the hon. member might allow the minister to reply.

Mr. Richardson: No, Mr. Speaker; no such change is contemplated.

* * *

[*Translation*]

FINANCES

WINTER PROJECTS CAPITAL FUND—POSSIBLE ACCEPTANCE OF LOCAL INITIATIVES PROJECTS ALREADY REFUSED— REPRESENTATIONS TO PROVINCES

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, my question is directed to the Minister of Finance, if I may have his attention.

In the release issued jointly with the Minister of Manpower and Immigration on January 12, 1973, the minister told us of the investment fund program for winter works. Can he inform us now whether local initiatives projects refused for lack of funds, or at least those accepted by the provinces or municipalities can be granted through the $350 million municipal-provincial fund?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if a municipality accepts a project approved by the provincial government, and which fills the terms of the contract, such project can be approved, but I am unable to answer unless I have all the particulars of a specific project.

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

Mr. Speaker: The hon. member for Charlevoix on a supplementary.

Mr. Caouette (Charlevoix): Since the funds do come from the Minister of Finance, can he guarantee that he will make representations to the provinces in order that some of the local initiatives projects which have been rejected may be reviewed?

Mr. Turner (Ottawa-Carleton): I believe on principle the matter is left to the discretion of the provinces. At any rate, I shall study the question. If I have any authority, I shall communicate with the hon. member.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—AVAILABILITY OF ADDITIONAL FUNDS

Mr. André Fortin (Lotbinière): I have a supplementary, Mr. Speaker.

On two previous occasions the hon. Minister of Finance stated in reply to my questions that he would consider whether it was possible to increase funds allocated to local initiatives programs. Has he completed his study and is he in a position to announce whether further local initiatives programs can be approved?

Hon. John N. Turner (Minister of Finance): Not yet, Mr. Speaker.

[*English*]

LOCAL INITIATIVES PROGRAM—ANNOUNCEMENT BY DEFEATED LIBERAL CANDIDATE OF ACCEPTANCE OF PROJECTS—DEPARTMENTAL POLICY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration and is further to the privilege I raised earlier regarding the Liberal candidate in my riding notifying applicants that their applications under the local initiatives program have been accepted. I should like to ask the minister whether it is the policy of his department to have former Liberal candidates announce such successful programs and, if so, are his officials acting upon instructions from the minister?

Hon. Robert K. Andras (Minister of Manpower and Immigration): No, Mr. Speaker, they are not acting under my instructions. I have had some indications that this sort

of thing has taken place, including announcements by members of different provincial governments of other political stripes, where they have had the opportunity to approve various projects, long before we did.

* * *

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST FOR EXTENSION OF DEADLINE FOR APPLICATIONS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, normally I would not direct this question to the Prime Minister but time is of the essence. In the absence of the Secretary of State I would ask the Prime Minister whether, in view of representations received from Canadians from all corners of Canada, the deadline for receiving Opportunities for Youth applications will be extended beyond today, March 1?

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): Mr. Speaker, to answer the question of my hon. friend, I would say the deadline will not be extended because those who complied with the law and whose projects are now in the hands of civil servants would not want a decision delayed by a new extension. Granting another extension is therefore out of the question.

[*English*]

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact there are many groups of students in remote areas of Canada who have not heard about the deadline date, would the Prime Minister reconsider the matter and discuss with the Secretary of State the possibility of extending the date for receiving applications under the Opportunites for Youth program?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think it would be more useful to look into the premise of the question and find out why this information has not been conveyed to the students.

* * *

INCOME TAX

ALLEGED QUESTIONABLE ADVERTISING OF NEW FORM FOR 1972

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of National Revenue. In light of the minister's letter to me as well as to my colleagues under date of February 26 in which he requested our ideas about possible improvements to the income tax forms, has the minister now concluded that the expensive advertising campaign using Fred Davis was misleading, that the new forms are not that much easier than they look, and is he now prepared to abolish this Davis waste of taxpayers' money?

[Mr. Andras.]

Mr. Speaker: The hon. member may agree with me that the question as asked is in the form of a representation rather than that of a question.

* * *

GRAINS

QUESTIONNAIRE TO FARMERS ON FORM OF PAYMENT PREFERRED FOR WHEAT USED DOMESTICALLY

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the minister responsible for the Wheat Board. Did he personally authorize the questionnaire which went out to 180,000 farmers asking them about the method in which they wished to have payments made for wheat used domestically?

Hon. Otto E. Lang (Minister of Justice): Yes, Mr. Speaker.

Mr. Korchinski: May I then ask the minister why farmers are asked to finance a questionnaire intended to answer political questions which should be properly answered by the Liberal party?

Mr. Lang: Mr. Speaker, I should just like to make clear to the hon. member that the implication of his question, and that of another member the other day, that this is somehow being paid for by the farmers is quite wrong. It is part of the general government administrative costs. It has often been said in this House that it is important for us to consult with farmers and farm organizations on important matters. In this case there was a significant difference of view among farm organizations and I thought I should take this rather straightforward and simple question to the farmers directly. I am surprised that the hon. member is objecting to that.

Some hon. Members: Hear, hear!

Mr. Korchinski: I rise on a question of privilege, Mr. Speaker. It is simply that the minister in his capacity as the minister who answers in the House for the Canadian Wheat Board is exercising a privilege that is not afforded to members of other parties in the House and in doing so is using funds not properly funds of the government but funds of the farmers. This is money that has been accumulated—

Mr. Speaker: Order, please. I suggest to the hon. member that this is hardly a question of privilege. It seems to me it is a question of debate with the minister. I do not want to prevent his making that point, but at first glance it does not appear to me to be a question of privilege.

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

• (1500)

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, naturally one is interested in the returns that are being received. One hundred and eighty thousand were sent out, there being no referendum in our country in effect. Is the minister now in a position to let the House know the

progress that has been made up to the present time, the numbers that have replied and the nature of their replies, because the House is entitled to that information? It should not be the private property of the Liberal party.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I do intend to make a report to the House after the polls have closed.

An hon. Member: It is two to one for the Liberals so far.

Mr. Diefenbaker: I would hope he could answer earlier than that, because it will not be long before he will be over there to give an answer.

Mr. Speaker: Order, please. We are running short of time. Perhaps we should try to go to the next question.

* * *

INDUSTRY

TANNING—GOVERNMENT POSITION ON REPRESENTATIONS OF TANNERS ASSOCIATION—REPORT OF ANTI-DUMPING TRIBUNAL

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce, and it is not about the auto pact. Has the minister received representations from the Tanner's Association of Canada on behalf of the Canadian tanning industry that recent developments in that industry are threatening the jobs of 2,500 men and women engaged directly in the industry and another 20,000 or so affected indirectly by the possible collapse of that industry? What steps, if any, is he taking in regard to these representations?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have received representations from that association, I think, and from a number of other associations and private corporations in respect of this serious matter. It is under very active study by my department at present. When I have any measures to announce, I will announce them.

Mr. Brewin: I have a supplementary question, Mr. Speaker, and perhaps I should have given the minister notice. Has the anti-dumping tribunal reported to the government or to the minister on the submissions of the Tanner's Association to that body and, if so, is any action being taken on their report?

Mr. Gillespie: I wonder whether the hon. member is referring to the inquiry with respect to the footwear industry, or is he referring to some other inquiry? If he is referring to the former, which issued from an anti-dumping finding with respect to footwear, I am still awaiting the report on the inquiry.

[*Translation*]

Mr. Speaker: The hon. member for Sherbrooke.

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, the question I wanted to put has already been answered.

[*English*]

VETERANS AFFAIRS

INQUIRY INTO HEALTH PROBLEMS OF FORMER PRISONERS OF WAR IN EUROPE

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Veterans Affairs. Can the minister tell the House when and where the consultation with the European prisoners of war will commence, and would he be prepared to lay the terms of reference for the consultations on the table?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, in answer to the hon. gentleman's question may I say that the inquiry is now in progress. A gentleman by the name of Dr. Hermann has undertaken it for us, and I had a consultation with him a few days ago: I would like to convey to the House some of the things he said to me. He has undertaken a review of the possible delayed effects of imprisonment upon Canadians who were prisoners of war in Europe during world war II. For the purposes of the study, the former prisoners are divided into four groups: Dieppe, northwest Europe, central Mediterranean, and air force plus navy.

He has drawn for review 1,826 Dieppe prisoners files, has a list of 2,000 Dieppe veterans who were not imprisoned, and is now preparing mailing lists in order to contact these persons. Data will also be gathered on 1,000 fit male civilians of similar age as of 1940. This will mean that he will have information on all three groups for purposes of comparison.

Mr. Speaker: Order, please. I hesitate very much to interrupt the minister, but I suspect he has almost reached the end of his statement. Normally, information of this nature should be given on motions.

Mr. Marshall: Mr. Speaker, I rise on a point of order. I think we might seek to obtain the unanimous consent of the House to return to motions in view of the fact that this is very important information which deals with an important segment of our society. I think we should return to motions and allow the minister to complete his interesting statement, since there is no other opportunity to speak about veterans here.

Mr. Speaker: As I indicated a moment ago, my suspicion was that the minister had just about reached the end of his statement. If he has not and if it is the wish of the House to hear the minister, he may complete his statement at this point without the necessity of returning to motions. Is that agreed?

Some hon. Members: Agreed.

Mr. MacDonald (Cardigan): Thank you, Mr. Speaker. I had just about completed my statement. I have only a few words more.

It is expected that in about six months time Dr. Hermann will be in a position to discuss the meaningful results of the study and whether additional work will still be necessary. He recognizes that time is of the essence.

Oral Questions

ADMINISTRATION OF JUSTICE

ALLEGED TELEGRAM INDICATING DESIRE OF KIDNAPPERS OF JAMES CROSS TO RETURN TO CANADA

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Prime Minister. Has the government knowledge of a telegram alleged to have been received from the kidnappers of James Cross in which they seek permission to return to Canada to appear before a board which would have the object of deciding whether they should be granted amnesty?

An hon. Member: They want a LIP grant.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have no knowledge of any such telegram.

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AGRICULTURE

TOBACCO—ALLEGED DISCRIMINATION BY MANUFACTURERS IN PRICE OFFERED TO PRINCE EDWARD ISLAND GROWERS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address a question to the Minister of Agriculture of which I have given him notice. Has the Prince Edward Island Flue-cured Tobacco Growers Association been in communication with him regarding their dispute or misunderstanding with the Canadian Tobacco Manufacturers Council arising from the fact that they are apparently about to be paid 14 cents a pound less for tobacco grown in Prince Edward Island than the council is paying for similar grades of tobacco in Ontario? If the minister or the department has been involved in this, could he say what the result has been?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, neither I nor the department has been directly contacted by the tobacco producers of Prince Edward Island, but they have met my colleague, the Minister of Veterans Affairs, and had a discussion with him about their problem. I understand that he is awaiting some further documentation from these people so we can proceed to a proper investigation and take action if we can.

* * *

COMBINES

TOBACCO—REQUEST FOR INVESTIGATION OF ACTIONS OF TOBACCO MANUFACTURERS COUNCIL IN DEALING WITH PRINCE EDWARD ISLAND GROWERS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs, and it is with regard to this dispute. Has any inquiry, even in a preliminary way, been made to investigate whether or not the Canadian Tobacco Manufacturers Council, in dealing with the growers in Prince Edward Island, is acting in a fashion that is legal under the Combines Investigation Act?

[Mr. MacDonald (Cardigan).]

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to thank the hon. member for giving me notice of his question. As he knows, the practice has been not to confirm or deny the existence of an investigation, but I have asked my officials for a further report in order to see if I can provide any additional proper information to the hon. gentleman.

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INQUIRY OF THE MINISTRY

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Justice. In view of the fact the rules forbid asking for a legal opinion from the government, would the minister advise us what procedure to take in order to receive a legal opinion from the government?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I think that may itself be asking for a legal opinion. Subject to that reservation, I would simply like to advise the hon. member that he is quite right in saying that it is the duty of the Minister of Justice to advise the government on legal matters but that persons otherwise seeking legal advice must see their own legal advisers.

• (1510)

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, on a point of order, legislation passed by this House has not been administered by the responsible party in accordance with the legislation itself, and I have been trying every possible method, including questions in the House of different ministers, to find out why. I am not asking for a legal opinion directly from the minister or from any minister of the Crown. All I want to know is whether the government is in a position to give a legal opinion?

Mr. Crouse: Don't all rise at once.

Mr. Speaker: The hon. member for Selkirk.

* * *

NATIONAL DEFENCE

REPORT ON DAMAGE TO HMCS RESTIGOUCHE—REQUEST FOR STATEMENT

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is directed to the Minister of National Defence. Has he now received the report resulting from investigation of the damage done to HMCS *Restigouche,* which I understand was forwarded to him this week, and, if so, can he inform the House whether he will be making a statement on motions, based on that report, and will the report be made public?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the report has been received and is being considered.

Mr. Rowland: Can the minister inform the House whether the report recommends legal action against the ship-

yard involved in the refit, and can he advise the House whether it contains evidence of deliberate damage being done to the ship, beyond that to the feedwater supply, such as screwdrivers being jammed in bearings and packings?

Mr. Richardson: Mr. Speaker, I do not want to comment on the report until it has been considered.

* * *

INCOME TAX

REQUEST FOR EXPLANATION OF REGULATION REQUIRING INCREASE IN REPORTING DIVIDENDS FROM CANADIAN COMPANIES

Mr. William C. Frank (Middlesex): Mr. Speaker, my question is directed to the Minister of National Revenue. In view of the fact that T5 tax returns require a taxpayer to increase by one-third the actual dividends received from Canadian companies, can the minister offer a suitable explanation of why this should be?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, because it is provided for in the act which the House passed not too long ago, and because it is part of the law of many countries and provides for a better deal for the taxpayer with smaller taxable income.

Mr. Frank: Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. In light of the fact that this requirement automatically means that such taxpayers' returns show a higher income than actually received, does this in effect not show the said taxpayers as filing false returns?

Mr. Speaker: I suggest to the hon. member that that is argument. The Minister of National Health and Welfare is seeking the floor for the purpose of replying to a question, but first I will recognize the hon. member for Hamilton Mountain on a supplementary.

CHILD CARE EXPENSES—ALLEGED DISCRIMINATION IN APPLICATION OF PROVISION AS BETWEEN SEPARATED FATHERS AND WORKING MOTHERS

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my supplementary is for the Minister of National Revenue, but prior to my putting the question to him I would like permission to apologize to you for my questioning of your recognition of members on the opposite side yesterday. I can assure you that this was not my intention. My supplementary has to do with discrimination, Mr. Speaker. It relates to section 31 of the government's crystal clear tax reform guide headed "Child Care Expenses." Could the minister inform the House if he is aware of the fact that a separated father must have a written agreement of separation from his wife before he becomes eligible to claim for child care expenses on his income tax form, while no such agreement is necessary for working mothers?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I certainly would not want to see any discrimination of that kind in our administration, but I will have to check to see whether that is something that is required by the law. The Department of National Revenue is obliged to apply the law as parliament passes it, not as we would like it to be.

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HEALTH

ACTION TO ENSURE TESTING OF DRUGS BY MANUFACTURERS TO DEMONSTRATE SAFETY AND EFFICACY

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, on February 8 the hon. member for Simcoe North raised the question of adequate testing of drugs on the Canadian market, following press reports of questionable drug manufacturing practices in Montreal. I have now received the report I requested from my department and can confirm that the press reports in question were erroneous. The activities of the health protection branch, I am satisfied, do provide the needed assurance that drugs on the Canadian market are safe and effective, and I will be pleased to provide the hon. member with more details on this matter in writing.

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AIR TRANSPORT

IMPROVEMENT OF NAVIGATIONAL AIDS IN NORTHERN CANADA AIR CORRIDORS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the Minister of Transport. Yesterday the minister indicated to the House that he would be giving more details today in respect of the escalation of a program designed to improve air navigational aids in the Canadian north. Having regard to the evidence presented at the Martin Hartwell inquest in Yellowknife, which described the non-directional beacon at Contwayto Lake as being weak and inadequate, is the minister prepared to make a statement in the House today, or can he indicate when such a statement will be forthcoming?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I do not remember having said that it would be today. I said I would make it in the House as soon as possible. Following the inquiry in the north I think it is very important that the whole system be revised and I hope to make a statement in 15 days, before March 15, on what we intend to do to correct the deficiencies in the system.

POSSIBLE REMOVAL OF IMPORT DUTY ON LOCATOR BEACONS AND CRASH POSITION INDICATORS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to direct a supplementary question to the Minister of Transport, and it also concerns the Minister of National Revenue. In view of the minister's announcement the other day, will the government give consideration to removing the import tax on emergency locator beacons, and on crash position

indicators that are to be mandatorily installed in all aircraft flying in remote areas, as indicated by the minister, in the interests of safety and economy?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I mentioned in the House that we have been in touch with manufacturers in Canada to see if the locators can be fabricated here in Canada, and at what price. It is difficult to answer the question before having received and studied the report.

Mr. Speaker: Orders of the day.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I would like to ask the government House leader what will be the business for the rest of this week and next week.

Mr. MacEachen: Mr. Speaker, before mentioning the business for the rest of this week, may I inform the House that it has been agreed that private members hour today be devoted to a discussion of the Interparliamentary Union meeting and, if that can be regarded as agreed, maybe it could be made an order of the House later.

Today and tomorrow we will call the old age security legislation followed by the War Veterans Allowance legislation. Monday and Tuesday next will be opposition days, and notwithstanding the progress that might be made on the legislative items, on Wednesday I would like to call the reference of various matters to the Procedure and Organization Committee so that hon. members may have a chance to air some of their views with respect to the operations and procedures of the House. On Thursday next I will call the uncompleted legislative items that I have mentioned today.

Mr. Baldwin: As a supplementary question, is the government House leader able to give us any indication of when the leftovers from the 1972 budget, in which there is some passing interest, will be introduced, that is, provided the Minister of Finance, in his negotiations with his friends to my left, has reached the stage where he knows in what form he will be allowed to bring them into the House?

Mr. MacEachen: Mr. Speaker, the only negotiations that take place with my hon. friends across the floor, both to my right and to my left, take place in the presence of my hon. friend who has asked this question. I would hope to call the 1972 budget bills at an early date.

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URBAN AFFAIRS

PROPOSED TORONTO WATERFRONT PARK—INQUIRY AS TO ITEM IN ESTIMATES TO COVER

Mr. Ron Atkey (St. Paul's): Mr. Speaker, I rise on a question of privilege. On February 12 the Minister of Public Works replied to my written question to the effect that the government had exercised an option to purchase 14 acres of land for part of the proposed Toronto waterfront park promised during the election campaign. The minister referred to some $9.7 million to purchase this land as being committed from the Department of Public Works estimates, yet neither the main estimates for 1973-74 tabled a week ago Tuesday nor the supplementary estimates for 1972-73 nor the main estimates for 1972-73 refer to this item. It is quite impossible to prepare for discussion of the estimates without knowing where this item is. Would the minister indicate whether he has misled the House in reply to my question or where I could find that particular item?

• (1520)

Hon. Jean-Eudes Dubé (Minister of Public Works): No, Mr. Speaker, I have not misled the House. I believe this will be found in subsequent estimates.

Some hon. Members: Oh, oh!

An hon. Member: Subsequent?

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I tried to raise the question of privilege earlier.

I only wanted to reiterate the remark of the hon. member for Ontario (Mr. Cafik) that the bell was not ringing last night in our corridor and, in view of the present political situation that could obviously have been disastrous for government members.

[*English*]

Mr. Hellyer: A question of privilege, Mr. Speaker. I wonder if the Minister of Public Works would be good enough to clarify the answer that he just gave to the House in reply to the hon. member.

Some hon. Members: Order, order!

Mr. Speaker: Order, please. The hon. member I am sure will appreciate that this is hardly a question of privilege. I allowed the hon. member's previous question which in my view was not a question of privilege but I thought, in fairness to him, and since he had tried to get the floor before, that I should be mute on the point and allow the minister to reply. I am sure the hon. member for Trinity would agree, however, that what he is bringing to the attention of the Chair is hardly a question of privilege.

Some hon. Members: Hear, hear!

Mr. Hellyer: Mr. Speaker, as a question of privilege or a point of order, I think it is now a matter of privilege affecting all members of this House. If I understood the minister correctly, he told the House that the government of Canada has expended some several millions of dollars without parliamentary approval. If that is what he meant to tell the House, that the government of Canada has spent millions of dollars without authorization from this House and only in future will estimates be presented to the House, then it is, in fact, a question of privilege affecting every single member of the House.

Some hon. Members: Hear, hear!

Mr. Hellyer: It is a question, Mr. Speaker, which strikes at the very principle of parliamentary control.

Some hon. Members: Hear, hear!

Mr. Hellyer: This is a matter which goes back hundreds of years in the constitutional system under which we operate. This government with its usual arrogant demeanour, during the election campaign commits itself to expenditures and then, Mr. Speaker, it spends the money without any parliamentary approval or authority whatsoever. If that is not a bona fide question of privilege affecting all members of the House I should like to know what is.

Some hon. Members: Hear, hear!

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

OLD AGE SECURITY ACT

AMENDMENTS TO INCREASE BASIC PENSION AND TO CLARIFY BASE YEAR IN ESCALATION FORMULA

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-147, to amend the Old Age Security Act be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, the bill that is now before the House for second reading proposes the largest single increase in the basic old age security pension that has ever been made since the inception of this particular program over 20 years ago.

Some hon. Members: Hear, hear!

Mr. Lalonde: I feel all the more privileged that the very first bill I have the honour to propose for the consideration of parliament is one which aims at substantially improving the economic condition of those 1.8 million senior citizens to whom Canada owes so much for making it what it is today.

Some hon. Members: Hear, hear!

Mr. Lalonde: I, for one, am thinking of my 86 year old mother and my 81 year old father who all their lives worked extremely hard for their family's livelihood on a farm in Quebec and who, like all those of their time, gave everything they had for the raising and education of their children. In their humble way, they made Canada a country in which one is proud to live.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Lalonde: Consequently, it is a great honour for me, Mr. Speaker, to move that Bill C-147 be read a second time. With this measure, a Liberal government shows once more its deep concern for the plight of aged persons in Canada. For the eighth time since 1950, a Liberal Minister of National Health and Welfare has proposed an improvement in the benefits paid to our older people. Since 1966, the total amount set aside by Liberal governments for old age security has increased from 1 billion to 2.9 billion—almost a threefold increase in less than seven years.

[*English*]

In this bill we are proposing to raise the basic old age security pension to $100 a month for all pensioners effective April 1, 1973. Including the cost of living adjustment that was provided for in last year's budget, this will mean an increase of $17.12 a month or $205 a year, an increase of over 20 per cent for every old age recipient in this country. Once more this represents the largest single increase in the pension for all old persons that has ever been made in the history of the old age security program.

In 1957 the pension was increased by $15 in two stages by two different governments. In 1962, it was raised by $10, in 1963 it was raised again by $10 and then 1967 the $30 guaranteed income supplement was added for those people with no other income. This supplement was raised by $21.39 in April, 1971 and by $12.12 in January, 1972. The increase we are now proposing, together with the normal escalation of the Guaranteed Income Supplement, will mean a total increase of $20.14 a month for those aged persons who have no other source of income.

By this measure we will be offering a guaranteed annual income to persons over 65 who can meet the residency requirement of $2,040 if they are single and $3,895 for a married couple.

[*Translation*]

In addition to these measures on behalf of aged persons, a number of other steps have been taken in the income tax field to improve the lot of old age pensioners. Before the adoption of the recent tax reform measures, about 1,350,000 pensioners were required to pay income tax, including many of those in receipt of the Guaranteed Income Supplement. When the Guaranteed Income Supplement was defined as non-taxable income about half a million pensioners were removed from the tax rolls. The increase in basic personal tax exemptions from $1,000 to $1,500 removed another 130,000 pensioners from the rolls, and the decision to raise the special exemption for aged persons from $500 to $650 and to make it available at age 65 instead of age 70 meant that another 150,000 pensioners became exempt from income tax. It is expected that raising the special exemption from $650 to $1,000, as proposed in the budget speech of May 1972 will remove an extra 75,000 pensioners from the tax rolls. This will mean that only about half a million pensioners—compared with 1,350,000—will be subject to income tax as a result of these tax modifications. When coupled with the cumulative benefit increases that have been provided, it will be readily seen, Mr. Speaker, that this government has considerably improved the economic condition of persons 65 years of age and over in the course of the last two years.

Old Age Security Act

• (1530)

[*English*]

It has been suggested by some writers that this measure which we are proposing, Mr. Speaker, is a "paltry increase", amounting only to $13.39 a month more than would have been paid next April in any event. It has also been criticized for "leaving OAS recipients below the poverty line." Such comments show the authors' complete misunderstanding of the way the program works. Those people who have no other source of income will get $170 a month at the single rate or $325 a month at the married rate; in all about 500,000 people are in this category. Another 550,000 old people are entitled to partial benefits, ranging for single people from $169 a month down to $101 a month, depending on the levels of their income from other sources. The remaining 750,000 old people who already have incomes above $1,700 if they are single, or $3,000 if they are married to other pensioners, or $4,600 if they are married to non-pensioners, will none the less get $100 a month Old Age Security pension on top of these sums. It is hard to understand how it is that these people are considered to be "still left below the poverty line." And it is incomprehensible how an increase of $20 a month can be called a "paltry increase," especially when it follows on the heels of last year's $15 a month increase.

I would like, Mr. Speaker, to remind hon. members of the important role that the Old Age Security program plays in Canada's income security system for the aged. It is the foundation on which many other plans have been built. In a sense old people in Canada have a three-tiered system of income security, with the OAS pension providing the base for all who meet the residence requirements. The middle tier is provided by the Canada Pension Plan/Quebec Pension Plan for those who have contributed to one of those plans; through them a retirement pension related to their past earnings is available for them. The third tier is the pension provided by private pension plans at one's place of work; it may be stacked on top of, or integrated with, the other two. But the foundation is the basic OAS pension; if anything were done to destroy or diminish it, the whole retirement structure would suffer as a result.

During the recent election campaign, and in discussions and statements made since that time, a number of criticisms have been directed at the OAS program. These generally were of two types. Some were directed at the actual amount of the benefits provided, while others called for a change in the basic structure of the program.

Many proposals were made for increasing the amount of the benefits provided under the plan. There were some opposition critics who suggested, or seemed to suggest, that the income-related part of it should be removed and replaced by a universal benefit payable to rich and poor alike. Instead of paying $82.88 a month to all aged persons, rich and poor alike, and $150 to those with no other income, it was said that all should be given $150 a month, that we should give those who are better off the same as those who have nothing. To do this we estimate would cost about $800 million more this year alone.

Other critics, who will recognize themselves easily, suggested that the principle of an income-related supplement was a reasonable one, but that the basic benefit payable to all aged persons should be raised, to recognize the rise in prices since 1967 when the supplement was first paid. To this end, it was suggested that Old Age Security should be raised to a mere $92 or $95 a month.

More recently, a pensioner's organization recommended a series of changes, including the payment of a $150 a month pension for all aged persons over 65, the extension of the existing OAS pension to people at age 60, and a guaranteed annual income of $6,000 a year for an aged couple, or $3,000 a year for a single pensioner over 65. These proposals would cost the federal treasury several billion dollars extra each year.

I am leaving aside a few other proposals to do with benefits to be paid; they range from payments of over $100 a month to larger amounts. Other proposals that have been made from time to time have dealt with the structure of the OAS program, the age at which pensions become payable or the frequency with which benefits are escalated.

Mr. Stanfield: Mr. Speaker, would the hon. minister permit a question? What did he propose during the election?

Mr. Lalonde: Mr. Speaker, I think the Leader of the Opposition (Mr. Stanfield) will have plenty of time to ask questions after I have made my speech. It is very nice to see him today after his absence. I am sure he will have plenty of time for his questions. Some people have suggested that a special pension should be provided for the spouses of pensioners in cases where the spouse is not yet 65.

Mr. Stanfield: I wish the minister would tell us what he proposed during the campaign.

Mr. Lalonde: Mr. Speaker, let the Leader of the Opposition be a little patient. I will deal with his proposals before long. Moreover, I have already talked about some of his proposals for paying either $92 or $95 a month. I hope he recognized those as his own proposals.

An hon. Member: Keep your cool.

Mr. Stanfield: I still hope the minister tells us what he proposed during the election.

Mr. Lalonde: Mr. Speaker, I am sorry, but I did not hear the Leader of the Opposition just now. I intend to continue with my speech.

Mr. Stanfield: Tell us what you said during the election campaign.

Mr. Lalonde: Mr. Speaker, I shall continue. A man retires at 65 and goes on pension, but if his wife is not yet 65, both of them may have to live on a single pension. Depending on the nature of this special pension, if it were confined to spouses aged 60 to 64 it would entail an extra outlay of from $65 million to $150 million next year. This proposal seems very sensible at first glance.

Mr. Benjamin: Right.

Mr. Lalonde: It raises an important question about the priorities that should be attached to various proposals for

improving the structure of social security in Canada. I will come back to this matter in a few minutes.

There are those people who have suggested that not only spouses of pensioners, but all persons aged 60 to 64 should be entitled to a guaranteed income of $150 a month. It is estimated that this would cost at least $330 million if the whole benefit were income tested, or about $800 million if only $70 a month covered by GIS were income tested. If this benefit were brought into line with the new OAS/GIS rates, the ones we are proposing for adoption under this bill, the additional cost would be over $1 billion. Such a benefit would recognize the needs of the prematurely aged and the chronically unemployed who are a charge on provincial social assistance between the ages of 60 and 65.

• (1540)

It is maintained by some proponents of this approach that it would help solve the high unemployment levels we now face by freeing jobs for younger people. Several experts argue that there would be only a negligible effect on employment levels. Those with adequate incomes would probably not quit their jobs to collect the full OAS/GIS of $170 a month. Those with smaller incomes would not need to quit their jobs but could count on a partial OAS/GIS payment to supplement their earnings. There may be a few low-paid workers in difficult or unsatisfying jobs who might be glad to retire early; it is not so obvious that these jobs would be readily filled from the ranks of the unemployed. However, it is reasonable to expect that those in this age group now without work might stop looking for work and thus somewhat reduce the overall rate of unemployment.

[*Translation*]

Some hon. members have suggested that the age of eligibility for the OAS pension should be lowered to 60, and that the pension should automatically be granted to both spouses when one has reached 60.

Mr. Speaker, there are 830,000 people in the age group 60 to 64. In addition there are 320,000 spouses under 60 of people who are over 60. The implementation of such a measure would add 1,150,000 persons to the OAS rolls. At $100 a month each, it would cost $1.38 billion to pay them the OAS pension. If in addition they were to be granted the GI supplement, the costs of this proposal would rise to $1.48 billion.

[*English*]

There was also a proposal that escalation of old age pensions be speeded up, supposedly because annual escalation entails too long a delay before price increases are reflected in pension payments. From an administrative point of view, monthly escalation of benefits would be a nightmare, and I was amazed to hear the Leader of the Opposition (Mr. Stanfield) entertain such a thought during the last election campaign. The OAS/GIS system is not sufficiently flexible to produce an adjustment each month. A battery of clerks would be needed to establish entitlement every month based on a new set of eligibility tables each month. The time interval between the completion of the printing of cheques in one month and the start of the printing in the following month would be too short to permit the necessary adjustments to be made. The process would be slowed down, and overpayments or underpayments would become much more likely. A monthly escalation provision would mean that the processing of one million applications for annual renewal be condensed into a one-month period. The extra administrative costs entailed in such a program would be substantial.

Similar problems would be encountered with the proposal of quarterly escalation. It is surprising to say the least to hear those people who criticized the FISP proposal because of its potentially high costs of administration, ready to support the high administrative costs of such an OAS/GIS plan.

Some hon. Members: Hear, hear!

Mr. Lalonde: Again the question of social priorities must be raised. In view of the needs of poor families, disabled persons and others, it is doubtful that such a move is the most effective way to spend the additional sums of money that would be required.

[*Translation*]

On February 2, I called a meeting of welfare ministers to discuss these various proposals and to seek the provinces' views on the most appropriate course of action from their point of view. There was a very clear consensus that this was not the time to be changing the structure of the old age pension program. The provincial ministers did not favour at this time extending benefits to spouses, or bringing in the age group 60 to 64, or changing the $1 for $2 reduction formula, or trying to speed up the escalation process. All such changes they regarded as stop-gap measures that would be typical of the piece-meal approach that has been taken for so many years in revising the income security system. Without exception, they called for an integrated approach that would look at the whole system at once and determine where the greatest priorities should lie. They agreed that the needs of pensioners' spouses and of low-income people aged 60 to 65 be reviewed, but at the same time that the needs of low-income families, disabled persons, and other needy groups in the population were being considered. Referring to their own social assistance programs, the provinces are convinced that several groups of needy people in the population have needs at least equal to those of aged persons, and yet their levels of assistance are much below the benefits available to aged couples. In these matters, Mr. Speaker, I am in full agreement with my provincial colleagues.

During their conference in Victoria in November 1972, the provincial ministers had agreed that "the compensation of family expenses related to children, the rehabilitation of the poor through personal development and the provision of effective work incentives are matters of the greatest urgency". They therefore asked for a federal-provincial conference "to discuss social policy on a comprehensive basis".

At the February 2 conference the Quebec Minister of Social Affairs discussed this point in some detail. He said:

In our opinion the matter has much more scope than the mere consideration of the group of old age people and those between 60 and 65 years of age.

The Ontario minister said:

> Social policy needs must be discussed immediately and on a comprehensive basis ... What we must now fully realize and accept is the urgent need to devise an overall integrated approach in this area.

Non-governmental agencies have also been urging such an integrated approach. In its statement "Social Policies for Canada" in 1969 the Canadian Welfare Council recommended that "the federal and provincial governments, in concert, should undertake a nation-wide study of Canada's social security system." Only in this way, it said, can we "achieve a more integrated and satisfactory system of social security."

As a result of our discussions it was agreed that the federal government should not at this time move to change the structure of the OAS system as we have it now, and that any such changes should only be considered as part of the overall review of the whole income security system. We should embark on such an overall review immediately and hold a first conference by the end of April.

Only then can we get a proper perspective on all those people who live in poverty rather than selected groups like the spouses of old age pensioners.

Mr. Speaker, the approach the provinces are pressing on this Parliament is directly in line with the third principle enunciated in the Speech from the Throne which called for "a fair and just relationship" between the guaranteed incomes for people who cannot work, such as the aged, and the allowances paid to those who can work but are unemployed. The review to be undertaken by us jointly with the provinces will seek to work out such a fair and just relationship among the various programs.

The following comparison will perhaps illustrate the problem. With the present increase in OAS pensions, people over 65 will be entitled to incomes of at least $170 a month if single or $324 a month at the married rate. But people who are not yet 65, including those under 60, who must rely on provincial social assistance for support, are entitled to much smaller benefit levels. Single people can receive maximum payments of from $100 a month to $135 a month, a married couple, from $150 to $235 a month. This is the situation, despite the fact that under the Canada Assistance Plan the federal government contributes 50 per cent of the amounts paid by the provinces for social welfare. I repeat, while we give from $170 to $324, depending whether people are single or married, the amount varies from $100 to $135, and from $150 to $235 a month, for people now receiving welfare allowances from the provinces. This is why the provinces argue that first priority should be given to the need for raising benefit levels of poor families in general.

Let us turn now to the situation of persons aged between 60 and 64 years, which, I know, worries not only opposition members but members of our own party who raised the matter with me and in discussions.

Approximately 20,000 people in this age group were unemployed and looking for work in 1972; 5.2 per cent were part of the labour force. Considering this, we should ask ourselves if it would be wise to give greater priority to lowering the pensionable age than to other measures which can be taken to improve the lot of the disadvantaged.

In our society there are 150,000 mothers who by themselves have to raise 330,000 children; 200,000 invalid people aged between 18 and 65; and 575,000 social aid recipients registered in the provinces. This figure comes to about 1.4 million if we count their dependents. The monthly benefits paid to these persons are well below the sum of $170 received by pensioners over 65 years of age. Of all the groups of Canadians in need of aid, why should those who are between 60 and 65 years of age receive priority above all others? By that I do not mean to say that this group does not matter, but rather that—before a decision is made—the situations of the other groups should be examined with equal attention. At a first glance, it would seem to me that mothers who have sole responsibility for raising their children are as much entitled to draw on public funds as 360,000 persons in the 60-65 age group who are working and earning an income.

What is even more important, I believe that we should take the steps necessary to ensure that all Canadians—regardless of age—have the means to meet their needs. This is the goal I set myself in accepting the portfolio of Minister of National Health and Welfare, and it is the goal that the present government set itself in the last Speech from the Throne.

• (1550)

[*English*]

We must look at the question of overall priorities. These priorities have not yet been established. The relative social priorities of benefits for pensioners' spouses or for widows and single women in the same age group, or for disabled people of any age, or for families struggling to raise young children on limited incomes, ought to be closely examined. The provincial ministers were unanimous in expressing the view that we should not interfere with the structure of the OAS program until we have had a chance to review with them the overall structure of the whole income security system. Which is the group with greatest need for income support at the present time? Would we be justified in providing $150 or $170 a month for people aged 60 to 64, while disabled people are entitled to only $100 to $135 a month under provincial social assistance? Would it be a more appropriate step to channel any available resources toward low income families in order to supplement family income which is inadequate to meet the needs of their dependent children?

These are exactly the kinds of questions which will be tackled in the forthcoming federal-provincial review of the whole income security system. These questions simply serve to show how necessary it is that such an overall review be made.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Lalonde: In view of the foregoing, I trust that the aid that we propose to make available to aged persons under the present act will receive the immediate and unanimous approval of the House. Of the 1.8 million OAS pensioners, the vast majority are over 70 years of age. These are the people hardest hit by rising prices, for they have no other

alternative means of augmenting their incomes. They are much more dependent on help from others than are younger groups in the population who may also be needy. The inadequacy of benefits now provided for social assistance recipients is not a very compelling argument to old people who are poor. Rather it suggests that ways must be found to improve also the levels of social assistance.

The fact that we plan to act now to improve the position of our aged people, for whom the federal government has recognized its direct responsibility since 1951, does not preclude us from reviewing the whole field of income security in April and succeeding months, including pensions for the aged. It should not be assumed that in our discussions on the income security system we will be confined to a search for ways to redistribute only those resources that have already been allocated to the system. It may well be necessary to find new resources or to shift resources from other areas into the income security system in order to achieve our overall goals for the people of Canada as these are agreed on by the governments during the general review process that we are undertaking.

By this measure we are allocating an additional $300 million to benefits for aged persons, bringing total expenditures from the OAS fund for 1973-74 to about $2.9 billion. This represents an expenditure of 15.3 per cent of the total federal budget. Such large expenditures for one segment of the income security system demand that we examine closely the total allocation of resources in the battle against poverty. What levels of assistance should be provided to persons over 65 and what levels to needy people on provincial assistance? What proportion of the total national product should be allocated to the income security system? It is incumbent upon us to explore the needs of all the poor and not just the aged poor.

We feel that with this measure that is before the House, together with the other measures taken in the taxation field, Mr. Speaker, we have dealt fairly with the needs of our aged people. We should now turn our attention to the needs of other poor people who do not qualify for OAS payments. In particular we are concerned with the needs of poor families in our country, and our next step will be the reform of the family allowance program. This move was promised in the Speech from the Throne, and was expanded on in my speech in this House on January 11. The government has firmly undertaken, in a bill introduced during the present session, to show the same concern for the families of this country, as it has shown today for our old people.

• (1600)

[*English*]

At the moment we are spending about $640 million for families with children under 18, including $560 million for family allowances, $58 million for youth allowances in nine provinces, and $22 million through fiscal arrangements for schooling allowances in Quebec. The federal and provincial treasuries, by means of the exemptions from taxable income given to parents with dependent children under the federal income tax legislation, are in effect further subsidizing tax paying families by giving up $610 million in income tax revenues. Through the Canada Assistance Plan—

Mr. Stanfield: You have big hearts, you fellows.

Mr. Lalonde: One thing is sure, Mr. Speaker, when the Conservatives were in power federally they did not do a thing with regard to family allowances. If you go through the record of social legislation in this country, Mr. Speaker, you will find that the Conservative party has done practically nothing in this whole area.

Some hon. Members: Hear, hear!

Mr. Lalonde: Through the Canada Assistance Plan the federal and provincial governments are spending $1.4 billion for persons in need, including needy families with dependent children. We intend to tackle the problem of family poverty and to rationalize our treatment of children under these various programs in the course of the review we are about to undertake with the provinces.

Last year we raised the OAS-GIS payment by $15 a month. At the same time we changed the escalation provisions so that the full increase in the annual cost of living is applied both to the OAS pension and to GIS. I was amazed to see during the recent election campaign and since, editorials stating that we should escalate the old age pensions, this having been done since the budget last May. We have now further increased the basic OAS pension to the level of $100 a month. This means that the elderly people in Canada are guaranteed an annual income of $2,042 at the single rate and $3,895 at the married rate. Together with the CPP retirement pension, an old person could get a combined pension of $2,524 if single or $4,378 if married to an OAS pensioner.

It is difficult to compare pension levels from one country to another because of the wide differences that exist in the nature of each country's pension system. Most countries have contributory earnings-related pensions, like those under the Canada and Quebec pension plans. Some of these make provision for a minimum pension, but not all. Only a few provide for universal pensions, like Canada's old age security plan. As well as the complexities, there is the problem of converting foreign currencies into Canadian dollars in a way that will recognize the price levels in each country and the average levels of income. The *Canadian Magazine* in its August 19, 1972 issue reported on the cost of an identical basket of food in the capitals of 23 countries. While such a basket of food is not the measure of the standard of living in each of these countries, it does provide an approximation of the living costs since food is an important factor in the budget of an elderly person.

In relating Canadian benefits for the aged to food costs as calculated by the *Canadian Magazine* country by country, the following situations are observed. Canadian minimum benefits are higher than those in Sweden, and in addition food costs in Sweden are about 80 per cent higher than those in Canada. While food costs are nearly 20 per cent lower in the United Kingdom, Canadian benefits are almost three times as high as those in the United Kingdom. Food costs are about 10 per cent higher in the United States, but minimum benefits in Canada are more than double those in the United States. The maximum

benefit in Canada, including OAS, GIS and CPP, is about the same as that for a single person in the United States, but much higher than that for a married couple. Minimum benefits are higher in Canada than in France, and food costs in France are about 60 per cent higher than in Canada. There are no minimum benefits under the West German program with which to compare Canadian pensions, but Canadian maximum benefits are lower than those in West Germany. However, food costs in Germany were about 100 per cent higher than those in Canada.

From these rough comparisons—and I admit that these are rough comparisons—it can be concluded that minimum benefits for the aged in Canada are higher than those provided in the United States, the United Kingdom, France or Sweden. With the measure that is before the House today, this government has kept Canada in the forefront of the countries of the western world in providing income security for older people. I am particularly proud to be part of a government and of a political party that have made sure over the years that Canada would not only keep that lead over the other countries, but would increase it.

• (1610)

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, it is a great pleasure to follow the minister. His modesty varied in reverse proportion to the modesty of his proposals. Not only did he reach back through time but extended his comparison through space to every country with the exception of Australia. He said we were incomparable. This remark struck me. It is a remark which emanates so often from people in the minister's party. It is suggested again that the Liberal party uniquely shows its great concern for the plight of the aged people in Canada, that the members of that party alone hold a monopoly on concern and that they and they alone care. This is the party of the "six-buck boys" which had the effrontery to go to the country in 1968, on an increase of 42 cents a month. Then, I see that there is the old refrain that they have "effectively banished poverty for persons of over 65 years of age". Then, there is the familiar refrain, "You never had it so good". I am sure the aged of Canada will note that they have been told how generous the government has been and how amply it has met their needs in a country which under this administration has been facing grinding and groaning inflation year after year. I should like to say to the minister that this party will support Bill C-147—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Macquarrie: —not with the ecstasy which some have already expressed, but because it is the best available and is the best we are likely to get from this government so long as it clings to power. I shall go a little further than that and say that, although in my view it is much less pretentious than the minister seems to think, we will be glad to expedite its passage. If it is agreeable to the other parties, we will field one spokesman, namely myself, and move on to the veterans legislation. But this offer is made with wide-open eyes. I remember very well what happened during the debate on the estimates when we ended up by creating an oratorical vacuum for government supporters on this side of the House and elsewhere. If the agreement is such, we will stick by it and do our best in committee, although there may be witnesses who might like to come to the committee and testify as to how grateful they are that all their needs have been met. Later on in my remarks I will indicate why I feel tepidity rather than enthusiasm for this particular measure.

It is the first bill the minister has brought forward and it is a custom in parliamentary circles to congratulate ministers when they present their first legislative infant to the baptismal font, and I do that with sincerity. I have already congratulated the minister upon proceeding from the back room to the green chamber. I have reflected on this of late. When I see that so many princes from the Prime Minister's palace have gone into limbo I feel that his survival is pretty remarkable. Practically all are gone save he. We look around and see that the felled princes have been succeeded by the fallen politicians, and I am told it is the only palace in the world where the old guard is replaced by a still older guard. In the light of this legislation, whether the minister's move was fateful rather than fatal time alone will tell. All the leaks we had heard and noted, and all the thought waves from commentators in recent weeks and months as well as the vibrations from the inner sancta and writings of eminent journalists, indicated we would be looking at a figure of $125 today. Who cut that figure down? Was it the President of the Treasury Board (Mr. Drury); was it the Minister of Finance (Mr. Turner)? Surely, it was not the spokesman for the junior partnership in this alliance for perpetrated power, the New Democratic Party, because its figure is $150.

However, the $125 figure is not before us today. I wonder what thwarted the minister's $125 plan? Some day when we are all gone, some student will peruse the archives and will find out. Today, we can probably surmise with reasonable accuracy. While it is the custom to congratulate the father of a bill, I am in a difficult situation today because this bill has two fathers, a difficult situation biologically but not impossible politically. The Leader of the New Democratic Party (Mr. Lewis) said there would not have been a pension increase to $100 if the New Democratic Party had not insisted on it. I ask, what in heaven's name the increase would have been had the government been left alone. Had the junior partner not moved in, would there have been an increase of $6 or would it have been 42 cents? I look forward to hearing from my venerable and beloved friend, the hon. member for Winnipeg North Centre (Mr. Knowles), because I know he called for $150. He is getting $100. Yet it seems, despite the fact that the figure is not $150 but rather $100—this cherished figure is gone—he is going to support an incompetent and insensitive government on the strength of not $150 but $100. Many things will be said about the distinguished member for Winnipeg North Centre, but it may not be said that he was particularly hard to satisfy.

This is certainly an important piece of legislation. It was presented today in unusually partisan terms for this kind of legislation. I simply state that the political and parliamentary structure in this country make it all the more important that the Canadian people, especially the Canadian elderly people, should take particular note of

what is going on because perhaps this very bill is the marriage document for which we have been looking. Perhaps this is it, and all the rest was word of mouth. Here we have something on paper. I tried before to help my former neighbours, the members of the New Democratic Party. I tried to warn them what would happen if they allowed things like this to take place. I told them about the occasion when the Progressive Party, which was twice as large as the New Democratic Party or the CCF, was wooed and won by a Liberal party in the twenties and explained that after the wooing was over little was left of them. A few prairie politicians called themselves Liberal-Progressives and a few senators called themselves Liberals.

• (1620)

I paid a disrespect to my colleague the other day when I said that perhaps some day I will go to the gallery of the Senate, since I may never get the floor, and see Senator Lewis and Senator Knowles being escorted by Senator Argue. I forgot that they deserve two escorts and that Senator Eugene Forsey, who is the expert on the constitutional correctitude of governors-general, would be there to help them up the aisle.

I used to sit next to the NDP in the last parliament and it was an exhilarating experience. I enjoyed it when brave David took on Goliath across the way. What wonderfully polished pellets he used to throw across the aisle and what brilliant invectives there were about the "arrogant technocrats" who were going to fall. I looked, hoped, wondered if this would take place and some day with a shrug and perhaps a couple of four letter words, in a figurative sense, Goliath would expire and David take over.

But now I have been moved and, apparently, so have they. No more David and Goliath scenes at all. Now, it is David and Jonathan. We Presbyterians love the Old Testament and we remember what David said of Jonathon: "thy love to me was wonderful, passing the love of women". These are stirring days and stirring times, and I verily believe that we are living in the last days of pre-organic unity. I say to the minister, having placed things in this proper historic perspective, as I have a right to do so since he gave the broadest geographic background, let him not proclaim and at the same time try to be credible that this bill is a burst of generosity for which senior citizens should exude eternal gratitude to him and his ilk. For years, indeed since this government took office—and I put this at a decade ago—with its inflationary policies year after year it has been victimizing the very people about whom the minister talked with such apparent concern. This bill is not excessive generosity. This bill is delayed and partial justice, because the older people have been unfairly bearing the burden of inflation put upon them and the government has been remiss in not taking remedial action long since.

I have here a splendid document published by the United Church of Canada. So ecumenical are we these days that as a continuing Presbyterian I will quote from it. I find here an editorial from the Toronto *Star* which reads:

In 1967, the federal government, being of sound mind and body,—

That was when the *Star* was Liberal

—decided to increase the standard old age pension of $75 a month by providing a supplement of up to $30 for those needing it. It wasn't a princely sum, but it helped.

In revising the pension, Ottawa was declaring, in effect, that we Canadians could afford to turn over a somewhat larger portion of our collective resources in order to maintain our 1,663,000 old age pensioners at a slightly more decent level of existence.

It was a solemn and careful undertaking, made after much agonizing about social responsibility and much squinting at our collective pocketbook—and yet we have been reneging on that undertaking ever since. Each year we have been giving old age pensioners a smaller share of our resources than we did in 1967; each year the pension buys less than it did the year before; and each year our old people slide further backward into the penury from which we set out to rescue them.

That situation has not, alas, profoundly changed, and I say to the minister that while he produced copious figures, usually they were of the kind that indicate that improvements cannot be made. But he produced copious figures on the state of the nation and the state of the old people. I have also done some research in this matter. If the old age security from 1963 when this group of people took over the destinies of this country had been increased by the actual cost of living year by year, the minister's announced figure today would not be sufficient to give them the same purchasing power that they had in 1963. Let him call that generosity. Let him look at those figures and say that eternal gratitude must forever fall upon the Liberal party of Canada.

Mr. Whicher: That is at the age of 70, not 65.

Mr. Stanfield: There is our friend again, the just society fellow.

An hon. Member: He woke up again.

Mr. Macquarrie: I would like to say that if the actual cost of living had been added, the pension would now be up to $107. That is the situation. We have held back. We have laid that burden on the older people. We have made them and other people on fixed and low incomes bear too much of the burden of inflation which an incompetent and insensitive government has visited on the people of this country for a decade. As one of my colleagues said, the six buck boys are seven bucks short.

So, I cannot stand up and say that, in the light of this legislation, my colleagues and I are so impressed and so enamoured that we are going to vote to sustain this government in office. If this was expected of us, then I am sorry to disappoint you. We agree pretty well with what Donald Macdonald of the Canadian Labour Congress thinks of the budget. He does not think it is much, and we do not want to disagree with him in that appraisal of the budget. So, our affirmative vote for the bill that we have before us is given because we regard it as a delayed recognition. It is an attempt to catch up. But, as I pointed out, even at that it does not quite do the job.

I was impressed with the many suggestions which the minister momentarily brought before us, and then almost instantly pushed away for interesting reasons, such as that they cost too much, or the provinces do not like them, or we have not had our conference on that yet. So once again we seem to be pretty well frozen to $7 below what in justice the pension should be. There are more things that

should be done. We should be looking with concern and compassion upon a movement to lower the age of eligibility to 60. There is much to be done on this whole question.

I agree with the minister that it is a social priority; it is something that transcends legislation; it is a fundamental societal question. Perhaps at one stage in our social development we over-regarded the mere accumulation of years when societies believed that elder worship was the *summum bonum* of social values. It was believed that to be old was to be wise, was to be virtuous and, what was more important, was to be in command. Perhaps that was not too wise an appraisal. Perhaps Swift was right when he said:

• (1630)

Old men and comets have been reverenced for the same reason: their long beards and pretences to foretell events.

But our day sees perhaps rather too strong a reaction against gerontocracy. Now, many people believe that to be old is to be out of touch, to be out of things altogether.

Many people today who seek employment, not old people, people in their fifties or early sixties and the Prime Minister and I at age 53 would not accept that as old, get the cold turndown of refusal. There is too much the feeling that when one is no longer young, one is no longer needed. Perhaps we should remind ourselves, as Ulysses did in advanced age, that:

Old age hath yet his honour and his toil;

We should look thoughfully and earnestly at this issue of lowering our retirement age. It should be viewed as something more than an early transfer of more and more of our citizens out to pasture. It must be regarded as something more than a way out of the unemployment mess which has plagued us again and again for ten years. But if the state makes early retirement possible we should, in our society, establish social values which make early retirement meaningful. Shakespeare put it well when he wrote:

Give me a staff of honour for my age.

But not a sceptre to control the world.

I agree that this is a question of profundity, of concern, and I do agree that it is one to which all levels of government must give the most earnest and thoughtful consideration. Perhaps we have in our labour-saving age reached a stage where the work force should indeed, can indeed, may indeed in the old fashioned sense, be much smaller. And yet existence must be meaningful. So, we get into the realm of leisure time activity. We have to find employment for those who want employment. We have to find a meaningful challenge for those who are employed. So, in the long run as we look upon these issues which concern the quality of life, we come back to regarding the quality of government. The government which cannot find employment for its people cannot bring about that quality of life which all its people, its workers and its leisured, are entitled to in a society with the values of ours.

The unemployment and the inflation of the last ten years have sapped our economy, have diminished the quality of life, and put us into the situation where the minister, while at one time indicating his great generosity in bringing up many meaningful programs, points out that the economy is such that they cannot be undertaken.

[Mr. Macquarrie.]

One thing that did disturb me perhaps most of all in the minister's speech was the seemingly subtle suggestion that one sector of society, namely, the aged, should have their needs frozen while all other corrective measures are worked out. That strikes me as extremely unfair. Why go to these people and say, "You hold the line until we bring about a better society for the rest of our people." Why again take it out of the hides of the aged? If corrective measures are needed, and they are needed, let them be carried by all of society, and not make them uniquely a charge on those who are aged.

I note what the minister said about the mothers' allowance, the family allowance. We expect a family allowance bill which will provide increases, and we do not expect the kind of monstrosity that came up in the last parliament. I would say that the author of that bill should be given a job in the *Globe and Mail* doing the puzzle that is on the front page, that mathematical blister. That bill was an administrative nightmare. I hope we will have something that will be meaningful, and that will not have in it that psychology that you should take away from those who are already getting it, the "princely" sum now in the family allowance. I think that should be preserved, but we should also look to a realistic figure that will take heed of the rising costs of living.

Then, there are special categories. The minister mentioned some. Surely, we have reached the time when we can recognize that certain categories of our fellow citizens have such disabilities that their disabilities alone entitle them to compassion and consideration. Surely, a person who is without sight, a blind person, need not prove his poverty before he gets that allowance? Surely, too, the totally disabled, the person who for reasons beyond his control, and for physical reasons cannot go into the world and make his own way—surely he is a special case?

I hope the minister will pay particular note to the notice of motion which the hon. member for Brandon-Souris (Mr. Dinsdale) has placed on the order paper, one of the most thoughtful, perceptive and compassionate pieces of suggested legislation that I have seen in a long, long time. He invites special concern for the handicapped. And how often we can be so careless, Mr. Speaker. We build our public buildings so that people with wheelchairs cannot get in. We even have post offices where a lame man cannot climb up the steps. There is so much more we can do in this field. I remember that the hon. member for Oxford (Mr. Nesbitt) talked the other day about some of the problems of the disabled. He used the colourful expression, the rather painfully colourful expression, that in some cases you had to be devoid of both legs and arms to be considered disabled by those who hand out the allowance.

The minister did not deal with the New Horizons Program. I think that is an interesting program. If he were still here, I would tell him that I believe much can be done on a particular suggestion by a group in Charlottetown, but I will write to him about that. The creative activity of senior citizens should be encouraged.

I do not accept the idea that we should throw cold water now on the suggestion that the spouse of an old age

security recipient, because she is not 65 or he is not 65, should not be entitled to an allowance. Surely, here is an area where we can move to correct that one injustice. There are many couples who are living on the single pension, simply because one or other has not reached the age of 65.

There are now in Canada some organizations of senior citizens, and I think we should look to them for leadership. They are the ones who know. The National Pensioners and Senior Citizens met in Charlottetown not long ago. They showed their great wisdom in the choice of the convention site. They brought forward some very interesting suggestions as to how their lot might be improved. I am sure that their suggested pension was not $100. I do not know whether the minister got their letter or not; they actually suggested $150. They mentioned some of the things that have already been discussed here. They felt, and I can understand why, that the cost of drugs was excessive and they made suggestions for plans whereby the older people could travel in Canada at a cheaper rate in the off season. Another suggestion was that a period of grace be extended to people in straightened circumstances in the OAS group upon the demise of either spouse, in consideration of the heavy expenses incurred at such a time. It would not cost a fortune to enact any of these things and they are the kinds of things that would indicate a constant awareness of the needs of senior citizens and a flexibility in attitude as well as a degree of compassion, showing that the government cares for those who have made the country what it is.

Another subject on which I have had many letters is the problem faced by our older citizens when they get an increase and some landlord grabs it. That is outrageous, especially when it happens in those institutions which are supported by federal and other governments.

• (1640)

Some hon. Members: Hear, hear!

Mr. Macquarrie: I remember some old men telling me that the increase is so devoured that they did not even have enough to buy an extra pouch of tobacco.

There are so many areas of concern, Mr. Speaker, so many areas for improvement, I just want to say that we welcome this measure of justice; we support it but this party has no intention of entering the auction room. We are not going to go about the land with great bids for particular support. It little profits to bid $150 and accept $100—you would never get away with that at Sotheby's.

We are not going to make preposterous promises because we happen to be led by a man who is responsible at all times and who has no intention of moving the power by the preposterous bribes that glitter for the moment and then are gone from reality. We also are led by a man who, before too long, will be in office.

Some hon. Members: Hear, hear!

Mr. Macquarrie: We are not going to trifle with the real needs of the senior citizens of this country for the ersatz satisfaction of trying to gain a few more votes at election time. We will tell the senior citizens of this country that what Canada needs today is a government of competence, a government that can manage the country and its affairs, a government that can and will do something about this eternal and infernal unemployment which is ruining this land.

Some hon. Members: Hear, hear!

Mr. Macquarrie: Canada needs a government that will do more than say that the defeat of inflation is around the corner, which we have gone around eight times and it is still there.

Some hon. Members: Hear, hear!

Mr. Macquarrie: The first need of the land is to have a government with competence, a government which will not have to put so much of the nation's wealth into unemployment insurance. It is not unemployment insurance that is our burden, it is unemployment.

Some hon. Members: Hear, hear!

Mr. Macquarrie: That is the problem. That is why so many of the government's programs which the minister mentioned today have to be left in the cupboard. With efficient administration, with competent government, we will provide the people of this country with the kind of meaningful, compassionate administration in the areas that we talk about. It is not going to be just glittering promises; we can assure them that it will have real purpose, that this will be a better land and a better governed land. That is the future I see for this country and especially the older people, and I invite them to look forward to it, as I do, with eager anticipation.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I confess that on entering this debate this afternoon my mind goes back a number of years. We have before us a bill which makes the basic amount of the old age pension $100 a month. I am not even an old age pensioner yet—I am only 64. But when I first came here, Mr. Speaker, a little over 30 years ago—

An hon. Member: My God!

Mr. Deputy Speaker: Order.

Mr. Knowles (Winnipeg North Centre): —the old age pension was only $20 a month. Not only was it so small an amount but it was payable only at age 70 and it had attached to it a means test which said that no person could be on the old age pension and have a total income of more than $365 a year. That was the standard for the people on the old age pension when I first came here—$1 a day.

Just to be sure that my recollections are correct, last evening I checked the *Hansards* of the first year or two that I was a member of this House. It is there on the record; one of the battles that I got into right away was that of trying to get that pension of $20 a month raised to $30 a month. Imagine that—asking for a pension of $30 a month! The question came back from the other side, just as it is coming now from Little Sir Echo behind me, where will the money come from?

Mr. Speaker, we fought hard over this issue then as we have done over the years since I first came here. Likewise, I may say that back in 1942 and 1943 public opinion was on our side. In addition to that, some of the provinces felt that something had to be done. In those days the pension was not only as I have described it but it was financed 75 per cent by the federal government and 25 per cent by the provinces.

In my own province of Manitoba, where the Honourable Stuart Garson was then premier, an effort was made to force the hand of the government by adding $1.25 to the $20 pension and saying that this was 25 per cent of a $5 increase but the federal government still refused to agree. Some other provinces took similar steps with the result that finally there was enough pressure from the provinces and the public, and enough pressure put on the government by those of us who were in this House, that we did win an increase.

Hon. members who have been around here for even a few years will be interested in knowing the vehicle that was used in this instance. It was announced on July 24, 1943, by the then minister of finance, the late Right Hon. J. L. Ilsley. He pointed out that the government of the day, that of Mackenzie King, had decided that, for the sake of public morale in time of war it was necessary to do something to ease the plight of our old age pensioners; as a result, it was under the War Measures Act that an order in council was passed raising the maximum pension from $20 to $25 a month. I smiled to myself when I looked last evening at *Hansard* for July 24, 1943, and discovered that the then member for Winnipeg North Centre (Mr. Knowles) spoke on behalf of this party in response to that increase from $20 to $25 per month. And what did the member for Winnipeg North Centre say on that occasion? He said, "We welcome the increase; we welcome this $5, but it should have been $10."

• (1650)

An hon. Member: That sounds just like the hon. member.

Mr. Knowles (Winnipeg North Centre): Thirty years have gone by, Mr. Speaker, and the same member for Winnipeg North Centre is now saying the same thing. We welcome the increase to $100, but, for heaven's sake, why did the government not make it $150?

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Let there be no doubt about it; that is still our position—

An hon. Member: But the hon. member voted for this increase.

Mr. Knowles (Winnipeg North Centre): —that the basic old age pension should be raised to $150 a month.

Let me say that I like my friend the hon. member for Hillsborough (Mr. Macquarrie) so well that I hoped he would, in his speech, fill a gap this afternoon that has been evident for a long time. I dared to hope that he would tell us where his party stands on what the basic amount of the old age security pension should be. The Leader of the Opposition (Mr. Stanfield) has not told us. When asked about this during the course of the budget debate, he told my leader to look up what he had said during the last budget debate. We did. His proposals added up to almost $95 a month. The hon. member for Hillsborough today said that the basic pension of $100 per month is about $7 short of the amount it ought to be, yet he did not say that the basic pension ought to be even $107 per month.

Some hon. Members: Shame.

Mr. Knowles (Winnipeg North Centre): If one remembers, when considering the remarks of the hon. member, that during the election campaign the Leader of the Opposition was honest and forthright enough to tell old age pensioners that he would not back their campaign for $150 a month as the basic pension, it becomes clear, though we may be dissatisfied and disappointed because the basic pension has been increased only to $100, that this pension increase is better than any which would have been granted if the roles of the government and opposition had been reversed and the opposition were sitting on the other side of the House of Commons.

Mr. Alexander: The hon. member is only speculating. He will never know.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I was immodest enough a few minutes ago to draw a parallel in history between something I had been doing and saying in 1943 and that which I am doing and saying in 1973. May I draw another historical parallel? Near me sits the hon. member for Vancouver-Kingsway (Mrs. MacInnis). Back in 1926, it was her late and illustrious father, the former member for Winnipeg North Centre, the late J. S. Woodsworth, who, assisted by a few others—

An hon. Member: Were you here then Stan?

Mr. Knowles (Winnipeg North Centre): No, Mr. Speaker, but I was watching what was going on—who got from the Mackenzie King government of the day the first old age pension in this country. It is clear from the record and from the letter Mr. King sent Mr. Woodsworth, copies of which we have scattered widely, that the government of that day initially had no intention of bringing in an old age pension but that, because of the pressure which Mr. Woodsworth was able to put on the minority government of that day, we were given the first old age pension in this country.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I say to you that today, Mr. Speaker, that page of history is being repeated. Today, again, there is a minority government in this House. The hon. member for Hillsborough wondered what the Liberals might have done if we were not in the position of exerting some of the influence we seem to have today. I can tell him what would have happened if the Liberals had been returned with a clear majority.

An hon. Member: Or the Tories.

Mr. Knowles (Winnipeg North Centre): Or if the Conservatives had been so returned, for that matter.

Mr. Alexander: Please do not lump us with that gang over there.

Mr. Knowles (Winnipeg North Centre): If the Liberals had been returned with a clear majority, the basic old age security pension would have increased in April by the amount automatically provided, that is, to $86.61, and that is all.

Mr. Alexander: I agree with the hon. member.

Mr. Knowles (Winnipeg North Centre): It is perfectly clear that just as J. S. Woodsworth, and those who supported him back in 1926, won for us the first old age pension, so it is clear because there are 31 New Democrats in the House today and because the Liberal party in government is in a minority position, there has been given this increase of $13.39 more than would have been given if the Liberals had been returned with a majority.

If this bill is passed, and I trust it will be passed quickly, and if it is accepted by the other place, which, by the way, threw out the first old age pension bill back in 1925, the law respecting old age pensions will be changed, effective April 1. That means that the April cheques, which our pensioners will not get until the end of April, will be increased by the amount provided for in this bill. As I understand it, every one of the 1,800,000 pensioners in Canada, those on the old age security pension only, those on old age security plus part of the Guaranteed Income Supplement and those on old age security plus the full Guaranteed Income Supplement, will get $13.39 more than they would have got in April of this year. That, Mr. Speaker, is happening in Canada in 1973 because, on October 30, 1972, the people of Canada elected a minority government and elected 31 New Democrats to this House to speak for the old people of this country.

Mr. Alexander: What a line that is. The Liberals will not buy that.

Mr. Knowles (Winnipeg North Centre): Just as we are proud of what the late J. S. Woodsworth did in 1926, so we are proud of what we are doing today for 1,800,000 pensioners in this country.

Mr. Alexander: The hon. member has to say that. He is trying to justify the marriage between his party and the Liberals.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I see that you are looking at the clock, and that it is five o'clock. I shall continue with these remarks at eight o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. Having noticed that it is five o'clock, it is my duty at this time, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Manpower—Refusal of unemployment insurance benefits to persons taking courses; the hon. member for Calgary North (Mr. Woolliams)—Labour Relations—Elevator constructors' strike—Federal government action to achieve settlement; the hon. member for Fraser Valley West (Mr. Rose)—Canadian National Railways—Alleged slowdown by Vancouver yard crews—Reason for lower productivity.

It being five o'clock, the House will now proceed to the consideration of private members' business.

Mr. MacLean: On a point of order, Mr. Speaker, I believe there is an understanding, as was mentioned by the government House leader early today, that private members' hour on this occasion will, by special arrangement, be devoted to consideration of Notice of Motion No. 76 standing in the name of the hon. member for Fundy-Royal (Mr. Fairweather).

Mr. Deputy Speaker: May I ask if this is agreed to by all hon. members?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

INTER-PARLIAMENTARY UNION

CONFERENCE ON EUROPEAN CO-OPERATION AND SECURITY

Mr. R. Gordon L. Fairweather (Fundy-Royal) moved:

That, in the opinion of this House, note should be taken of the Inter-Parliamentary Conference on European Co-operation and Security held in Helsinki, Finland, from January 26-31, 1973.

He said: Mr. Speaker, may I first thank the House for the arrangements which have been made enabling us to debate this matter this afternoon. I think this is a "first". The Canadian branch of the Inter-Parliamentary Union, of which I have the honour to be the chairman this year, has initiated the formula for bringing to the attention of the House of Commons and of the Senate some of the deliberations that are held at the various meetings of the Inter-Parliamentary Union. I do not say this in any wish to be boastful. I think the precedent is interesting and the record should note that.

• (1700)

I also want to say that the motion could translate the work of the various parliamentary associations, for example, the Commonwealth Parliamentary Association, the NATO Association, the United States-Canada Interparliamentary Group, the Francophone group and others, into the records of this parliament. I think that is an important first step.

I am very grateful to the House leaders of the government and other parties for agreeing that this is a proce-

dure worth testing. I want to have most of the time today for the delegates to the Helsinki conference, but if I can exercise the privilege that is mine because I am up first, may I say that one of the proposals contained in the Final Act of the Inter-Parliamentary Conference on European Co-operation and Security in Helsinki has very great relevance to Canada. It reads:

Carrying out, in a humanitarian spirit, negotiations at the governmental level with a view to eliminating the problems posed by the separation of members of families seeking to be reunited;

There are other parts of this resolution or proposal that other hon. members will discuss more extensively, but I think that that resolution or proposal has a peculiarly Canadian mix, if I can put it that way.

I noticed the other day in the statistics from the Department of Manpower and Immigration that this country has had over 10 million immigrants since 1867. About one half of our population is of immigrant stock. In many instances, this means that families have been separated and, therefore, it is a peculiarly Canadian wish that the nations of Europe agree with us on a formula for re-uniting many of these families. That was one of the proposals of the Canadian government at the government level. I think it is particularly apt that Canadian parliamentarians speaking for this chamber were able to bring that proposal forward and have it as part of the Final Act of the Helsinki conference.

The resolution is in my name, Mr. Speaker, but there are three parliamentarians who are delegates of the Canadian branch of the parliamentary union. I want to reiterate my thanks to those who were responsible for this first step in the conference of parliamentary associations.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, it is a great pleasure for me to take part in this debate on the resolution of the hon. member for Fundy-Royal (Mr. Fairweather) which reads:

That, in the opinion of this House, note should be taken of the Inter-Parliamentary Conference on European Co-operation and Security held in Helsinki, Finland, from January 26-31, 1973.

It was a special event for the Inter-Parliamentary Union to organize a regional conference for the discussion of European Co-operation and Security. Never before had the Inter-Parliamentary Union convened a regional conference or one with a limited topic. The decision was taken in April, 1972 at the spring meeting of the Union in Yaoundé, subject to confirmation at the annual conference in Rome in September. Finland offered to act as host, and the decision was taken to hold a Conference on European Co-operation and Security in Helsinki from November 10 to 15, 1972. At the Rome meeting, the West German delegation drew attention to the election to take place in Germany on November 19. In view of the central role of the Federal German Republic, it was decided at the Rome meeting of postpone the conference and to hold it on January 26 to 31, 1973.

Holding the conference in January was highly fortuitous because the inter-governmental preparatory discussions on security and co-operation in Europe had begun in late November. The representatives of the countries at that conference were mostly ambassadors. Although some of the essential ground had been cleared, talks were

[Mr. Fairweather.]

making slow progress. During the six days of meetings of the IPU conference, it proved to be possible to reach agreement on a major statement of objectives described as the Final Act of the conference. This included reaching general agreement on formulations to cover several issues which remained in contention in the inter-governmental talks already being held in Helsinki and at the Conference on Mutual Force Reductions which opened at the end of January in Vienna. Inevitably, therefore, the Final Act of the Helsinki Inter-Parliamentary Union Conference can be expected to have an immediate impact on the intergovernmental negotiations in both Helsinki and Vienna.

I might say that the countries represented at the conference were virtually all European countries whether or not they were members of IPU, and Canada and the United States were represented because of our keen interest and involvement, not only in security in Europe but in European culture, trade and the many other things that we have in common with the European countries that attended the conference. In addition to this, several countries which are members of IPU sent observers. Among them were Brazil, India, Indonesia, Israel, Japan, Mongolia and others.

The organization of the conference was done in a very effective and efficient manner. The conference opened on January 26 with a formal ceremony at which addresses were made by President Urho Kekkonen, the President of the Republic of Finland, Mr. Johannes Virolainen, President of the Finnish group of the IPU, Mr. John Hall, first vice-president of the IPU Council and Mr. Leonid Kutakov, Under Secretary-General of the United Nations, who represented the Secretary-General of the United Nations. Mr. Virolainen was elected chairman of the conference.

All points of organization, which was the responsibility of the Finnish group, were of high, effective and efficient order. The Finnish parliament co-operated fully and the hospitality and other arrangements made for all delegations were excellent indeed. We were not only extended hospitality by the Finnish group and the Finnish parliament, but also by the president, the mayor of Helsinki, the government of Finland and many others.

• (1710)

Canada played an important part in this conference. Prior to the conference itself, the Canadian delegation was one of the very few western delegations to submit a draft resolution. This was on the issue of the uniting of families. At the opening of the conference, the Canadian delegation submitted a resolution on development assistance and its relevance to east-west relations. I had the honour of being one of the members of the delegation. The delegation consisted of three members—myself, the hon. member for York North (Mr. Danson) and the hon. member for Scarborough West (Mr. Harney). They spoke on those two Canadian working papers in the plenary session. Their speeches were of a very high order, and a credit to Canada. I had the honour of being selected as the nominal head of the Canadian delegation, and I took part in the work of the first committee. My colleagues took part in the work of committees two and three, respectively, which dealt with the two Canadian initiatives. They will be speaking more fully later on these questions and I,

therefore, do not intend to say anything further about them at present.

The Canadian parliament might be pleased to know that although its delegation was a small one—all the delegations were small, by arrangement—it was a hard-working one. I might even say we were up long before daybreak and working hard into the night. Perhaps, though, I should add that day breaks around ten o'clock in Helsinki at this time of the year and night falls around four o'clock!

We received excellent co-operation and assistance in every way from Canada's ambassador in Helsinki, Mr. Ernest Côté. He is a man who is well known to many Members of Parliament, having served in a number of senior government posts here before being appointed ambassador to Finland. The delegation is especially indebted to Mr. Peter Dobell from the Parliamentary Centre for Foreign Affairs and Foreign Trade who accompanied the delegation as adviser. His advice and counsel were invaluable. I should also say that the arrangements made by the staff of the Parliamentary Association here in Ottawa were excellent. Everything was arranged in a way which made it possible for our delegation to function in the best possible manner.

As I said earlier, the two Canadian resolutions were dealt with in committees two and three. Committee two dealts with proposals in the area of economic relations. Committee three dealt with proposals for co-operation in the areas of science, technology, education and culture as well as with proposals concerning exchanges of persons and information. I served on the first committee which dealt with proposals in the area of security. That committee had this to say:

The Conference,

1. Wishes to see national Parliaments contribute to the organization of détente and the strengthening of security in Europe;
2. Notes that the security of the European continent is dependent, to a large extent, on each State respecting and applying the generally recognized principles of international law which govern inter-State relations;
3. Is aware of the need to give concrete significance to the abovementioned principles;
4. Appeals to Governments to examine, at the Conference, on Security and Co-operation in Europe (CSCE), the question of the system for the peaceful settlement of disputes and, in case of need, that of its improvement;
5. Calls upon the Parliaments and Governments of each State to consider:

(a) Implementing steps to create greater mutual confidence among the Governments concerned leading to a genuine reduction of tensions, such as by giving advance notice of manoeuvres and exchanging observers;

(b) Stimulating a mutual and balanced reduction of armed forces and armaments in Europe, through negotiations which would be accessible to all states concerned, with a view to gradually reducing all armed forces and armaments to a less dangerous level and to ensuring the equal security of States, taking into account that the disarmament problem constitutes an essential component of security;

(c) Taking concerted action to combat terrorism in Europe and support the ratification of international conventions in this field.

I shall conclude by saying that I hope my contribution is in accord with a procedure which I believe to be an excellent one and which I hope will continue as a general practice in the future in relation to the work of parliamentary associations, as noted by the mover of the motion.

Mr. Barnett J. Danson (York North): Mr. Speaker, I am delighted to take part in this discussion. I welcome the procedure initiated by the hon. member for Fundy-Royal (Mr. Fairweather). I think it is an excellent precedent, one which will ensure that the proceedings and reports of such conferences as these are placed on record in parliament and discussed in a serious way. I am particularly pleased to follow the hon. member for Malpeque (Mr. MacLean) who, with his customary modesty, told the House he was the nominal head of the delegation. He was the head of the delegation in every sense of the word, and he led our delegation with dignity and distinction. I think we should be grateful to him.

Some hon. Members: Hear, hear!

Mr. Danson: It was my pleasure to serve on the third committee, known at the conference as the Social and Cultural Committee. I was always social, although I have never been accused of being cultural. This is the committee referred to, more fully, as the committee considering proposals for co-operation in the areas of science, technology, education and culture, as well as the exchange of persons and information. It was this exchange of persons which was of particular interest to us, as the hon. member for Fundy-Royal has said.

It was necessary, as a matter of fact, to establish a Canadian interest in a conference on European security and co-operation, even in our own minds, so as to put the meetings into a proper context. As the hon. member for Fundy-Royal has said, the very nature of Canada gives us our European context and purpose. I do not mean in any way to suggest that our native peoples are less important in any sense. Such a large part of our population can find its roots in Europe, and our culture is deeply rooted there. Canadians have fought in Europe in two world wars and have a presence in European security today through NATO. Thus, we cannot divorce ourselves from this presence; it is one that we should nourish and encourage, not only for the value it adds to the richness of our culture and the people represented in Canada, but for the pragmatic reason that it is in our best interests to maintain a position in Europe.

• (1720)

Although we have considerable trouble maintaining our identity on this continent, the world is breaking up into security and economic blocs and we do not want to see ourselves isolated or to isolate ourselves. Therefore, the Canadian presence was a very legitimate one, and it was of interest to the delegates to the conference, in establishing this point, that we gave an indication of the ethnic make-up of our own country. I am sorry that I did not bring the statistics with me which we used in Helsinki, but after the British and the French, the Italians and Germans are the next largest ethnic groups. The Ukrainians are the fifth largest ethnic group. However, as you go down the list you find that every country with representatives at the conference had sent immigrants to Canada, with the possible exception of San Marino. I think this

impressed the delegates and put this country in its proper context.

In the original draft resolution on the reunification of families, the following was the wording:

Recognizing the desirability of promoting increased human contacts,

Calls upon the parliaments of all participating states to urge their governments to begin multilateral discussions toward the conclusion of an international declaration providing for the progressive elimination by all states of obstacles on members of families seeking to reunite across national borders.

Then, as a result of negotiation, the Final Act read as follows:

Carrying out, in a humanitarian spirit, negotiations at the governmental level with a view to eliminating the problems posed by the separation of members of families seeking to be reunited;

As the hon. member for Fundy-Royal (Mr. Fairweather) has said, we do not have to make excuses for, or qualify our interest in, reunification of families because it is a problem that directly concerns Canada, and it is part of our foreign policy on which we have been consistent and united ever since I have been a Member of Parliament.

It is of interest to note that the Swiss delegate, Mr. Karl Ketterer, had a similar resolution, actually a little more specific than ours. However, in an arena where you are trying to moderate differences and reach agreement, Mr. Ketterer of the Swiss delegation deferred to our resolution, and we carried the ball, so to speak, on this particular subject, with his support and co-operation and the support and co-operation of many other delegates.

Then, a sort of basket draft resolution was brought in by the French delegation under Senator Leon Jozeau-Marigne. The French delegate managed to bring in a draft which covered most of the points with which other delegates wanted to deal, so we accepted it as our working paper and it really worked out quite well. As we met in committee and then in drafting committee, there was interesting interplay between peoples of different social and economic philosophies. For example, words that are perfectly obvious to us might be considered provocative to somebody else.

One of the Polish delegates, Madame Teresa Skubala, was concerned about multilateral discussions on the subject covered by our resolution and objected to the wording in some way. But we were dealing with many things on a multilateral basis, and as we went into the drafting committee the Polish delegate did not question the matter any more. However, the Russian delegate, Mr. Tchaikowski—who looked more like Shostakovitch but his name was Tchaikowski—took an interest in the matter, and having myself been to the Soviet Union and talked about the question of reunification, I was very much impressed by the co-operative attitude he took. We ended up with the resolution contained in the Final Act.

The committee dealt with many more things, such as education, science, culture, information, and in a more general way with further contact and exchanges between people. Those who are brought up in a society like ours cannot over-emphasize the importance of these. We discussed the development of tourist and professional exchanges, especially among young people, a matter of common interest to all nations. In the field of education we discussed the forecasting of needs on a European-wide basis. Although in this context it might be somewhat different for those living on the continent of Europe, this was a matter of interest to us. We discussed working together in order to co-operate in forecasting educational needs, a job that we could do much better, I think, in this country.

Then, we discussed the study of new techniques, as well as what was termed "life-long education". I guess all of life is an education, but we did not quite understand this term. To us it means continuing education and retraining. In the society in which we live we consider not only retraining but having several careers in one lifetime. The Europeans think along the same lines. Although we were struck by the term "life-long education", it is a term commonly accepted over there. We then talked about equivalence of diplomas and degrees, a matter of serious concern to us and of even greater concern to a continent the size of Europe comprising so many countries where the interchange of personnel is so great.

Then, there was another resolution dealing with the revision of school textbooks, particularly those on history and geography, in order to present objectively the contribution of the various European national cultures to universal culture and not impair the dignity of other peoples. Although I think it would be very difficult to come to a final agreement on this, there was recognition given to the problem and the desire was expressed that we overcome it.

Other matters dealt with were twinning among educational institutions, and exchange programs for teachers and students. In the field of science we discussed co-operation in basic and applied research, long-range planning, a network of scientific co-operation among participating countries, the stimulation of joint research projects and so on. That is the sort of thing we can get a great deal of value from in such interchanges, particularly a country like Canada which too often is so largely dependent upon one other country. I think there is much to be gained from participating in a conference of this sort and continuing as a member of the European community in this sense.

We also discussed culture and the development of exchanges. The words "exchanges" and "co-operation" kept cropping up in each of these resolutions. We discussed the development of various European cultures, which reminded me very much of the discussions that we in this House have had among ourselves on the subject of multiculturalism.

Then, we considered co-operation in the field of the cultural development of foreign minorities resulting from migratory movements, and support for the principle of cultural equality for these minorities by appropriate national legislation. This is a problem of which I was really unaware. Certainly, it is a major problem in Europe where there are so many massive movements of workers from one country to another. They are there temporarily as migratory workers, and they want to maintain their culture, their dignity and respect. In many cases citizens of one country that is less developed go to another country that is far more developed, either for employment or for training, and their rights have not been recognized and they have not been treated with the dignity they

deserve. That is a matter more serious to them than the problem that we face here, but it is something from which we can learn.

Still in the field of culture there was a resolution dealing with the organization of a European cultural year. This will be the focal point for co-operation on a human level where the best instincts of men and women are highlighted, and I look forward to the organization of this year with great interest. Then there is the matter of free flow of information. The following appears under the heading "Information":

• (1730)

Free flow of information by eliminating obstacles to the exchange of ideas, books, newspapers, films, and radio and television programs—

This is important.

—while recognizing the right of each country to protect its cultural and political values—

Once this caveat is attached there are many things that can be read into it. It is rather interesting that during the drafting of the resolutions there were present representatives of the Soviet Union and the United States. Their concerns were somewhat identical. Each considered the other's information services to be propaganda services. Recognition of that alone is a step forward to understanding what information services are. What one country is trying to do in providing information might be called propaganda in another country. This is a terribly sensitive area. Then there is the measure for facilitating the freedom of foreign journalists so that they can work unimpeded and have freedom of movement.

The whole question of human rights was raised. The question of fundamental human rights flowed through everything we dealt with, but perhaps with a different orientation as between the east and the west. It also called for the participants to reinforce the application of the principles contained in the Universal Declaration of Human Rights and to hasten ratification of the International Covenant on Human Rights. We in Canada may not understand why other countries have not ratified the declaration on human rights, but we might consider for a moment that Canada has not ratified it either. I hope that ratification is not far off. We have reasons for this: there is the problem of federal-provincial jurisdiction. However, I think we should stop being self-righteous and criticizing others for raising their perhaps legitimate concerns when we have problems ourselves.

On the other hand, it would be foolish to be naïve. It is a tough world. We are involved with people with whose social systems we differ. We recognize those differences and talk about them openly and freely. I was very impressed, as I have been in respect of negotiations between east and west over the past couple of years, with a slow trend toward moving together and finding that our values are similar respecting ecology and the quality of life, which is perhaps a cliché but a very valid one. We seem to find that we have much more in common than we realized. The progress is slow, but it is very much better than not making progress at all; it is very much better than not meeting and talking. I believe it was Churchill who said that it is better to jaw, jaw, jaw than to shoot, shoot, shoot. I think we are making progress. We cannot expect solutions overnight; we cannot expect miracles.

I should like to add to the praise of the hon. member for Malpeque (Mr. MacLean) for the courtesy, hospitality and assistance of Ambassador Coté and, indeed, Madame Coté as well as Mr. Michael Shenstone, one of the officials taking part in the Dipoli conferences as representatives of government at the ambassadorial level. Without taking up too much time, I think it is worth digressing for a moment because Madame Coté, when we had a couple of free hours, took the hon. member for Scarborough West (Mr. Harney) and myself to see the suburb of Tapeola. Tapeola is a suburban community of Helsinki which is built on a very human scale. There are no high-rise buildings except possibly one office building. There are amazing recreational facilities. They accommodate the motor car but do not succumb to it. Things are on a human scale where people live as human beings in a totally integrated and very beautiful setting. It reminded me very much of the Muskoka or Georgian Bay regions with which I am particulary familiar. I think that in our urban planning we could learn a great deal from what the Finnish people have done. So outside of the conference itself there has been some really valuable spin-off and I believe that tour, or diversion perhaps was as valuable as the whole conference, in a totally different way. There is often such a spin-off which one does not expect in these matters.

I think the work of Mr. Peter Dobell was invaluable to us, as the hon. member for Malpeque pointed out. With his energy, his expertise and his contacts he paved the way for us, kept us moving and made us far more effective than we might otherwise have been. He made us feel a great deal more at ease. I would also mention Jean MacPherson and others of the Parliamentary Union staff who were so helpful. I was particularly proud of my colleagues, the hon. member for Malpeque, who led our delegation, and the hon. member for Scarborough West. They conducted themselves in a manner which brought only credit to Canada. I must say our colleague from Scarborough West was designated as our bilingual member. He delivered much of his intervention in both official languages and in a manner which made it sound official. I pay a tribute, of course, to our Finnish host, Johannes Virolainen, who chaired the conference and was particularly helpful in a cold climate where you wait until Helsinki freezes over. They were warm and gracious hosts; they made us feel very much at home and were highly efficient and kind.

In closing, Mr. Speaker, I should like to move an amendment to the motion. I am not sure of the procedure involved here since I seconded the motion. I do not know whether I may move an amendment, but I think we might find a way to handle it. With unanimous consent I would move, seconded by the hon. member for Malpeque, that in amendment to motion 76 in the name of the hon. member for Fundy-Royal (Mr. Fairweather) the following be added:

and that the Final Act of the conference be referred to the Standing Committee on External Affairs and National Defence.

The Acting Speaker (Mr. Laniel): Order, please. The Chair finds a procedure problem concerning the acceptability of the amendment in its present form. It would seem

to the Chair to be a completely new proposal. I will take the matter under advisement, which will give the hon. member for Scarborough West (Mr. Harvey) an opportunity to enter the debate. In the meantime I shall try to make a decision on the amendment or perhaps suggest an easier form to meet the will of hon. members.

Mr. John Harney (Scarborough West): Mr. Speaker, I certainly cannot do as well as the hon. member for Malpeque (Mr. MacLean) and the hon. member for York North (Mr. Danson) when it comes to congratulating and thanking the people who made the trip to Helsinki such a fruitful and pleasant one. I would simply like to underline what they have said and express our thanks for the help afforded the delegation from Canada by His Excellency the Ambassador for Finland, particularly for the briefing he gave us before we left for Helsinki. Through him I would express our thanks to the Finnish parliamentarians and the people of Finland. Although we did not have an opportunity to meet them all, the contacts we made were warm and close.

Mr. Speaker, I shall devote my remarks directly and simply to the third commission of the conference on whose drafting committee I had the honour to serve. This commission was the one which dealt with economic relations.

• (1740)

I will begin my remarks by reading to the House part of the resolution which was presented to the conference by the Canadian delegation, a draft resolution submitted by the Canadian delegation on co-operation and collaboration between countries with regard to aid to developing countries. This resolution, to be fair, was one which was suggested primarily by the hon. member for York North and was familiarly known to the delegation as the "Danson doctrine." Although I had the honour of speaking to this resolution at the plenary conference and of working on it, I must give credit where credit is due. It is about the only credit that I can hand over in this partisan House, but it was a particularly non-partisan occasion and I am pleased to give such credit at this time. The resolution reads in part:

> Believing that development can be successfully promoted through co-operative efforts and programs among developed countries, including countries having different economic and social systems,
>
> Acknowledging the desirability of achieving reform of the international monetary system and of further liberalization of international trade,
>
> Desirous of finding new means of reducing east-west tensions,
>
> Recommends that participating delegations encourage their governments to co-ordinate, to the extent possible and in co-operation with developing countries, their national development assistance programs, and to seek to elaborate co-operative or joint development assistance projects.

I think the only fair thing I can do at this stage is to repeat some of the words that I used to address the plenary session in support of this resolution. We all understand, of course, that the meetings of the interparliamentary conference are not meetings of government and that the participants in the delegations go there not as representatives of their parliaments in totality but as representatives of the make-up of their parliaments. Therefore, if you detect a partisan tone I think you would agree that it was quite appropriate for these elements to be included.

[The Acting Speaker (Mr. Laniel).]

When I addressed myself to the Canadian resolution I made the very obvious point that, of course, aid had to be co-ordinated and also that this aid had to be offered to the developing countries in collaboration with them. Most countries which have been involved in international aid have at least reached this degree of wisdom, that there must be international co-operation in the offering of aid and there must be consultation and collaboration with the developing countries in the offering of such aid.

I also pointed out that it was important for the developed countries of this world not to send with their aid what could be called a cultural under-burden. We have recognized that we must be careful about the ideological and political content of our aid, but at the same time we must not try to impose, through the aid that we offer, our values and our beliefs. Developing countries have a complete right to develop in their own way, to their own purposes and according to the nature of their historical existence. This is a rather important factor, if it is not an immediately evident one.

Then I made the point that no matter how generous the aid would be, no matter how internationally it would be co-ordinated and how sensitive it would be, it would nevertheless be insignificant if we were not prepared, as developed countries, to take a look at what we were doing in terms of the consumption of the world's resources. I quote from my remarks at this stage as follows:

> However, aid is not solely a matter of what we give and how we give it, it is also a matter of what we take. We in North America, for example, consume over one-third of the world's energy and about one-half of the world's non-renewable resources, and yet we make up less than one-fifteenth of the world's peoples. World consumption of energy and resources will have to be co-ordinated and redistributed, for without this redistribution of consumption, the developing nations will forever keep falling behind the pace of the developed world, and whatever formal aid we proffer will never be more than a token amend for our guilt of greed.
>
> It certainly shall not be easy for the developed world to reconsider and change its patterns of consumption, but this must be done . . .
>
> We have spoken much of sovereignty in this conference, and rightly so, but we have to understand that the building of national sovereignty needs an economic base as well as a political one. The political base is the will of the people to nationhood, the economic base is that people's ownership or control of the material conditions of its existence. That is why we must begin to take those measures which must be taken to bring the ever growing power of the multinational corporation under national and international control. Should we fail to do so, we will find, when we have finally dismantled the suffocating political and military power blocs of this world, that we are confronted by a multinational system of power which lies beyond the parliaments we so value.

There was another element which I added and which I think is worth repeating here because it loomed very large in the deliberation of the commission, and of the committee particularly. I am not suggesting it is worthwhile repeating because I brought it in; it was brought in by several members. It was that we in the developed world in the northern part of the northern hemisphere had to consider seriously our whole approach to economic growth, because if we continue growing as much as we can to try to solve some of our economic problems, there is no way in which we can offer any real comfort or aid to the underdeveloped world.

The deliberations of the commission, and then of the drafting committee, were certainly fruitful, as the hon. member for York North has suggested, but they were not always carried on in full agreement. One could sense that all the delegates at the same time wished very much to reach consensus and were willing to sacrifice some of their original positions in order to reach that consensus. For the information of the House I would like to read that part of the Final Act referring to the third commission, that is, the commission on economic affairs, which relates particularly to the input of the Canadian delegation. The recommendation reads as follows:

• (1750)

[*Translation*]

The Conference,

recommends that participating delegations encourage their government:

—to co-ordinate and promote co-operation with underdeveloped countries in order to extend national and international plans for development aid and to devote to the growth of those countries their financial advantages and savings made thanks to co-operation and European security

—to work in order to alter existing tariff systems to the extent that their effects on underdeveloped countries are hindering the acknowledged purposes of the aid and co-operation and especially to take steps to stabilize the price of raw materials at a profitable level.

[*English*]

I remember particularly that in the debates relating to that last point which has to do with the stabilization of the world prices of raw materials and of basic commodities, there was a particularly heated exchange at one moment over what certain European countries had done to the economies of certain parts of the underdeveloped world in such cases, for example, as the overproduction and dumping into the international market of sugar from sugar beets. I was reminded in this House the other day that we, too, in Canada are embarking on a program to encourage the growing of sugar beets. If we are to be serious in attending these conferences, taking part in them and coming to a consensus on general resolutions, we should also bring back with us the sense and import of these resolutions, particularly as they would apply to our policies.

As the hon. member for York North has suggested, our going to Europe to join in these conferences can become a bit of a hollow exercise if we simply go to take part in a conference, in the shaping of the resolutions and in agreeing to the consensus that is struck, and then return home and forget about our participation there and the arguments which we as parliamentarians made.

I will end on this note, Mr. Speaker. Of course, none of the commitments made by the delegation from this parliament is binding on the government. But I think it is important for parliament to hear the report, to consider it and the position taken by the delegation in coming to what was, after all, on several very important matters a rather critical and important consensus. I would like to thank hon. members for hearing this report. As has been pointed out, this is a precedent. I hope it is a significant and important one. I was proud and honoured to be a member of the delegation; and although Helsinki may be a dark place in January, I would be glad to return there almost any time—not in the next two weeks but certainly in the very near future.

The Acting Speaker (Mr. Laniel): Order, please. We are encountering one or two problems. As the hon. member who just had the floor mentioned, this is a new procedure, and I think we should try to proceed in an orderly manner.

It has been suggested that the amendment proposed by the hon. member for York North (Mr. Danson) cannot be moved by him since he is the seconder of the motion. Even if the amendment were moved by somebody else, the Chair, looking at it and seeing it refers to the Final Act of the conference, which is not before the House at this time, could well determine that it is introducing a foreign matter, a new proposal. Further, the proposition to refer the subject matter of the conference to the committee is also a new proposal, foreign to the original motion which merely invites the House to take note of the conference.

The Chair suggests to hon. members that possibly the best procedure would be to obtain the unanimous consent of the House to allow the hon. member for Fundy-Royal (Mr. Fairweather) to withdraw his motion; then we could discharge the order that is presently before the House. Again, by unanimous consent, as an order of the House the subject matter could be referred to the Standing Committee on External Affairs and National Defence. Would this procedure be agreeable?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): Is it agreed that the House give unanimous consent to the hon. member for Fundy-Royal to withdraw the motion before the House?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): Is it also agreed that we discharge order No. 76 from the order paper?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): Is it also agreed, by unanimous consent, that the subject matter included in the motion be referred to the Standing Committee on External Affairs and National Defence?

Some hon. Members: Agreed.

Order discharged, motion withdrawn, and the subject matter thereof referred to the Standing Committee on External Affairs and National Defence.

Mr. Knowles (Winnipeg North Centre): Six o'clock.

The Acting Speaker (Mr. Laniel): I hear the suggestion that we call it six o'lock. Is this agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): It being six o'clock, I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

OLD AGE SECURITY ACT

AMENDMENT TO INCREASE BASIC PENSION AND TO CLARIFY BASE YEAR IN ESCALATION FORMULA

The House resumed consideration of the motion of Mr. Lalonde that Bill C-147, to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when I was interrupted for private members' hour at five o'clock I was in the midst of recounting some historical facts in relation to the subject of old age pensions. I do not wish to stay with the pages of history much longer, but there is one other reference I should like to make; it is called for because of the boast that my good friend, the Minister of National Health and Welfare (Mr. Lalonde), made this afternoon. He said, correctly, that the increase now being proposed in terms of dollars is the largest increase ever made in the old age pension at any one time.

Whether one talks of an increase of $13.39 over what the pension would have been in April, or of $17.12 over what it now is, one is talking of increases of only 15 per cent or 20 per cent. I pointed out this afternoon that 30 years ago, after a rough session, we won an increase of $5. Now, Sir, $5 is a much smaller amount than $13 or $17; but I also point out that it was an increase of 25 per cent in the pension of that day, so the minister has a way to go yet. I also point out that $5 30 years ago had a lot more purchasing power than has $13.39 today.

This leads me to underscore the point which I make very strongly on behalf of this entire movement, that although there has been an increase—and we welcome that—we are still not satisfied. The basic pension should be $150 a month. The minister and the government know that we have given them little peace so far this session because this is one of the things we have wanted. I can tell the minister, too, that there will be no peace for the government until the pension has reached the kind of figure that we believe is fair for the older people of this country.

Some hon. Members: Hear, hear!

Mr. Alexander: Where is the amendment, Stanley?

Mr. Knowles (Winnipeg North Centre): Hon. members do not seem to realize that private members cannot move money amendments to money bills.

Mr. Alexander: Fake it, anyway.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I hope that remark is on the record. My hon. friend from Hamilton West (Mr. Alexander) says, "Fake it, anyway". That is the Tory approach to this problem.

[The Acting Speaker (Mr. Laniel).]

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): They have completely failed, from their leader down, to indicate what they believe the pension should be.

An hon. Member: Ninety dollars a month.

Mr. Knowles (Winnipeg North Centre): Yes, or $95 at best. Mr. Speaker, I say to the Minister of National Health and Welfare that it is a good debating point for him to give us the cost figures of the higher pension we would like to have, but if he is telling us that we cannot today have a higher pension because of the millions or hundreds of millions of dollars it would cost, I hope the minister or the government a few days or a week or two from now will not ask us to vote for hundreds of millions of dollars in tax write-offs to the corporations.

Some hon. Members: Hear, hear!

An hon. Member: Here it comes.

Mr. Knowles (Winnipeg North Centre): If the money is available, the people who deserve it, the people to whom it should go, are our senior citizens. We stand by our program of a basic pension of $150 a month.

I enjoyed the reference that the minister made this afternoon to the question of universality. His predecessors have stood in their places and justified the government's not raising the universal part of the pension but raising, instead, the supplement. Even when he was doing the right thing this afternoon he made the point that it might be better to have added the money to the supplement rather than to the basic amount of the pension. He went into the old argument that when you pay the pension on a universal basis, you are giving some of it to the wealthy, to those who do not need it. Mr. Speaker, it is still our view that in terms of philosophy and in terms of common sense, the best way to unite this country is to get as close to equality as we can; and if we cannot get it in other sections of life, let us get it in the years of retirement.

Let me tell the minister and this House again, that of the Canadian people who are 65 years of age and over there are only about 10 per cent at the top who have so much money that they do not need any more. The other 90 per cent fall into three groups of roughly 30 per cent each. There are the 30 per cent at the bottom who have no income except the pension and therefore qualify for the full guaranteed income supplement on top of their old age security pension; the next 30 per cent have some income, but very little, as a result of which they qualify for part of the guaranteed income supplement. Between these two groups at the bottom which total 60 per cent, and the top wealthy group which makes up 10 per cent, there is another group of 30 per cent consisting of people who have just enough other income to deny them the guaranteed income supplement. As a result, they get none of that money, none of the various benefits and services that are available, free, to pensioners on old age security and the guaranteed income supplement. Yet these people, in a relevant and very real sense, are in need.

• (2010)

It is our view that the best way to handle this problem is not by applying a means or needs test but, rather, by paying the pension universally and then adjusting the tax system in such a way that those who are in the upper income brackets and do not need the money pay it all back. So long as you apply a needs or income test you will create the situation in which there is a division between those who have just enough and those who do not even have enough to get by. We suggest that is not fair.

I say to the minister that he need not offer any word of apology for adding the full amount of this increase to the basic pension paid under the Old Age Security Act. One of the reasons we are prepared to vote for this bill is that, for the first time in several years, we are seeing an increase in that basic amount. In other words, we are moving a little more in the direction of universality than has been the case with respect to the last several amendments to the Old Age Security Act.

It is still my view, despite all the reviews, papers, reports and so on which have been written on the subject, that the best piece of social legislation our parliament ever passed was the bill in 1951 that provided for old age security to be paid on a universal basis, beginning in 1952. I regret very much that the Liberal party which brought in that piece of legislation—granted, it was prodded to do it—has since then retreated from that principle. So, Mr. Speaker, we welcome the aspect of this piece of legislation that moves us toward the universal approach. We hope that there will be further steps in this direction.

I spoke earlier today about the pension situation which existed when I first came to this House some 30 years ago. Not only have we increased the basic amount of the pension fivefold and done other things; we have achieved the acceptance in Canada of a new philosophy about pensions. Pensions are no longer regarded as a form of charity, something that you give to people to enable them to keep body and soul together for the few years they may still live after leaving the treadmill. Rather, we now look on pensions as a right. We now believe that individuals have the right to retire at a decent age and to enjoy something of the good life they have helped to make possible through their years of hard work in this country. I hope we will not go back on that approach to pensions, back to any concept of charity or welfare.

I shall now move to another phase of the question on which the minister touched at length this afternoon, that is, the question of our doing something for persons below the age of 65, particularly those who are between 60 and 65. I say to the minister and to the government that although we were disappointed because the basic amount of pension was not increased to, say, $125 or $150, we were equally disappointed, a bit surprised—almost shocked—to see when we examined this bill that there was nothing in it to break through that floor of 65 years of age.

As the minister said this afternoon and as we all know, the greatest pressure for something to be done in this area is exerted by those who sit on his side of the House. He knows very well that the members of his own party are constantly pressing him on this point. There is no reason why I should not single out a particular group of members who are exerting this pressure, and I commend them for doing so. The Quebec members of his party feel very strongly that people between 60 and 65 years of age should be paid a pension. If the government is not prepared to give the pension to everyone between 60 and 65, there is, none the less, tremendous support by hon. members on his side of the House for the proposition that the spouse who is between 60 and 65 should get the pension—

An hon. Member: Yes.

Mr. Knowles (Winnipeg North Centre): —if the other person is already in receipt of the old age pension.

Mr. Alexander: I agree with that.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I gather from the applause of hon. members that there is support for that proposition from all parties in this House.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I was disappointed that nothing was done to lower the pensionable age in one of two ways, either by lowering it universally to 64, 63, 62, 61 and on down to 60—and I would not mind an employment test being applied to any pension that might be payable at that age—or by introducing some vehicle for providing the pension to the younger spouse in cases where the other spouse is already in receipt of the pension.

I listened with interest and attention to the minister's discussion on this subject this afternoon. I think there is a good deal to be said for his argument that we must think about all the areas of need affecting people below age 65. It is not just a case of looking at those between 60 and 65; we must be concerned about those, in need who are below that age. I firmly support the idea of the federal-provincial conference that will discuss the entire problem of welfare, income security and income maintenance. If I may say so, I felt on two or three occasions this afternoon, as I have felt in the past, a sense of determination displayed by the minister. I think he wants to move in this field. He has our blessing. We wish him well. I only hope that the conference in April, 1973, will not mean that papers will be produced for action in 1975 or 1977. I hope there will be action in these areas this year, in 1973. I wish *Hansard* could record the fact that the minister is nodding his head up and down.

Some hon. Members: Hear, hear!

Mr. Alexander: He is not denying it.

Mr. Knowles (Winnipeg North Centre): Even though it is true that we must do something to meet the needs of the poor of all ages, I do not think it is fair to lump those between 60 and 65 with the rest of the population. We dare to hope that persons who are in their thirties, forties and fifties and who are in economic trouble will be helped in ways other than putting them on an old age pension. We hope that there will be jobs for them, or rehabilitation or economic programs that will give them the chance to live the good life that is to be lived in Canada. However, if a person is over 60 and is in economic trouble, his chances

of getting employment and being rehabilitated in the industrial world are not good. All he has to look forward to is his pension.

In addition to the rather sad letters I get from persons over 65 who are not getting enough pension, I get a great many letters from people who are between 60 and 65 who have nothing to fall back on and who can only wait until they are 65 and collect the old age pension. The situation of such people is tragic. I say to the Minister of National Health and Welfare that it behooves him to put right on top of his list of concerns this problem, because he must do something for persons between 60 and 65. I say, all power to him in anything he can do for groups below that age, but please do not ignore the possibility of doing something for those between 60 and 65 simply because something has to be done for those below the age of 60 as well.

As I said, I welcome the fact that these conferences are planned, particularly the April conference. I think the idea of taking a new look at our entire income maintenance, welfare and social security program is good. However, the trouble with these over-all reviews is that they come up with grandiose schemes that are difficult to put into effect so that for a long time nothing is done. I therefore plead again with the minister to give the strong lead in the cabinet that I know he can give for action to be taken on some of the pieces of legislation that are on our statute books right now. For example, I urge that he push very hard for acceptance of amendments to the Canada Pension Plan. I know he told us he had some trouble with the provinces when they met here a short while ago. However, it still makes no sense for the old age security pension and the guaranteed income supplement to be escalated each year by the actual increase in the cost of living, but for the pension escalation paid under the Canada Pension Plan to be limited to a 2 per cent ceiling. For the provinces to say they do not want to agree to the removal of that because they want to be able to borrow the money that is in the fund is a downright shame. If necessary, they should be told this in every provincial legislature in this country. I think the Minister of National Health and Welfare should use the bargaining power he has to ensure that that ceiling is taken off the escalation in the Canada Pension Plan so that those pensions will grow year by year at least by the actual amount of the rise in the cost of living.

• (2020)

I mention again, as I have on other occasions, the Disabled Persons Act and the Blind Persons Act. I realize that the persons who come under these pieces of legislation get something more than is in those acts by virtue of the Canada Assistance Plan, but it is still very galling to those people to face the fact that although for a number of years their maximum pension increased in line with increases in old age security, that has not happened for a number of years. In the case of the blind, in particular, there should be a universal means test-free allowance. Surely that is the least a society like ours can do for the blind. In the case of the disabled, who are tossed back and forth between the Disabled Persons Act and the social welfare legislation of the various provinces, that is not good enough. The minister may tell me this will be dealt with in the total review, but the totality of that review can get so large that for a long time nothing will be done. These people deserve improvements right now.

I also wish to mention other groups I have spoken of from time to time. I refer to the railway pensioners, both Canadian National and Canadian Pacific. The minister may tell me this is a little out of his field, but he sits in the cabinet with the Minister of Transport (Mr. Marchand) and others who have connections with these organizations. It is completely unfair that the Canadian National escalation of pensions is still limited to a 2 per cent basis. It is unfair that the basic pension formula for CN employees is poorer than those in the Air Canada pension plan and in the Public Service Superannuation Act.

The Canadian Pacific pension plan is really a disgrace. To tell us that the CPR is a private company and therefore the government cannot touch it does not wash very well with us. It may be a private company in terms of the profit it makes, but it is making its profit from serving the public and charging the public for that service. It gets its whole existence from what this parliament has given to it over the years and I think the government has the right and the duty to tell the CPR, as it must tell the CNR, that the time has come to make tremendous improvements in the pensions of all retired railway workers.

I wish again to put in my plug for retired public servants, including retired armed forces and RCMP personnel. The President of the Treasury Board (Mr. Drury) and I have had many discussions about this. We agree on what has happened and we agree on what ought to be done, but nothing gets done. The escalation of those pensions is still limited by the 2 per cent ceiling. Sometimes the President of the Treasury Board says that he would like to take off that ceiling, but he cannot do so until the Minister of National Health and Welfare removes the 2 per cent ceiling escalation under the Canada Pension Plan.

When the minister talks about the necessity for a review in its totality, there is a very wide totality to be looked at. I welcome the idea of a guaranteed annual income and the suggestion in the throne speech that if a guaranteed annual income cannot be brought in this year or for everyone, it will be good to start with it in certain categories. However, the government can show its good faith in these areas by doing something about the pieces of legislation that are on the books now. I say to the minister and the government that any improvements that are made in these particular pensions plans will not be null and void if we get this over-all approach to income maintenance and security that seems to be the goal of the minister. Therefore, I press all these points on this minister and his colleagues in the cabinet.

I believe, as I have for all the years I have been here, that we are dealing with a most important area when we talk about the right of our people, after the years they have worked, to enjoy retirement in dignity, with justice and security. I strongly urge the minister to do the things we are asking for tonight, that he review the amount of the basic pension that is being provided and, in particular, that he study the whole question of lowering the eligible age to 60, preferably for everybody, with the only rider that an employment test might apply. If he cannot do that,

he should at least do this for the spouses of those who are already on pension.

I have just one other point to make. I have deliberately left it to the last because I regard it not only as something new in terms of its being on the table of this House, but because I welcome it so much and regard it as so important. For all the years I have been talking about pensions, I have been insisting that merely to increase pensions by the amount the cost of living goes up, although that is much better than 2 per cent, is not good enough because the recipients of those pensions are forever getting behind. Although the cost of living goes up to a certain extent, wages and the standards of living go up more than that.

We now have on the table of this House a report from the Standing Committee on Veterans Affairs which was tabled a few days ago by the hon. member for Labelle (Mr. Dupras). It endorses unanimously a recommendation in the report of a joint study group that considered the basic amount of the war disability pension under the Pension Act. That recommendation is that war disability pensions should be increased each year, not just by the amount the cost of living goes up but by an index that measures the rise in the standard of living.

That committee found a particular formula. It said that the basic disability pension could be arrived at as the average of the salaries or wages of five selected groups in the public service. That committee said it is not good enough just to arrive at that decent figure for now and then leave it to be adjusted with the cost of living. No. The committee said that in future years the war disability pension should increase by the same dollar amount that the average salaries of those in the same five selected categories increase. I am hopeful that when the government brings in the bill to amend the Pension Act, it will accept that recommendation. There has been a commitment by the Minister of Finance (Mr. Turner (Ottawa-Carleton)) to do so, and I believe it will be done.

When we get that principle accepted for war disability pensions, I say to the Minister of National Health and Welfare and this House that we are just beginning. It is a very important new beginning. However, we must apply it across the board, and when we do we will be doing the right thing. We will be saying to those who have retired. "We are not asking you just to get by for the rest of your life on the money you have at retirement; we are not asking you to get by for the rest of your life with just enough to buy the same quantity of goods and services you can buy on retirement, but you have the right to share in the rising standard of living, the better life Canadians are making possible because you, the retired people of this country, gave so much during your working years." This is a tremendous report we have received from the Standing Committee on Veterans Affairs. I have seen a lot of improvement in pensions during the years I have been here. This report recommends a new one which I hope we will win with respect to all our pension programs.

• (2030)

In closing, however, I urge the minister to meet two main challenges without delay—raise the amount of the basic pension under the Old Age Security Act to $150 a month, and lower the qualifying age so that Canadians, if they wish to, may retire at age 60.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I welcome this opportunity to say a few words about the present economic situation and about the bill the Hon. Minister of National Health and Welfare (Mr. Lalonde) has brought forward here.

We are gratified, Mr. Speaker, by the minister's statement concerning the increase in the old age pensions, but less so when we see that it has been impossible to bring down to 60 the age for eligibility to the pension. We should have liked that minimum age to be brought down, which would have been one way of directly fighting unemployment. It would certainly have been a remedy to the unbalanced economic situation concerning the unemployment we are now experiencing.

Mr. Speaker, we feel that this partial increase of pensions was urgent to offset the increase in the cost of living; the increase amounts to about twelve dollars. This will give somewhat more purchasing power to senior citizens.

According to the minister's estimates, this increase will cost some 290 million dollars a year. We know, Mr. Speaker, that money always comes into the picture. If the minister had made the necessary financial arrangements, if financial conditions had permitted, I know he would have increased the pension to $200 instead of $100.

Mr. Speaker, the minister announced that the increase was granted up to April 1974, after which increases will escalate with the cost of living. This shows recognition of the continued upward trend in the cost of living.

Therefore, I agree with those who want pension increases. I agree with the hon. member for Winnipeg North Centre (Mr. Knowles) who wants to have pensions increased at all costs. However, we also believe that the cost of living should stop rising. If nothing is done about the spiralling cost of living, there is no use boosting pensions. The higher the pensions, the higher the cost of living. In turn, the higher the cost of living, the heavier the taxes, thus causing a further economic disequilibrium. This is not profitable or logical.

Under our present system, social legislation leads to more taxation and income taxes in a direct or indirect way which causes the economy to become imbalanced. Economic difficulties are causing an increasingly difficult situation. In fact, we have reached the point where adequate solutions are practically impossible. The guaranteed monthly income will be $170 for single persons and $325 for couples, which means an increase of about 26 per cent, as claimed by the minister. He says Canada will be ahead of all other countries.

Mr. Speaker, considering our situation, our natural resources and technical progress, I do not think we should compare with other countries. I think we must look after ourselves, accept our responsibilities and live according to our means. If we are in a position to raise pensions, let us do it. If our automated production reaches the markets quicker than the consumers can absorb it and because it is produced without labour, other solutions must be found to our problems, so as to balance our economy. And the

only ones to have found any solutions so far are those who go straight to the heart of the matter and say: If production is automated, consumption must be too. We must develop ways of making distribution automatic, like production.

At present, production is being financed, but no one bothers about the consumer side of things. When consumption is financed, it is with measures that do not fit the economy, by taking from those who are short already so as to give to others. What is given to others is lifted from the pockets of those who are already lacking. So some are made poorer that others might live. This cannot go on, since it is wrong and out of tune with reality, since we are living in a country that abounds in wealth and whose industry is automated; we can do better than that.

Our main objective in the present situation must be to bring the increase in the cost of living to a halt; there would then be no need to be always raising pensions, then this, and then the other thing.

• (2040)

Not one party here can accept this or can suggest any way likely to prevent the cost of living from ever increasing and from ever unbalancing the economy.

The more we progress the more we increase pensions, social services and taxes, the more we increase the deficits which we must meet by borrowing and by selling government bonds. In so doing we must pay new interest rates and we increase public debt. So we will never succeed in balancing the economy and we will never allow Canadians to live decently in their over-affluent country which is moreover automated to an unbelievable degree.

It is essential to have a social budget able to meet each citizen's needs and to guarantee his right to live to each Canadian. Is our national production sufficient for this? I am not afraid to reply in the affirmative because our national production is sufficient; this year national production amounts to $142 billion and national consumption to $60 billion; therefore our reserves are $40 billion. If we have $40 billion this year we also had $40 billion last year. It is those $80 billion accumulated during these last two years that we should use to give Canadians what they are entitled to have, namely the right to live. This is what I was leading to.

The right to live is not a moral, social or religious question; the right to live is only a monetary, economic and political question. It is the responsibility of those involved in economy and politics to establish a balanced system so that each individual may have his three meals a day.

The right to live is not a municipal, provincial or regional question; it is a natural, national and federal question in Canada and a universal question on earth. Let us settle our problems first in Canada and the other countries will follow our leadership depending on whether our experience turns out to be effective and profitable.

If we must start somewhere, Mr. Speaker, why not in Canada? If we must start one day, why not today? Since the monetary system has now become almost worldwide, since money has truly become a must in terms of buying useful goods which are essential or pleasant for life, for each living citizen in every country, particularly in those that are more advanced industrially speaking, including Canada, it becomes most pressing to withdraw as directly as possible from our monetary, economic and political system the responsibility for each citizen's right to live.

If the entire economic system comprises production of goods and services, consumption of those goods and use of those services by living citizens, as well as the capitalization of the instruments of production and progress, if the entire economic system has to ensure justice and economic equilibrium in every sector of the nation's economic activity for the benefit of all Canadians, it is through the monetary system that the political authority must act to bring about the ultimate end of the national economy which can be but the fulfilment of the needs of all citizens composing the nation.

If the annual national production is based on natural resources, on the capital and the work of adult citizens, one knows that natural resources are provided freely by nature or Providence and that capital requires interest and work a salary according to the rates determined by the citizens concerned.

In 1973, Canada has almost 23 million inhabitants of which some 9 million only have a satisfactory purchasing power thanks to the interests on their capital or their salaries. The 15 million dependent citizens without employment nor capital are also entitled to live and to obtain the necessities of life out of our national production and our natural resources. Our organizations, with their financial, economic and political framework, are already set up and operate with efficiency and flexibility which all our experts find surprising.

Nothing is left to chance, Mr. Speaker. Everything is determined, anticipated, decided, planned and directed by a few qualified and responsible leaders. All the mechanisms, bodies and instruments are controlled by men, by recognizing and accepting the economic situation in Canada at the end of the 1972-73 fiscal year and considering our enormous capacity for producing and capitalizing. So, for the end of the current fiscal year, let us immediately improve our present methods for distribution of the purchasing power in the hands of dependent citizens who are without income, capital or work, and let us recognize at last the entitlement of the individual to a guaranteed annual income on par with the national product.

Mr. Speaker, for the past twenty years, we have been advocating a guaranteed annual income for each Canadian citizen, taking into account the annual national production based on three different sources: capital, work and the vital entitlement of each person living in this country. Just as personal capital calls for a personal income under the terms of an agreement, so dependent citizens deserve a personal income also guaranteed by contract. This is what we have been asking for quite a while. We are able in our country to negotiate a contract ensuring our people their right to three meals a day.

The word "income", Mr. Speaker, is an administrative term known throughout the world. Income equals expenses and surplus. This is at the same time the capitalist, socialist and communist formula which is being used

the world over. Each administration enjoys sufficient income to guarantee the everyday expenses needed in addition to leaving a surplus margin for the future security and development of the administered. The administered is always a person, a family or a society. Only the person has life; the family is a natural group of people joined by love and by birth. Society is a group of persons artificially joined by interest or by need.

Canada, I say again, has 23 million citizens, including 6 million families of three to ten members or more, active in some 500,000 firms or institutions of all kinds. All those persons, families and corporations function according to the same universal pattern of administration: income equals expenses and reserves, profits or surplus, or, in the case of bad management, there is a deficit.

• (2050)

A country like Canada should not have a deficit. The company which Canada constitutes should have nothing but surpluses in the present situation, in view of our well developed economy, and its citizens should live the way real citizens have the right to live, off their gigantic national production.

Individuals alone, Mr. Speaker, have life, life with essential needs, material, cultural and spiritual, which must be met. The individual then must be assured, first of all, of a guaranteed income because he is a living person, and not because he is an adult who can work to earn a living, because he has capital that is automatically bringing in interests, an income.

Every person starts with having life, before being able to work or own something. The right to life is therefore the first right of every human being, through the family; society itself is made up of individuals, families and companies.

Any group is made up of units. Therefore it is by taking care of the units that each group can best ensure its own administration. The opposite is not true. Thus in Canada, in 1972-1973, the national economy has shown an exciting productivity, while its units were plagued with inflation, unemployment and poverty. Only a guaranteed personal income granted to each dependent citizen can eliminate poverty from every home in Canada in 1973, while productive citizens continue to receive salaries for their work and interest on their capital.

Without work nor capital, Mr. Speaker, no matter whether we are young or old, sick or disabled, unemployed or mother and housewife, we can do nothing. I suggest that the capitalist system today rewards only work and capital, without any consideration for the family and the human being.

At the present time, Mr. Speaker, capital is quite profitable. As for interest rates, nobody says a word about them; they are exorbitant. We have long been requesting a reduction in the rates of interest in order to lower the cost of living. Considering the monetary system we are advocating and which could be applied, we asked that the citizens be granted a compensated discount on the production that is most in demand and on the one which implies the highest cost.

At the present time, we should grant compensated discounts on the necessities of life as a whole, especially on food, because we need food; people also greatly need a home. Current interest rates for those who want to build a house are 10 or 12 per cent and there is also an 11 per cent sales tax on building materials, which increases the cost of living.

Mr. Speaker, we would have been happy indeed had we had the good fortune of finding that the last budget did away with this awful 11 per cent sales tax on building materials which strangles all Canadians who want a home. Home like food is a necessity of life. People need shelter and food and they are being exploited in every way and the sharks are those who benefit most from it.

Mr. Speaker, looking into the budget of finance people, of high financial institutions, one notes that there is no deficit. Let us imagine the billion dollar profits they make thanks to our taxes and the exorbitant interest rate we are paying, and these are the matters that should retain our attention if we want to settle our current economic problem.

Mr. Speaker, our current problem is artificial, not natural. It is not a creation of nature but of mankind. Now, men are the administrators, they have the responsibilities and, taking into account the good will that he shows, I urge the Minister of National Health and Welfare to kindly redress our economy and, as he said today, jointly with the provinces, to find means of building up an economy that could be satisfactory to all Canadian people, guaranteeing them a yearly income besides their wages.

Therefore, should he entertain such good dispositions, I shall congratulate him, but should his approach be nothing more than perpetuating the present system, when necessary to increase the pensions and allowances, or this and that, while accepting the increase in the cost of living and all the resulting difficulties, that will not settle the problem. We are only going round in circles and our uncomfortable position will only worsen. Since we must adopt social and economic measures, let us take them, let us assume our responsibilities, and I believe that in so doing, instead of calling our pension plan a universal plan, we should call it a Canadian pension plan for the benefit of the Canadian people, because our pension plan should not be viewed as universal but as Canadian. When speaking about a universal pension plan, we do not intend to use only words, and I believe that instead of using the words "universal pension plan", we should say "Canadian pension plan". I feel that those words would be easier to understand.

[*English*]

Mr. Nielsen: Mr. Speaker—

Mr. Deputy Speaker: Is the hon. member rising on a point of order?

Mr. Nielsen: Yes, Mr. Speaker. When the hon. member for Hillsborough (Mr. Macquarrie) spoke on behalf of this party, he put our position very well and at the same time suggested that each party field one speaker. It seems to me that not one hon. member will vote against this bill and a competitive debate would not solve anything. We could pass the bill, send it to the committee right away

and bring in the next order of business. That is our position. We would like to move matters along. We make this offer to all parties in this House in the hope that we can speed up the business of the House, get the legislation passed and see that our old people are in receipt of their increased pensions as quickly as possible. Is there agreement?

An hon. Member: No.

Mr. Deputy Speaker: Order. This does not seem to me to be a point of order. It is a suggestion which does not seem to be acceptable. The hon. member for Bruce (Mr. Whicher).

Mr. Nielsen: Mr. Speaker—

Mr. Deputy Speaker: The hon. member for Bruce.

Mr. Nielsen: On a point of order—

Mr. Deputy Speaker: I recognized the hon. member for Yukon on an alleged point of order. I told him it was not a point of order. It has been the custom of Speakers of this House to rule that a point of order does not arise from a point of order. I now recognize the hon. member for Bruce.

Mr. Nielsen: Mr. Speaker, I rise on a question of privilege. In my respectful submission, it has long been the custom of this House that when an hon. member rises and asks the Chair to request whether or not consent exists in the House to a suggestion made, that request is made by the Chair. With great respect, I ask Your Honour to request whether there is unanimous consent to the suggestion that we pass the bill now without further debate.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I object to a point of order being used as a political ploy.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order. All my instincts were right in the first place when I recognized the hon. member for Bruce.

Mr. Ross Whicher (Bruce): Mr. Speaker, it is certainly a pleasure to have the opportunity to say a few words in respect of Bill C-147. Also, I am most pleased, as a backbench member of this House, that the suggestion made by the House leader of the Conservative party was not accepted by hon. members. On such an important topic as this, one that hits at the very fibre of Canada in that it would improve the lot of elderly Canadians who made the country what it is, one would think the Conservative Party would show some interest in this bill. I enjoyed—

• (2100)

An hon. Member: We have heard your speech twice already.

Mr. Whicher: —the presentation which the minister gave this afternoon and I congratulate him. This is the first bill he has presented to the House and it is probably one of the most important bills he will ever present, even if he stays here as long as the hon. member for Winnipeg North Centre (Mr. Knowles).

An hon. Member: No chance.

Mr. Whicher: I listened with interest to the hon. member for Hillsborough (Mr. Macquarrie) this afternoon. We heard a considerable amount of humour, more humour than facts; in any event, it was enjoyable. I also listened to his criticism which, I suppose, according to him was constructive. Then I come to the hon. member for Winnipeg North Centre.

An hon. Member: Why?

Mr. Alexander: I remember, you are the one who said that our senior citizens never had it so good; you said that six months ago.

The Acting Speaker (Mr. Boulanger): Order, please.

Mr. Whicher: I do not suppose there is anyone—

Some hon. Members: Oh, oh!

Mr. Whicher: I want to tell you fellows over there something. If you say too much, you will not be talking for too long.

I do not suppose anyone has crossed swords with another hon. member—in a friendly way, I hope—in the last four or five years as often as I have with the hon. member for Winnipeg North Centre. On the other hand, I have always appreciated his sincerity and I cannot let this occasion pass by without paying my compliments to him as an individual.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Whicher: He told us, for example, that 30 years ago when he was in the House in 1943, old age pensions were $10 a month. I believe that is what he said.

Mr. Knowles (Winnipeg North Centre): No, $20.

Mr. Whicher: One would be less than honest if he did not say that one of the reasons old age pensions have reached the height which they have in Canada—although they may not be as high as the hon. member for Winnipeg North Centre would wish them to be—is his efforts over the years.

Some hon. Members: Hear, hear!

Mr. Alexander: This is a strange parliament.

Mr. Whicher: He has constantly been a thorn in the side of the government party, whichever party it might be, to try to get pensions raised; and he has been successful. May I respectfully and in a very general way remind him of something he said this afternoon, that his party was for complete universality. I believe that was one of the main themes of his speech.

I would like to ask him the following question; perhaps on another occasion he might be able to answer it. Why is it that the first thing the New Democratic Party in British

Columbia did when they were elected a few months ago was to increase the old age supplement to $200, but they did not increase the basic pension by even a five-cent piece? Surely I have said enough already to show how much I appreciate the hon. member and what he has tried to do. It is all very well to say that the great NDP want universality across the board, but when a provincial NDP government comes to power they increase the supplement to $200 a month, with the help of the Canada Assistance Plan, but they do not raise the basic pension by even a dime. So I respectfully point out that it is one thing to be in opposition but it is a completely different thing when you are sitting on the government side of the House.

It is now 21 years since universal old age pensions were first introduced in Canada for those aged 70 and over. In 1952, this parliament provided a universal benefit of $40 a month to every person in Canada over 70 who met the residence requirements. In 1967, parliament provided a guaranteed income supplement to that pension of $30 a month on the basis of an income test for old age security pensioners. Commencing in 1966, the age of eligibility for pensions was reduced from 70 one year at a time until in 1970 the age of eligibility reached 65.

Before 1952, a very high proportion of Canadians in retirement were obliged to seek social assistance to keep body and soul together. In the intervening years, the level of income guarantee provided to our senior citizens has increased steadily until, as provided for in the legislation now before the House, single pensioners will be entitled to $170 a month, couples to $325 a month, and the basic pension is increased to $100 from $82.88.

I would remind hon. members, in passing, that this afternoon the hon. member for Hillsborough, speaking on behalf of the Conservative party, said that $100 was not enough and that to keep up with the cost of living it should be raised to $107 a month. I simply cannot understand how a party as great as the Conservative party was in former years can be talking about such a delicate subject as old age pensions, because there is not one person in the House of Commons tonight, in fact there are very few people in the whole of Canada, at the age of retirement who cannot remember what our Tory friends did when they ruled the roost with one of the greatest majorities in the history of Canada. I will tell you what they did. They raised the old age pension to $65 a month to be given to pensioners at age 70 and they said to them, "God bless you. Go ahead; this is the best we can do".

An hon. Member: That is a lot better than you did.

An hon. Member: How about $2.88?

Mr. Alexander: How about 42 cents?

The Acting Speaker (Mr. Boulanger): Order, please. Perhaps it is because hon. members are approaching the time when they will receive the old age pension and enthusiasm is getting to them, but it is difficult for the Chair to follow what the hon. member is saying.

Mr. Alexander: He is not making any sense, anyway.

Mr. Whicher: Let me remind you that at the age of 70—

[*Translation*]

Mr. Laprise: Mr. Speaker, on the point of order that you just made, I must say I would have been happy a short time ago when my colleague for Compton (Mr. Latulippe) was speaking if the one who was in the Chair at the time had made the same comment when a number of Liberal members on my left were really kicking up a row.

The Acting Speaker (Mr. Boulanger): Order. That is not a point of order.

[*English*]

Mr. Whicher: It is better than the $65 a month at age 70 that our friends to the left of Mr. Speaker gave the senior citizens of Canada, with no guaranteed income supplement whatsoever. Yet they tell us now, through their main speaker, that instead of $100 a month it should be $107. Not once in this speech did the hon. member mention that senior citizens at the age of 65, those who have no other income, will be drawing $325 a month for a couple while a single person at the age of 65 will be drawing $170 a month. Having heard the hon. member for Winnipeg North Centre this afternoon casting aspersions on the sincerity of the Conservative party with regard to senior citizens, I say that if I am ever unfortunate enough to need a heart transplant, let me have the heart of a Tory, because so far as senior citizens are concerned it has never been used.

Some hon. Members: Oh, oh!

• (2110)

Some hon Members: Hear, Hear!

Mr. Nielsen: Mr. Speaker, I rise on a question of privilege. I assure the hon. member that all Tories have hearts, but that is not the part of my anatomy that I would give him.

Mr. Alexander: What's your next statement, Ross?

Mr. Whicher: My next statement is that I meant every single word of my last statement. Although there are no precise data on the proportion of pensioners who still have to submit to a needs test to receive social assistance before this legislation takes effect, it appears to be in the order of from 5 per cent to 10 per cent, depending on what region of Canada one is talking about. Except for a small number of people with special needs, this legislation will provide to our senior citizens a level of income sufficient to remove them from the welfare rolls once and for all.

Special needs might include drugs, nursing home care, and home care, and of course I would be less than frank if I did not remind hon. member that the provinces, which have responsibility in this field, receive 50 per cent of the cost of this assistance under a federal cost-sharing program. Hon. members should note the federal cost-sharing of increased supplements for the aged and the handicapped in British Columbia. This could well apply to other provinces. For example, it could happen in the provinces of Ontario and Prince Edward Island. If Conservative members really want to put pressure on the provinces and if they are really sincere in support of the speech given on their behalf this afternoon, they should

go to the wealthy province of Ontario and say to the premier of that province with whom they have very close contact, "Let us do in Ontario exactly the same as they did in British Columbia."

Some hon. Members: Hear, hear!

Mr. Whicher: Don't come crying here and telling us what you did years ago when you gave the magnificent sum of $65 a month. Go to the province of Ontario and tell it to make the same deal as British Columbia.

Mr. Lewis: Don't forget Alberta.

Mr. Whicher: Very good; I won't forget Alberta. As a matter of fact, I have it in my speech later on. I will use Alberta in a rather different fashion.

Let no one underestimate this achievement, Mr. Speaker. It has been secured after a long and, from a parliamentary point of view, rather complicated process. It reflects the consensus of this House, over time, on the priority that we attach to the needs of those who built this country, our fathers and mothers and the grandfathers and grandmothers of those who now harvest the fruits of their great endeavours. As a Canadian I am proud to say that Canada is the first country in the world that has provided this order of protection to its aged. Not just the Liberal government, that introduced this legislation, should take pride in it: we have three other very responsible parties in this House and it is a fact that all of the parties working together made this legislation our number one priority to assist our senior citizens. We should be proud of that fact.

This afternoon the minister attempted to compare Canada with other countries such as Sweden, France and Germany. It is very difficult to do that. Last night I took the opportunity to compare Canada with various countries. I repeat that it is very difficult. While the figures must be reasonably rough, nevertheless it is a fact that so far as looking after senior citizens is concerned, we are the number one nation in the world. In the wealthiest country in the world, the United States, approximately 5 per cent of its citizens, if they retire at age 65 because of sickness or some unfortunate catastrophe, are not covered by social security. They must go on relief, which is paid for by the state or the U.S. treasury. How different from the situation here in Canada where a couple living anywhere from Newfoundland to Vancouver can retire at age 65 and, if they have no money, automatically from now on, starting in April, receive a cheque for $325 a month!

Some hon. Members: Hear, hear!

Mr. Whicher: Canada is one of the first countries in the world to legislate to provide that its pensioners, as a matter of right, without reference to contributions that they may or may not have made to a pension plan and without reference to a means or needs test, shall be guaranteed an income which will permit them to live their declining years with security and dignity.

As a Liberal as well as a Canadian, I applaud the contribution which has been made toward the final achievement of this goal by such eminent predecessors of the present incumbent of the National Health and Welfare portfolio as the Hon Brooke Claxton, the Hon. Paul Martin, the Hon. Judy LaMarsh, the Hon. Allan MacEachen and the Hon. John Munro, all of whom had a great deal to do with the legislation that has come before us today. We should be proud of them. It has been said that one may judge the moral fibre of a nation by the way it takes care of themselves. No Canadian need fear the application of this standard to his country, and no Liberal should be ashamed of the contribution of this government.

Other things have also been done for our senior citizens, Mr. Speaker. The income tax exemption for our senior citizens was $650 at age 70. In the tax reform legislation which we introduced last year that exemption was increased to $1,000 and the qualifying age lowered to 65 years, so that anyone getting the guaranteed income supplement would no longer have to pay income tax in Canada. There are those on the other side of this chamber, particularly in the NDP, who have asked why we should increase the old age security pension rather than the guaranteed income supplement. Mr. Speaker, in passing this legislation the House is reaffirming the position it took in 1952 when it decided, for the first time in Canadian history, to recognize the contribution which our senior citizens have made to the growth and current prosperity of the country by providing a universal benefit.

Some 21 years ago this House removed all conditions which had hitherto attached to the old age pension, and gave it to all pensioners as a matter of right. No one in the House at the time thought it was sufficient to meet all the needs of retired persons, and some who are still here today said so in no uncertain terms. For some of those who had other income, it lifted them from insecurity to security. For those who had little or no other income, it was not enough and required supplementation. For those who had plenty of other income—this was not, and still is not, characteristic of the vast majority of retired Canadians—this was a payment made by a grateful country to those whose labours had built it into a strong and prosperous nation. It was to be theirs as a matter of right.

• (2120)

As a nation we have prospered much since 1952 when the OAS payment was $40. Since then we have turned increasingly to the problem of the relief of poverty. In the retired group, the guaranteed income supplement which was introduced in 1967 put pensioners on the high road to the achievement of a guaranteed income at a level which meets their needs without attacking their dignity. The legislation before us, despite the charges of inadequacy, removes all pensioners except those with very special needs from the welfare rolls of this country. I do not regret our concern in recent years for increasing application of the principle of selectivity in the utilization of our welfare dollar to meet the needs of those in poverty. But in our zeal to improve the lot of the very poor we have turned our backs in recent years on the commitment we made in 1952. Let those of us who share unabashedly in the wealth of this country compare our monthly pay cheques in 1952 with those we receive today. And when we have done so, let us ask ourselves whether we think it is inappropriate, or immoral, to restore the purchasing

power of the universal and unconditional pension to its level of 21 years ago.

No one would support the view that we should have dealt with those who do not receive the guaranteed income supplement while neglecting the need to improve the pension of GIS recipients. But that is not what is proposed. The increase to the one group is of the same order as the increase to the other group. The existing relationships between the two groups is being maintained, not narrowed. Indeed, the legislation provides that this relationship will be maintained automatically in perpetuity.

We have been concerned—necessarily concerned, as I have said—with the plight of the poor. But what of the near poor? A single pensioner with a private annual income of $1,700 is not entitled to the guaranteed income supplement. Is this person so well provided for that he is none of our concern? We have been arbitrary, as we must be, in identifying that amount of income which reduces a pensioner's guaranteed income supplement to zero. But is the person just below that line a poor person, and the person just above that line not poor, by virtue of the line we have drawn?

I know many of the near poor whose other income, although pitifully small and secured by caution, thrift and rigorous self-denial over many years, allows them to live a precarious and extremely simple existence when it is combined with their old age pension. I make no apology for supporting legislation which remembers the near poor along with the poor and reaffirms the original intent of this legislation to recognize the contribution of all the senior citizens of this wonderful and very wealthy country which we inherit from them.

Mr. Speaker, I am proud to be a member of the government which introduced this legislation—

Some hon. Members: Hear, hear!

Mr. Whicher: —but even more important, I am proud to be a citizen of Canada, a country that is giving more to its senior citizens than any other country in the whole world.

Some hon. Members: Hear, hear!

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, as you know, I am a new member of this House of Commons. Before coming here I used to wonder why it took so long to have debate in the House and to pass legislation. Tonight we have a good example of why we are extending the time of the House of Commons when it does not need to be extended.

Some hon. Members: Hear, hear!

Mr. Roche: We have an example here, Mr. Speaker, of a debate that did not need to take place. I believe that the country could live without the words that I am going to offer in comment on this bill. We are having this debate because the government, with the free and easy compliance of the hon. member for Winnipeg North Centre (Mr. Knowles), has chosen to extend it before going into committee.

I have a few comments to make about the bill. I address them through you, Sir, to the Minister of National Health and Welfare (Mr. Lalonde). He brought in the bill and suggested two or three times in his speech that it was indeed a very fine thing that the government was doing. He said this was the largest single increase ever brought in, and there was the suggestion in his speech that we should be happy with what the government is doing.

I can tell you, Mr. Speaker, that along with my colleagues I shall vote for this bill, but we do not do so with any happiness because we consider it is a reflection of political cynicism; it is the result of an election which has made the government dependent upon the New Democratic Party for support; it is placating the New Democratic Party. I may say to the hon. member for Winnipeg North Centre that for many years I sat in the gallery and watched him and indeed admired him for the forthright manner of his speech in pleading causes. But he was too easily satisfied tonight.

Some hon. Members: Hear, hear!

Mr. Roche: Mr. Speaker, I will tell you why there is unhappiness in our party, why there is unhappiness throughout the country at the news that the pension, with the increase, will amount to only $100. Why did 1,500 senior citizens assemble at Queen's Park yesterday to ask for an increase? Because the federal increase to $100 is not enough. Why did Mayor Dent of Edmonton have the Mayor's Committee of Senior Citizens launch a petition to have the people of Edmonton give an expression of their views as to the validity of this increase? Mr. Speaker, 17,000 people in Edmonton have so far signed this petition, pleading with the federal government to increase the old age pension to at least a minimum of $125.

This committee was in existence during the past two months; it preceded the minister's introduction of this bill and it preceded the introduction of the budget when the figure of $100 was announced. Half of the 17,000 people signed the petition before the $100 figure was known, and the other half signed after the budget was introduced on February 19. The petition is still being signed and will be brought here upon completion. It indicates that many people in Edmonton are unhappy with what has been done.

Why, Mr. Speaker, did the National Pensioners and Senior Citizens Federation come to Parliament Hill today and speak to the Standing Committee on Health, Welfare and Social Affairs to ask if it could exert its influence for a much better deal for the senior citizens of this country? They are going to make the same request tomorrow to the government. All this has happened since the $100 figure was announced.

Why have I received a telegram from the president of Pensioners Concerned in Edmonton, Mrs. Kay Charest, who expresses her appreciation for the increase that has been put through but says she realizes that by April inflation will have eroded practically all the benefits, and strongly urges price control, especially for rent and food, and that the old age security and guaranteed income supplement be tied to the cost of living?

Why, Mr. Speaker, did the Society for the Retired and Semi-Retired in Edmonton, Alberta, send me a message

following the introduction of the budget and the $100 figure, signed by the vice-president, Mr. Fred Hannochko. It is not very long and succinctly expresses the feelings of senior citizens since the budget has been introduced. It reads:

> I find the recent announced increase in the old age security pension to $100 a month disappointing. This does not begin to take care of the increase in the cost of living. We know that in Alberta approximately two-thirds of us are living on only the old age security and all or some part of the guaranteed income supplement, which means that many pensioners are living at a poverty level. The announced increase does little to improve our standard of living when you consider the cost of the necessities of life, in particular food and housing. Inadequate pensions force us to become second-class citizens and therefore dependent on others and special services. After giving 40 years of our lives towards building Canada we feel that we have been let down. We would like to be able to live our remaining years in dignity and pride.

• (2130)

Those are the sorts of messages some of us have received. They reflect on events which have taken place in this country in the past ten days. These have caused not only unhappiness but concern in a very great section of our community. I can say this on the basis of having talked to hundreds of senior citizens last summer and fall. Let me tell Your Honour about a couple that came up to me in the shopping centre, because their words will express more poignantly than any of mine what the people in this country feel.

A lady, accompanied by her husband, came to me in a shopping centre and said, "Can you tell me what is wrong with Canada? My husband and I worked hard through the years. We worked during the thirties and during the forties when times were hard and salaries low. Now we have managed to save a little; not enough to live on, just a tiny bit. We need a fair old age pension." She then said to me, "Why can we not get a decent pension when people who are unemployed can collect $100 a week after having worked a short time, and when so much money in our society is paid for programs like Opportunities for Youth, and so on?" Then she said, "Is there not something wrong when we who have contributed so much to our country and society get so little and when those who do not really need money are given so much?"

Mr. Alexander: That's the just society!

Mr. Roche: I told her I thought she had put her finger on what was wrong with modern Canada. That lady and hundreds like her with whom I have talked have told me that senior citizens in this country feel abused because they feel someone is playing games with them. Let me tell you why they feel this way, Mr. Speaker. Last year the government introduced the New Horizons program. I will not speak against the New Horizons program now; I do not want members of the government to accuse me of being opposed to senior citizens merely because I am opposed to the New Horizons program.

Mr. Speaker, I am against that program because so many of our senior citizens are against it. They do not support it because they are not able to get money for projects they are asked to submit. The youth of this country are given all sorts of money for programs like Opportunities for Youth and other programs, including schooling, which I support. On the other hand, senior citizens who submit projects under the New Horizons program are told there is not enough money for them. When I spoke about senior citizens previously, that was one of the problems uppermost in my mind.

A couple of weeks ago during the debate on supplementary estimates some members said they were disenchanted with the New Horizons program. Some hon. members opposite tried to make it sound as if members of the party I support oppose the interests of senior citizens because we are trying to show what is wrong with the program. Let me say that I am opposed to the bill introduced by the Minister of National Health and Welfare even though I will vote for it because, as the hon. member for Winnipeg North Centre said, any increase is better than none.

I oppose this bill because it represents a piecemeal approach to the solution of a complicated problem. The minister had some good things to say about the comprehensive approach that is needed. I will deal with that in a minute; I want to finish telling the House how senior citizens think and feel about certain government programs. In this connection I wish to introduce a topic that has been on my mind for a long time, that of national unity. I will not deal with the French and English problem in this country. Although we are making progress, much progress still has to be made on that crucial front in this country.

Mr. Speaker: Order, please. Would the hon. member please resume his seat? The hon. member said a moment ago that he would not go into what he called the English and French problem. I would hope so, because I must bring to his attention that the bill presently before the House is Bill C-147, an act to amend the Old Age Security Act. It was all right for hon. members to roam over their general fields of concern for Canada while we were on the budget debate, but now there is a specific bill before the House. Hon. members must remember that what is vital and basic to parliamentary conduct is the rule of relevancy. All hon. members are to respect this rule and debate what is before us, namely, an act to amend the Old Age Security Act.

Mr. Roche: Mr. Speaker, I agree with your interpretation of my remarks. May I submit to you that the question of national unity is extremely important in this connection, as the aged are part of our nation and want to participate in its affairs. They want to be plugged into our society, if you like. I say that there will not be national unity in this country so long as sections of it such as the aged, women, and youth feel alienated and dispossessed. The aged feel this way particularly. The thrust of my argument is that there will not be a stable society in Canada until each of the various components of our society is able to participate in its activities.

As I have said, the aged feel that they are being used. Why do I say that, Mr. Speaker? Simply because I suggest this basic increase could have been introduced a few months ago. Why did it need a dramatic political event to bring about circumstances such as those now prevailing in the House before action could be taken in this field? It must be clear to the pensioners and senior citizens of this country that the government has not understood their

difficulties. Mr. Reg. Watson, late head of Pensioners Concerned, put their case succinctly:

During our working years, we all paid our taxes; we defended our country in at least two wars and many lost loved ones; we educated our families to take their place in society; we contributed to welfare and many of us still do; we supported our country in every way humanly possible even through the world's greatest depression . . . We ask not for charity, but our just due.

Now, Mr. Speaker, I submit that the government is introducing political charity for the aged rather than justice. We shall not see the kind of national unity that I think is necessary until we treat the aged with more justice.

The minister this afternoon spoke of how expensive it would be if we were to fix the age of eligibility below 65. We must remember that we spent $900 million of public funds on unemployment insurance benefits because unemployment had risen above 4 per cent. We went through that debate and argued a good deal. Nevertheless, $900 million was spent because unemployment rose above 4 per cent. That amount of money would have enabled us to pay the combined old age security and guaranteed income supplement to all Canadians over the age of 62. I submit that spending that amount of money in stabilizing our society would have been far better than spending it on unemployment insurance and bailing out the unemployment insurance fund.

If the minister will permit me to say so, he displayed a good deal of insight into the problems of the poor, handicapped and aged in our society when he dwelt at length on the need for a comprehensive program. He said he is looking forward to the forthcoming federal-provincial conference that will try to evolve an integrated approach to all problems in the social security field. I hope the minister will not present this to us as a discovery that a comprehensive program is needed. This has been the approach of the Canadian Council on Social Development, and many other experts, who have looked at the problem. For some time chaos has been developing, literally, because there are three levels of government trying to approach social service programs. I point only to the report of the Croll committee on poverty. Unfortunately, too much of it is still sitting on the shelf. It states in great detail that the welfare system in Canada today is literally in chaos. The whole system of welfare in this country costs $6 billion. There are five million Canadians at or below the poverty level. Poverty is indeed the great social issue of our time.

• (2140)

I commend the minister for looking at the problem of the aged in its totality. I think I can say that he, with many members in this House from all parties, is envisaging a society in which there is much more justice not only for the aged but all components of our society, the handicapped, the infirm and those for whom society has a responsibility to protect and support.

The forthcoming conference will undoubtedly bring us back to the question of the constitution. Within the past couple of years a joint House of Commons-Senate committee on the constitution travelled across this country. It received innumerable briefs and compiled a report that I, as a newcomer, think is very good. It stated that we will have to realign not only our fiscal priorities but the responsibilities between Ottawa and the provinces. I suspect the minister's view is going to be so comprehensive that it will bring us, in concert with the provincial ministers with whom he will be meeting, back to the constitution. He will say to this House that we cannot make any substantial improvement in a comprehensive approach to the social problems of this country until our constitution is changed.

I wonder how long it will take us to change the constitution. In many ways I wish it could be done overnight, but obviously that is impractical. However, I hope we do not lose sight of the need of our constitution to emphasize what is absolutely necessary in our society, namely, decentralization so that those who need services can be serviced by governments that are close to them and will no longer be subjected to so many programs set down by Ottawa to be delivered at provincial and municipal levels, thereby raising the costs of government in those communities and provinces.

All of this is to bring us to a very vague goal, a concept of improving the social services in this country if we are patient enough, if we can all agree on what a comprehensive approach will actually bring and, then, how we can get a new constitution out of it. However, that will not be sufficient to meet the circumstances that we face. These circumstances were clearly outlined by previous speakers, including the hon. member for Hillsborough (Mr. Macquarrie). Many senior citizens today are in a situation that does not render them eligible for a guaranteed income supplement. Their savings are being eroded. They are subject to inflation. They are at an income level that hurts them most when it comes to food and rent, particularly at a time in life when they are not able to augment their very meagre income. They are the ones who are suffering.

I admire the long-range goal of the minister. However, when he says that the minimum age cannot be gradually lowered from 65 to 60, and that we cannot give consideration to spouses between the ages of 60 to 65 being eligible for old age security when the first partner of the marriage goes on retirement—improvements that are absolutely necessary in our society today—because there are so many other factors that have to be taken into consideration in light of a comprehensive approach, I say that time simply will not allow us to take this casual approach and meanwhile grab a headline that the government is increasing the old age pension to $100—and isn't that a wonderful thing!

It will be necessary to keep up the pressure on the government, and I do not care which party forms the government. The government of this country has an obligation to consider justice and has a high priority for the aged. They should not be subjected to any more gamesmanship. I hope we can see some improvement very shortly.

I have commended the senior citizens of this country for becoming politically active. We have certainly seen evidence of this in the past few years. I have said to them before, and I say to them again, that an increase in their political activity and political demands on the government will produce results. The combination of their political demands and our understanding and compassion for the

needs of senior citizens of this country can bring about improvements.

I want to say a final word about the comprehensive approach, or what I call the practical and immediate approach which should be wedded or brought together. Society has an obligation to help those who need assistance. I want to see a clear line between that segment of our society and the much larger segment that does not need to be helped but needs an opportunity to help itself. I submit far too much public money is going to this latter section of society, the vast bulk of society, because this government has given political response to economic problems in the creation of social programs that do not necessarily need to be created, and in spending money it does not need to spend in order to satisfy the political demands on them.

Who has suffered, been squeezed and short-changed? It is that element of our society which desperately needs more help. What has happened is not a reflection of a compassionate government. We have an obligation to help people who live in this very modern, complex, alienating society.

• (2150)

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I think it can be fairly said that for the vast majority of Canadians these are extraordinarily good times in which to be living.

Mr. Forrestall: Oh!

Mr. Penner: I come from a region of Canada which is not known for fabulous wealth, yet the people I visit and talk with there agree with me that for most of them these are extraordinarily good times in which to be living. But what is true for most Canadians is not true for all, and this is precisely the reason for the bill which was introduced this afternoon by the Minister of National Health and Welfare (Mr. Lalonde) to increase the old age pension.

It is a good life for most but it is not a good life for all. The present parliamentary inquiry into food prices has revealed, for example, that Canadian families today spend a smaller percentage of their budget on food then they did in 1961 and that in many cases the kind of food which is available today is of improved quality. So people who are working for good wages are presently eating better, for less, than they did ten years ago. While this may be true of most people it is not true of people who must live on a relatively low fixed income. These people undoubtedly find it very difficult to meet the rising cost of a nutritionally adequate diet, not to mention the other costs they must bear. This situation is particularly distressing for those who must rely on pensions as the sole means of economic livelihood. In these circumstances I enthusiastically welcome the pension increase which is outlined in Bill C-147. It is a means of putting more spending power into the hands of people who need it most.

I listened with great care when the finance critic of the official opposition made his comments on the budget. He said it was not expansionary enough. It should go further, he said. He suggested more across the board tax decreases. I am sure such a move would be welcomed by

[Mr. Roche.]

many. The trouble is that doing so would fail to bring the requisite help to those who most need help. I did not hear the hon. member suggest that an effort ought to be made to put more money where it was most needed. He did not talk about increasing old age security payments or increasing the income supplement.

The same thing happened during the election campaign last fall. People kept asking spokesmen for the Conservative party how much they would give if that party were in power. We never heard a clear and conclusive answer to that question. Various figures came out—sometimes $88, sometimes $92. Some even surmised that the figure went as high as $95. But we were never quite sure.

Mr. Forrestall: What figure did you suggest during the campaign?

Mr. Penner: Well, it is not what we promised; it is what we deliver.

Some hon. Members: Hear, hear!

Mr. Penner: The raising of the basic old age security pension to $100 is an important and necessary follow-up of the measures announced last year to raise the guaranteed income supplement for old age pensioners and to increase both the basic pension and the supplementary payment automatically in line with any annual rise in the cost of living. Unless I misunderstood him, the previous speaker failed to take cognizance of that point. There is, in fact, a cost of living escalation built into both payments at the present time.

Twenty-one years have now passed since the universal old age pension was first introduced in Canada for the benefit of those aged 70 and over. In 1952, the twenty-first Parliament of Canada provided a universal benefit of $40 a month to every person over 70 who met the residential requirements. If, in 1952, a cost of living escalator had been built into the scheme, and if we take account of all the cost of living increases in those years and discount any actual increase parliament has made, the basic pension today would amount to only $64.62. Taking the $40 and the cost of living escalation in each year since 1952, the pension would amount to only $64.62.

Instead of that, effective April 1 it will be $100 as a basic old age pension. Moreover, the age of eligibility has been progressively reduced to 65. If we take account of supplementary benefits, it is now possible for a single pensioner to receive a guaranteed monthly pension of $170, and for a couple to receive $325. As I say, the scheme was introduced in 1952—$40 and no guaranteed income supplement. It is now possible for a single pensioner to receive $170, and this more than accounts for the rise in the cost of living which has taken place since 1952.

An hon. Member: And there is the Canada Pension Plan.

Mr. Penner: In addition, there is the Canada Pension Plan. Mr. Speaker, I see it is now ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

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

MANPOWER—REFUSAL OF UNEMPLOYMENT INSURANCE BENEFITS TO PERSONS TAKING COURSES

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, on February 9 I addressed the following question to the Minister of Manpower and Immigration (Mr. Andras);

Is it the policy of the government to refuse unemployment insurance to people who are taking manpower courses, giving as a reason that because they are taking the courses they are not available for work?

The answer the minister gave was:

Generally speaking, that is correct.

Then I asked when the new policy had been adopted. My question arose out of letters I had been receiving from my constituency. I should like to read one of these letters because it is most specific:

I recently took leave of absence from my job to complete my education in hopes of finding a better job. I am going to B.C. Vocational Institute.

I have worked at Weldwood of Canada for nine years prior to taking leave of absence. When I applied for adult education I was told I would receive $73 a week from Manpower and around $35 a week from unemployment insurance. I am receiving money from Manpower but the unemployment insurance has cut me off.

They have sent me cards to fill out and cards saying they owe me money. Then they said I was not able to qualify because I was unavailable for work. Manpower said I would be subsidized by the UIC or I would never have taken a leave of absence. I was making $160 a week at the mill and am finding it a bit difficult managing on $73 with a wife and two children to look after.

I would not have taken the course if I was not told by three different people that I would be receiving $73 from Manpower and $35 from unemployment. Could you please help?

• (2200)

It seems to me, from what I have been able to learn, that when this man applied for a manpower course and took leave of absence he was told by manpower officials he would be able to receive not only manpower training allowances but unemployment insurance as well.

Then evidently the regulations were changed, and from what I learned from telephoning Vancouver and speaking to the manpower officials there, the regulations must have been changed sometime during the last week of November, I think probably on November 24. That was the time the new regulations came in, and apparently the manpower people were told that from then on they would have no say in what happened to people taking courses except in so far as the courses themselves were concerned, that only the Unemployment Insurance Commission would be able to tell applicants what they would receive by way of unemployment insurance.

The point I want to make this evening, Mr. Speaker, is this. As far as I have been able to make out, this man and others like him applied before the new regulations went in to effect, at which time they were quite legitimately told that manpower would give them the training allowances, and unemployment insurance would give them benefits while they were taking the manpower course. As a result, this man in question in perfectly good faith went ahead and took the course, only to find himself cut off from unemployment insurance because he was declared to be unavailable for work.

Of course he was unavailable for work; he was taking a course and had leave of absence to do so. As I say, it seems to me very peculiar that a person is told to go ahead on the basis of one set of regulations, only to pull the rug out from under him when another set of regulations is passed. There are some cases of this sort where great hardship is suffered, quite apart from the injustice that I think is being done to these people.

I have known cases where the only way that a man taking a course, who had a family, was able to live was to get help from his parents or to move in with a relative. This kept his family going until he finished the course. This particular man was very lucky in one respect; he did have leave of absence and can go back to his job—if he and his family are able to survive until he finishes his manpower training course.

If I have my facts straight—and if I have not I should like to be set straight on the facts—I consider it to be very unjust to tell an applicant he will receive a training allowance while on the course, only to cut him off from unemployment insurance on the ground that he is unavailable for work while he is taking the course. I would be very glad to receive an explanation from the department. If the explanation is not one that is commensurate with justice and fair play, I would be very glad to know whether the department will make some restitution to this particular individual and others like him who, through no fault of their own, are caught by a change in regulations.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, claimants who are attending courses approved by manpower and to which they are referred by the Unemployment Insurance Commission are not required to prove availability while they are attending the course and are allowed to receive benefit. Such benefits represent the amount necessary to "top up" a claimant's income from the training course after deducting the costs, if any, of living away from home. The benefits paid bring the claimant's payments up to the benefit level he would have received had he not been on training. It is the general policy of the commission to refer claimants to courses of instruction under the Adult Occupational Training Act providing they have not voluntarily left full-time, regular employment in order to take the course of instruction.

I regret that I do not have with me information as to the time at which these regulations came into effect, but it is not my understanding that there has been any recent change in the regulations. I suspect the explanation is, rather, that the officer to whom the question was originally referred misunderstood the claimant's situation, because if he were not leaving a job voluntarily and if he were being assigned by the Unemployment Insurance Commission to this course, then of course he would receive unemployment insurance benefits.

I suspect the difficulty arose because of the fact that he was moving from his employment and it is not the policy

of the Unemployment Insurance Commission to subsidize a person who gives up his employment in order to retrain himself for a higher paying job. I would say to the hon. member that we would be most happy to discuss this particular case with her in light of the facts she has, and we shall endeavour to obtain for her full information on this matter.

LABOUR RELATIONS—ELEVATOR CONSTRUCTORS' STRIKE—FEDERAL GOVERNMENT ACTION TO ACHIEVE SETTLEMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I am very happy that the parliamentary secretary to the Minister of Labour (Mr. Turner), the hon. member for London East, is here to answer my question tonight. It is an asset for any party to have him because he is one of the more likeable members of this House. I say that without any reservations.

Tonight I wish to deal with a matter about which many members have spoken and on which they have asked questions. On February 15 I asked the Prime Minister (Mr. Trudeau) the following question:

Mr. Speaker, I should like to address this question to the Prime Minister. In light of the national crisis now affecting housing units because of cost, shortage and the economy of the country, what do the government and the Prime Minister intend to do to assist in the negotiations for a settlement of the lengthy strike of elevator construction workers which is affecting the economy of Canada in all its facets? This strike has reached the level of a crisis in respect of shortages in housing and the general health and well-being of the Canadian people.

The Prime Minister suggested I direct the question to the Minister of Labour (Mr. Munro), which I did. This question appears at page 1309 of *Hansard*:

Mr. Speaker, in light of the fact the federal government has done nothing to intervene in respect of this strike—

This, of course, is the strike of the International Union of Elevator Constructors.

—which is costing $250,000 a day in taxpayers' money, will the Minister of Labour now meet with the parties involved or with the various premiers of the provinces to bring to an end this strike which is not only affecting the economy but the health and welfare of the people of Canada?

The Minister of Labour replied as follows:

Mr. Speaker, it is not correct to say that we have done nothing. The fact is that we as the federal government have absolutely no jurisdiction to intervene in this particular strike.

I want to answer that. On February 26, as recorded at page 1639 of *Hansard*, I asked the same question. I do not intend to read it. I will put it this way: I said that, even assuming that it is a provincial matter, surely there is a responsibility on the federal government to bring together at least the ministers of labour of the ten provinces in order to bring an end to this strike. The Prime Minister did say he would consider the request. At least he had some appreciation of what was going on.

This is a national question. It is true it is a problem which comes under the jurisdiction of the provinces. However, we must consider what the strike is all about. It involves the International Union of Elevator Constructors. The strike has been affecting elevator construction in the ten provinces of Canada. It is not something involving merely the province of Ontario but, rather, Canada from coast to coast. Even in the province of Quebec, where the provincial government intervened, there has been a slowdown. From the beginning, the union insisted that any settlement must encompass all of Canada, not just Quebec, Ontario, Saskatchewan, British Columbia or Alberta. This means that the settlement must be based on the Toronto wage scale.

[Mr. MacGuigan.]

• (2210)

The amount paid to the elevator constructors will make no difference whether it is in the Maritimes, in British Columbia or elsewhere to the cost of living in different areas. What is the strike really about? It would not be so bad if they were asking for better working conditions or for higher wages. But do you know what they are asking for? This strike is an American-motivated international strike. They are angry because the elevators are prefabricated in the factories for apartment blocks and commercial buildings; they cannot be prefabricated on the job. This is featherbedding of the worst kind. If this were a Canadian union it would not be so bad, but this is a sympathy strike for the United States unions.

Why is this strike national in scope? First of all, 750 projects in Canada are affected from coast to coast. Tonight more than 15,000 workers are out of work and drawing unemployment insurance. If that does not make it national in scope, what does? Millions of dollars of unemployment insurance are being squandered, dollars which taxpayers are putting up.

What about the health and welfare of the people of Canada? Who are we talking about? We are talking about the aged who live in buildings 20 storeys high and who cannot take the elevator down to get medicine from the drugstore. We are talking about the sick and the infirm, about the homeless. Dozens of people have had their contracts cancelled after having made their payment on a housing unit. Above all, there has been national violence against the people of Canada by American-motivated unions. Apparently the elevator union has been harassing and intimidating supervisors of buildings and other people who belong to Canadian unions.

Now I want to come to an important point. Lord Watson said, in a famous case, that that is how in time of war the federal government can take over control of the country—by controlling labour, management and industry. They can call this a crisis. When they relate it to the B.N.A. Act, as Lord Watson said, peace, order and good government take over. Surely it is time this country arrived at a new theory and perhaps it should be tested in the Supreme Court of Canada.

When there is an economic crisis which affects property and civil rights in the whole country, the federal government can move in to end the strike. This crisis is national in scope and such a case is covered by the constitution. Even if I have to apply a new theory tonight, I must point out that this government cannot sit idly by and watch people thrown out of work, see a drain on the unemployment insurance fund and people who are unable to get out of their apartments, the infirm, the aged and the sick, and 750 projects affected. We are losing a quarter of a million

dollars in national revenue in Canada. Therefore I say that this strike is national in scope.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I thank the hon. member for his kind words. It is not correct to say that we have done nothing. The fact is that this matter is exclusively under provincial jurisdiction. In spite of that fact, the minister did contact the Ontario government to indicate the serious implications which this prolonged strike was having and to indicate our interest. Of course, this would automatically leave the impression that if the Ontario government felt we could be of any help, despite the fact that it is within its jurisdiction it could contact us; but to this date it has not done so.

With respect to the situation in Ontario, the meetings under the auspices of the Department of Labour were recessed about ten days ago, with no plans made for resumption. However, we are told that the mediators are continuing to explore every avenue of settlement and there is a possibility of further meetings taking place within the next few days. It has been reported that a group of contractors has asked the provincial authorities to appoint an industrial inquiry commission.

There is no change in the Alberta situation. The last information we had indicated that the Alberta Construction Labour Relations Association was going to present evidence of vandalism and threats of violence to the attorney general's department. Various employer groups have asked the provincial government to take steps to end the strike in Alberta.

Regarding the situation in British Columbia, the union's appeal against the B.C. Supreme Court ruling that the strike is illegal was set down for a hearing in the B.C. Court of Appeal on February 22. The union has said that no return to work directives have been issued to union members, and any decision in this respect was left up to the individual employees. Top officials of the union have been meeting with the provincial minister of labour. Quebec is the only province so far that has ordered striking employees back to work. There is little information from Nova Scotia, Manitoba and Saskatchewan, which seem to be watching events in Ontario where the main negotiations have been taking place and where any settlement reached will apply to the other provinces.

An editorial in the *Globe and Mail* of February 15 suggested:

—that the dispute has lasted as long as it has chiefly because an international union and international elevator companies have made up their minds to use the Canadian situation as an experimental laboratory—to have a controlled strike here to fight for issues that are a future goal in the United States.

The Ontario mediators have advised us that this is untrue, because the Canadian companies have already offered the union more than was gained in the U.S. settlement. In conclusion I wish to state that the strike does not come under the provisions of part V of the Canada Labour Code (Industrial Relations) but is a matter strictly within the jurisdiction of all the provinces.

Adjournment Debate

CANADIAN NATIONAL RAILWAYS—ALLEGED SLOWDOWN BY VANCOUVER YARD CREWS—REASON FOR LOWER PRODUCTIVITY

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, some of us are old enough to recall that to be part of railroading was to be part of an industry with a great deal of glamour. Everybody had heard of the great railway tycoons who, like kings, industrialists and leading politicians of the day had their own lavishly appointed private coaches. For the kids close to, but from both sides of the tracks, the railroad engineers, if not kings, were certainly the princes of the road. To be one of those princes in charge of all those mighty toots and puffs of black smoke and to wave pontifically down to people below was part of the vision and dream of most young boys.

The romance that was railroading, for a time at least, assisted the railroads materially in worker recruitment, because even if one never rose to become prince of the locomotive cab, you could at least be near to him and be part of this great and marvellous industry. Men flocked to railroad jobs, therefore, in search of steady work, of pensions which were relatively rare in those days and, at the end of your career, of the best possible prize for a working man—the celebrated gold watch.

I don't know whether working for railroads was any better in the old days than it is now. In fact, I very much doubt it. Probably railroads were able to attract and retain workers in earlier days because most other jobs were far worse. But what I do know is that railroaders in my constituency are not a happy lot. The engineers are concerned with lack of safety provisions in the Fraser canyon, and for yard workers wages have slipped in the past two decades from second to twenty-seventh for industrial workers. Railways pay lousy pensions, and many workers feel that they are poorly represented by a union from which there is no escape. Here is what one of my constituents wrote and why I raised my question when the subject of the west coast slowdown came before the House last Tuesday:

We are in the position whereby our switch crews are being reduced from three men, one foreman and two helpers, to two men, by eliminating one helper. This is being done in accordance with a duly signed agreement. The agreement was signed by our general chairman (business agent) because the only other alternative was to go through negotiations which would ultimately be finalized by the Railway Board of Arbitration. Under the laws of the land the arbitrator, Mr. J. F. Weatherill, can only rule on whether or not a crew can work safely while reduced.

• (2220)

He has ruled that production, or loss of same, is the responsibility of the railway company. Furthermore, the ratio of cases won by the company to cases won by the union before this arbitrator, is about nine to one. Facing this, and the fact that the railway company grossly misrepresents the cases before the arbitrator, our general chairman advised us the best thing to do would be to negotiate an agreement that would gradually phase the two man crews into the greater Vancouver terminal. This was done in Edmonton, Alberta, in July, 1972.

In brief, my information suggests that even in situations where the arbitrator has ruled that safety demands the crews handle only one car at a time, great pressure is put on the men to ignore this ruling because of the CNR's preoccupation with productivity.

Safety and highball operations do not go together, Mr. Speaker, and neither does productivity and service to the public. Crown corporations, like the government, should be model employers, and neither come close. Canadian National Railways, in my opinion, have every intention to phase in two-man yard crews as fast as they can. Edmonton, with 80 regular crews, has five of them reduced to two men. Vancouver, with 57, has already 13 diminished and as many as 25 are marked for the block within a year, and trains are double the length they used to be.

The CNR is deliberately limiting the ability of its crews to produce, thereby reducing its service to the public. If grain is not moving for export fast enough, my advice to the prairie farmer is to direct a large part of this outrage toward the railroads. Since we have been through the worst unemployment record in years, by deliberately reducing crews and service the CN must accept its share of the blame for that also.

In closing, Mr. Speaker, each year the Canadian National financing bill goes before this House and members of this party are usually up screaming. We scream about pensions. We scream about track abandonment and we scream because we do not think the people's money should be used to pay off the third generation descendants of those tycoons who want to ride around in the private cars I talked about earlier. We will never scream when the Canadian National comes before us and tells us it needs money desperately to provide good service to customers, good wages and safe and decent working conditions for the men.

There is no objection by the workers or their union to two-man crews in humpyards or automated yards. What they object to is that these two-man crews are inserted insidiously in places where neither safety nor productivity is enhanced, and the safety checks done in the daytime are ignored in the dark. I will be talking more about this question, Mr. Speaker.

Mr. Joseph-Phillipe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I agree with the member for Fraser Valley West (Mr. Rose) pertaining to railroad workers, and I believe it would have been very important if we could have waited to answer this question until the outcome of the meeting that is taking place between Mr. Gale, vice-president of the UTU, and the top officials of the CNR in Edmonton. These officials are trying to find a solution for the resumption of full operation.

I said it would have been a good thing if this report had been available to us. I phoned a short while ago to find out if I could have a report from our officials who are at the meeting, but so far that is impossible. I hope that the conclusions of the meeting will become available to both parties. In the meantime, the information given to me by the departmental officials in regard to the supplementary question, part one, is as follows: Crew reduction is not an arbitrary act by CN but flows from a wage agreement provision negotiated in 1967, which requires a survey of each assignment to ensure that the work can be handled safely. Following such a survey, agreement was reached with the union representatives in June, 1972, for phase implementation between July, 1972 and October, 1973.

If I may answer the hon. member's supplementary question, Mr. Speaker the productivity of two-man yard crews has been demonstrated beyond question at many automated and non-automated yards and with no compromise of safety.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Friday, March 2, 1973

The House met at 11 a.m.

PRIVILEGE

MR. COSSITT—WORDS USED BY SPECIAL ASSISTANT TO MINISTER OF TRANSPORT IN REFERRING TO MEMBER—RULING BY MR. SPEAKER

Mr. Speaker: Yesterday the hon. member for Leeds rose on a question of privilege in reference to a news report published in yesterday's edition of the Ottawa *Journal*. The member said in part:

> The headline of the article and the article itself quote the special assistant to the Minister of Transport as referring to me as a "purveyor of hatred." "He is developing a reputation now ... throughout the country as ... the number one purveyor of hatred."

I undertook to look into the matter and give a ruling today. I think it should be mentioned that the words actually used in the report differ materially. The actual words quoted in the newspaper are: "purveyor of hatred against the government." This, to my mind, puts a somewhat different slant on the news story, and of course on the offending statement itself.

Do these words constitute a breach of privilege? I refer hon. members to citation 110 in Beauchesne's Fourth Edition:

> But to constitute a breach of privilege a libel upon a member must concern his character or conduct in his capacity as a member and the conduct or language on which the libel is based must be actions performed or words uttered in the actual transaction of the business of the House.

The operative word in this citation is "libel". It is doubtful to me that a court would find the words allegedly used to be defamatory. Perhaps the real question relates to the propriety of a public servant, employed in the special capacity of assisting a minister, making derogatory remarks at a public meeting about a Member of Parliament. However, this being said, I would not think that any useful purpose could be served to assist the hon. member or to correct the situation by sending this matter to the Standing Committee on Privileges and Elections. I would rule, therefore, that the motion cannot be put.

MR. MACINNIS (CAPE BRETON-EAST RICHMOND)—ALLEGED FAILURE OF CAPE BRETON DEVELOPMENT CORPORATION TO IMPLEMENT ACT

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a question of privilege stemming from an attempt yesterday to find ways and means of acquiring a legal opinion from the government. I failed in that attempt, but I notice in yesterday's *Hansard* that the answer may have been provided for me by the Minister of National Revenue (Mr. Stanbury) who stated, as reported on page 1791, in answer to a question on why certain procedures were followed:

> —because it is provided for in the act which the House passed not too long ago.

He also stated:

> The Department of National Revenue is obliged to apply the law as parliament passes it, not as we would like it to be.

I feel that this answers the longstanding question about the legality of the performance of the Cape Breton Development Corporation with respect to an act of parliament, and in particular sections 18(a)(i) and (a)(ii) of that act which require Devco to set up pension arrangements for miners and their dependents, and for former miners and their dependents, and also section 28(e) of the same act which provides for pension arrangements for those not covered under sections 18(a)(i) and (ii), such as the president of Devco and others. Section 28(e) of the act covering the president and officers of Devco has been in effect for a number of years now while the requirements under 18(a)(i) and 18(a)(ii) have not been made available to the miners, former miners and their dependents. I should also like to point out that persons covered by section 28(e) can contribute to a retirement plan in a five-year period more than those who come under clauses 18(a)(i) and 18(a)(ii) can in 40 or 45 years.

• (1110)

The minister made a statement and I do not take exception to it but since it applies to the Department of National Revenue I take it that it also applies to other departments of government. The law is not being upheld. Officers and high salaried people in Devco can contribute as much in five years as a miner can in 40 or 45 years, but the pension arrangements made available to miners under sections 18(a)(i) and 18(a)(ii) have not been implemented despite the fact that the former minister indicated that they should be made available to them.

Some hon. Members: Order!

Mr. Speaker: Order, please. The hon. member should indicate what the question of privilege is and in what way his parliamentary privilege has been breached. He has the floor on this basis and it seems to me that he is now making a statement in relation to the reply given by the minister yesterday. I would hope that the hon. member would indicate as quickly as possible what the question of privilege is so that the Chair can make a ruling.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, my question of privilege puts into question whether the statement made by the Minister of National Revenue yesterday and which appears at page 1791 of *Hansard* is accurate and whether it applies equally to the miners of Cape Breton and to those people whom I represent as it does to anyone else. The evidence I have placed before the

House would indicate that the law is not being upheld as far as the miners are concerned. I believe that I have a question of privilege as the member representing these people. Further, Mr. Speaker,—

Some hon. Members: Order!

An hon. Member: Sit down!

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I would just indicate before resuming my seat, which I do not intend to do just because somebody over there wishes it—

Mr. Stanfield: I hope not.

Some hon. Members: Hear, hear!

Mr. MacInnis (Cape Breton-East Richmond): —that not only is the law not being upheld with respect to the welfare of miners but the law is being broken.

Mr. Speaker: Order, please. Again, I have to suggest to the hon. member that while it seems to me he may have a grievance I doubt very much that the statement he is making now can qualify under the heading of privilege. I would hope that he would reach the end of his statement as quickly as possible so that the Chair can make a ruling whether there is a question of privilege which ought to be pursued further.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, if anybody in this House ever had a question of privilege I think I have one. For five years I have been trying to get the government to uphold legislation passed by this House. I want to make sure that a Crown corporation set up by this parliament will stop breaking the law. Evidence that it is breaking the law is contained in the report of the Standing Committee on Justice and Legal Affairs. A document was placed before that committee which required—

Mr. Speaker: Order, please. The hon. member has had the floor now for some time on a question of privilege but until now he has not indicated that there is a question of privilege. The hon. member says that he has a question of privilege. That is a ruling that the Chair has to make. Again I suggest to him that he may have a grievance and I hope he will give the Chair the opportunity to make a ruling as soon as possible.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I want to go along with your ruling, but representing the people that I do I think I have been detrimentally affected by the actions of a Crown corporation despite legislation passed by this House. Where do I turn? How do I get proper guidance when I ask for opinions from ministers in the House and opinions from departments? They will not even answer mail.

Therefore, Mr. Speaker, I submit that I have a question of privilege in that I cannot find out for people I represent what justice means in this country and whether legislation passed by this parliament is to be implemented. The report of the Standing Committee on Justice and Legal Affairs indicates that the Crown corporation, Devco, for eight months acted illegally and that this action detrimentally affected between 1,700 and 1,800 miners. The legislation required the approval of the Treasury Board under section 18(3) of the act and this requirement was not fulfilled until eight months or more after the act was put into effect.

Mr. Speaker: Order, please. The hon. member for Halton-Wentworth.

MR. KEMPLING—ANSWER TO QUESTION BY MINISTER OF THE ENVIRONMENT

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I rise on a question of privilege concerning the responsibility of the Minister of the Environment (Mr. Davis) to the members of this House.

Hansard for February 22, 1973, records the following question and answer between myself and the minister at page 1544. I said:

> Mr. Speaker, I wish to direct a supplementary question to the Minister of the Environment. Can the minister advise whether the Centre for Inland Waters at Burlington, Ontario, more specifically the $60 million hydraulic facility at this location, is studying the erosion effects of high water in Lake Ontario and, if not, will he direct that such a study be undertaken immediately?

The minister replied:

> Mr. Speaker, I understand that a study along those lines has been under way for some time. It is being done in co-operation with the government of Ontario, and I expect that a preliminary report will be published some time in March.

I have since established that, in fact, no such study was under way, that, after my question, the minister contacted his officials at Burlington and received a reply. For the minister's purposes, that after the fact inquiry apparently justifies his misleading myself and other members of the House. If Your Honour finds that I have a legitimate question of privilege I would move, seconded by the hon. member for Hamilton West (Mr. Alexander):

> That the subject matter be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: I have no hesitation in telling the hon. member that this is not a question of privilege. It has been ruled often that disputes as to facts cannot be the basis of a question of privilege. I refer the hon. member to citation 113 of Beauchesne's Fourth Edition. The hon. member may have a grievance or a point of debate with the minister, but that cannot possibly be considered as founding a legitimate question of privilege. Therefore I am sure the hon. member will agree with me that there would not be much point in having this dispute as to whether there was an inquiry or not looked into by the Standing Committee on Privileges and Elections. I am sure the hon. member will find other ways to ascertain the facts or to confirm his interpretation of the facts.

Mr. Mather: Mr. Speaker, I rise on a question of privilege. Can nothing be done to protect Your Honour, the House and the taxpayers from ersatz questions of privilege?

Some hon. Members: Oh, oh!

Mr. Baldwin: How about motions for papers?

Mr. Bell: How about the filibuster on old age pensions?

ROUTINE PROCEEDINGS

AIRPORTS

VANCOUVER INTERNATIONAL—ANNOUNCEMENT OF DECISION TO PROCEED WITH EXPANSION FOLLOWING HEARINGS UNDER EXPROPRIATION ACT

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I believe hon. members are aware that public hearings under the Expropriation Act of objections to the intended expropriation of land required for the expansion of Vancouver International Airport were completed last week.

Of the 170 properties required for this expansion, the government had completed the purchase of 117 prior to expropriation proceedings. The notice of intention to expropriate therefore affects a total of 53 properties.

The government has carefully considered the objections documented in the hearing officer's report, and the Minister of Transport (Mr. Marchand), in particular, has reviewed the technical aspects. The government is convinced of the need to complete the planned expansion of Vancouver International Airport, and I am of the opinion that the designated lands are required for this purpose. Accordingly, I have signed the notice of confirmation of expropriation and requested the Attorney General of Canada to take the necessary steps to immediately effect registration of the notice in the local land registry office.

The objections made at the hearing focused on the possible impact of constructing a new runway. Notwithstanding the fact that noise studies already have been made and published, the Minister of the Environment (Mr. Davis) will conduct a thorough study during the next 12 months into the effects of a new runway on the environment. The findings will be published and open to public discussion before work begins on the proposed new runway.

• (1120)

I believe these arrangements meet the concerns of the residents of Vancouver, and in particular I can assure the House that each owner will be dealt with compassionately and given the full benefit of the new Expropriation Act.

Mr. Lewis: Mr. Speaker, I rise on a point of order. The minister did not provide us with a copy of his statement.

Some hon. Members: Oh, oh!

Mr. Stanfield: Why should he? You are not the opposition any more.

Mr. Hees: You are in the same party.

Mr. Bell: Go to caucus.

Mr. Hees: Did you not get a copy at caucus?

Vancouver International Airport

Mr. Lewis: If you have had your fun, perhaps you will let me finish my point of order. I have not seen a copy of the statement, Mr. Speaker, and I could not hear the hon. minister because of the noise.

Some hon. Members: Hear, hear!

Mr. Lewis: I have it now, Mr. Speaker. I have been provided with a copy of the statement by a member of the Social Credit party.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, in rising to reply to the statement which has just been made on behalf of the government, may I say I noticed the singular silence evidenced by a lack of applause from the government benches when the statement was concluded.

Some hon. Members: Oh, oh!

Mr. Fraser: I think that silence was appropriate because the record of this expropriation and the lack of planning that has gone into this expansion of Vancouver airport is a classic example of what is wrong with our environmental decision-making.

I notice the statement says "The government has carefully considered the objections documented in the hearing officer's report". If that is so, the government is all the more condemned because documented in that hearing officer's report were facts such as these: No reliable NEF noise contour map exists; an estimate prepared by the Greater Vancouver Regional District indicates that approximately 135,000 residents in the areas mentioned would be placed within the NEF 25 contour. There has been no necessary co-operative planning with the Department of the Environment, the province of British Columbia, the city of Vancouver, the municipality of Richmond or the Greater Vancouver Regional District.

The minister also stated that "the Minister of the Environment will conduct a thorough study during the next 12 months into the effects of the runway on the environment." I suggest, Mr. Speaker, even that concession would not have been made if it had not been for the tremendous attack the government has been under in the past two months with regard to both this airport and the Pickering airport.

I ask all members, especially those on the government side, what kind of decision-making is this? The government is going to go ahead with the airport and then, because it came under attack in the House, it is going to have an environmental study. Suppose the environmental study shows you should not go ahead with it. What are you going to do?

Some hon. Members: Hear, hear!

Mr. Fraser: What if the Minister of the Environment (Mr. Davis) says, don't do it? What about the neighbourhood that has been broken up and destroyed in the process? Can the government put that back?

Some hon. Members: Hear, hear!

Mr. Fraser: Lastly, Mr. Speaker, I remind all hon. members that some years ago the then minister of justice, now the Minister of Finance (Mr. Turner), when he appeared

before the Standing Committee on Justice and Legal Affairs on November 25, 1969, said concerning the section under which this expropriation is taking place and with regard to the hearing officer:

> The type of person I have in mind is somebody from the community, a lawyer or someone who has had experience in arbitration matters, somebody having some experience in real estate, somebody who would give the parties a fair hearing. You will notice, Mr. Chairman, that the procedure is pretty loose. We do not anticipate that this hearing would be conducted in accordance with the rules of evidence, that type of precise hearing, we hope that the rules of natural justice would be followed.

Yet on the twenty-first of this month the Federal Court ruled that the hearing officer is not subject to the rules of natural justice. When I asked in the House whether the present Minister of Justice would consider holding off this decision until these objectors could be heard in accordance with the rules of natural justice, the government responded by doing nothing.

I regret the statement that has been made today. I think it is a classic example of the lack of proper decision-making in connection with environmental matters and the lack of response by government to an entire community that is very upset about what is going on in Vancouver.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, I join with the hon. member for Vancouver South (Mr. Fraser) in expressing serious criticism of what has gone on in this situation. I had occasion to meet the people of Sea Island on a number of visits during the last couple of years and it seems to me that the way this matter has been handled over the last two years has done a savage injustice to the people of that island.

Some hon. Members: Hear, hear!

Mr. Lewis: I do not have the file with me this morning, but at one point a couple of years ago a representative of the Department of Justice, Mr. Troop, and the solicitor for the home owners on Sea Island had drafted and agreed upon a voluntary arbitration agreement. The home owners have ever since asked the department to approve that agreement since it has been approved by their representative after negotiations with the representative of the department. The department has not approved that voluntary agreement, and ever since the home owners have not known where they were going or what was going to happen.

There is still a portion of the area which has not been expropriated and which apparently is not to be expropriated. A commercial development involving hotels and motels is taking place. The people of the area have not been given an opportunity to take part in it. They have no idea what will happen to their properties and how badly their value may be depreciated by the developments that are taking place. The hearing held by the officer was the kind of hearing at which people talk but no one listens. I say to the Minister of Transport and to the Minister of Public Works that this kind of insensitivity—I suppose they really had nothing to do with it; the blasted mandarins in the department keep going at these things—this kind of treatment of people who have had a lifetime of association with the area is treatment no one can possibly condone. They want to know where they are going and what may happen tomorrow.

I suggest to the Minister of Public Works that before he carries out any of the things outlined here, including the phony inquiry which is to take place after everything has been settled, he should make sure that the voluntary arbitration agreement to which I have referred is accepted by his department and by the Department of Transport so that the home owners may have an opportunity to present their case in full to a body that will listen to them and make some judgment based on the facts.

Some hon. Members: Hear, hear!

* * *

SPORTS

WINNING OF WORLD FIGURE SKATING CHAMPIONSHIP BY KAREN MAGNUSSEN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. David MacDonald (Egmont): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek the unanimous consent of the House to move a motion which I hope all hon. members, including, in particular, the Minister of the Environment, will find acceptable. It is brief and non-controversial. I move, seconded by the hon. member for Vancouver South (Mr. Fraser):

• (1130)

> That this House convey, through you, Sir, our heartiest congratulations to Karen Magnussen of North Vancouver, who not only won the world figure skating championship last night but the hearts of all Canadians from coast to coast.

Some hon. Members: Hear, hear!

Mr. Speaker: The House has heard the motion proposed by the hon. member for Egmont. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: I gather there is unanimity. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

FINANCE

ADMINISTRATION OF MONEY ADVANCED TO QUEBEC FOR STUDENT LOANS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Roland Godin (Portneuf): Mr. Speaker, under the terms of Standing Order 43, I request the unanimous consent of the House to propose a motion on an urgent matter concerning credits granted by the government of Canada to the government of Quebec for student loans and bursaries.

I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the House instruct the Standing Committee on Broadcasting, Films and Assistance to the Arts to carry out a thorough study of the Quebec education law and its application to student loans and bursaries, with a view to ascertaining whether the credits granted by the government of Canada to the government of Quebec for student grants are in fact used to that end, and that the committee suggest, if necessary, by what ways and means the government of Canada could ensure that the money granted to the Quebec government for that purpose should be used exclusively for the benefit of students.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent, and so the motion cannot be put.

[*English*]

Mr. Broadbent: Mr. Speaker, before we leave motions I wonder whether I could raise a point of order. It has come to my attention that an error of some $47 million in the Canada-U.S. automotive trade figures released two days ago has been made by Statistics Canada. As a result, instead of having a deficit on trade in automotive products with the United States of $41.2 million as originally announced, there is a surplus of $5.8 million. I wonder whether we could ask the Minister of Industry, Trade and Commerce (Mr. Gillespie) to make a brief explanatory statement to the House on this very important matter.

Mr. Speaker: The hon. member will recognize that this is hardly a point of order. I would think it is a question that might be asked during the question period by way of a suggestion at that time that we might revert to motions for the purpose of hearing a statement from the minister. I think there might be difficulty if under motions hon. members ask questions of ministers to invite them to make statements during routine proceedings. Perhaps the hon. member might like to put that question during the question period.

ORAL QUESTION PERIOD

PENITENTIARIES

DISTURBANCE AT MILLHAVEN—PRESENT SITUATION—RETRAINING OF STAFF

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Solicitor General, whom I reluctantly disturb at this particular moment. Can the Solicitor General reassure the House that the disturbances involving a sitdown at the Millhaven institution are under control and that there is no danger of an escalation which could cause serious injuries either to inmates or the custodial staff?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, there has been a sitdown strike of inmates since last weekend, but there has been no real trouble. It has been a peaceful sitdown strike up to this point. Yesterday there was a meeting between officials of the department and representatives of the inmate population, and it is hoped that we will have a full report as soon as possible.

Mr. Nielsen: Would the minister reassure the House as to who is in control of Millhaven? Is it the custodial staff or the inmates?

Mr. Allmand: Mr. Speaker, the officials of the penitentiary system and the director of the penitentiary with his men are in control.

Mr. Nielsen: In view of the fact that the Swackhamer report refers to a "custodial subculture" as having a detrimental effect on the over-all rehabilitation program, could the minister say what steps are being taken to ensure that staff at all levels and in all institutions are being accorded equal opportunity for training in modern methods of penology, which has not been the case up to the present?

Mr. Allmand: Mr. Speaker, several months ago—I am not sure of the exact date—refresher courses were started for all levels of staff, including custodial staff, so that they will be trained in new rehabilitative methods.

Mr. Nielsen: At Kingston?

Mr. Allmand: Yes, at Kingston College. I am not too sure how many from the Kingston area were involved. I might say that this sitdown strike started originally as a result of a stabbing incident between inmates. A frisking of the inmates was carried out to find out whether any weapons were involved and from there it went on to other things. We hope to have a full report on the matter as soon as possible.

REQUEST FOR ESTABLISHMENT OF VISITORS COMMITTEES TO FACILITATE DISPOSITION OF GRIEVANCES

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a supplementary question for the Solicitor General. Will the minister establish on a priority basis a penitentiary visitors committee to facilitate grievance procedures, which are now solely dependent upon prison administrations? Such a committee might be a source of relief for some of the bitterness and frustration that exists in Canadian penitentiaries.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, that is one of the recommendations that has not yet been implemented but is under study. Personally I am very interested in it, and as soon as the studies are completed I will make a report to the House. I might say that there are experimental visitors committees operating with respect to some penitentiaries and we are using this experience in reaching a decision.

Mr. Fairweather: Would the minister acknowledge that this recommendation was made in 1938 by Judge Archam-

bault and that the study has perhaps gone on quite long enough?

REQUEST FOR REFERENCE OF REPORT ON KINGSTON DISTURBANCES TO COMMITTEE

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a supplementary question for the Solicitor General. In light of the fact the minister himself has stated in connection with the Swackhamer report that public understanding of correctional problems would be enhanced by a study of the report with a view to protecting the public and providing opportunities for rehabilitation, would the minister take steps to see that the report is referred to the Standing Committee on Justice and Legal Affairs for further discussion?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, that is an interesting suggestion and I will take it under consideration. May I say that I will also take note of the last suggestion that was made, to which I did not have a chance to reply.

KINGSTON—REQUEST THAT CITY BE REIMBURSED FOR ADDITIONAL EXPENDITURES NECESSITATED BY RIOT

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a supplementary question for the Solicitor General. In view of the fact the city of Kingston incurred direct costs of $22,000 in overtime pay for local police during the period of the Kingston penitentiary riot and that this was a service requested by the federal authorities, and that an additional $100,000 was spent on local police services for protection and investigation purposes during the period of the trial, would the minister consider very seriously reimbursing the city of Kingston for this outlay of $120,000, which was directly attributable to a major disturbance in a federal institution and did not result from any local situation?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I cannot recall having received a request to that effect up until this time, but I would be glad to give the hon. member's suggestion serious attention.

* * *

• (1140)

ENERGY

NATURAL GAS—ALLEGED SALE FOR EXPORT AT LOWER PRICE THAN ALTERNATIVE SOURCES IN UNITED STATES—POSSIBLE LOSS TO CANADIAN ECONOMY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. Since National Energy Board regulations require the board to review prices of export gas and to report to the cabinet when these prices fall below alternative sources of energy in the United States, and in view of the fact that last Wednesday at page 1750 of *Hansard* the government in answer to my motion for production of papers No. 157 indicated no reports had been received from the National Energy Board since September 29, 1970, I should like to ask the minister whether he is aware of the fact that the Alberta Resources Conservation Board in its report of August, 1972, stated that Canadian gas was being sold at an average of 15 cents per m.c.f. below alternative sources? I should also like to ask the minister whether he asked the board for a report, why no report was received and why no action was taken?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have been discussing this question in respect of regulation 11(A) to which the hon. member referred with the board and the chairman has advised me that when the parliamentary committee gets to the question of gas pricing he will be in a position to make a very full report of the rather complicated circumstances surrounding gas pricing in the export market.

Mr. Douglas: Mr. Speaker, on the assumption that the Alberta finding applies to the whole export of Canadian gas, this dereliction of duty on the part of the government represents a loss of $140 million a year to the Canadian economy. I should like to ask the minister to explain to the House why he was derelict in this respect, and we will let the chairman of the National Energy Board explain when he appears before the committee in due course.

Mr. Macdonald (Rosedale): Mr. Speaker—

Mr. Speaker: Order, please. The Chair will allow the minister to reply to the hon. member's question, but the hon. member may agree with me that this is more of an argument than a question. That having been said, the minister might reply briefly.

Mr. Macdonald (Rosedale): Mr. Speaker, I was about to say that I did not accept the hon. gentleman's premise.

Mr. Douglas: Irrespective of whether the minister accepts the premise of my question, Mr. Speaker, I ask him now whether the Canadian economy sustained a substantial loss as a result of Canadian gas being sold on the United States market below the price of gas from alternative sources, and why no action was taken by the government with regard to that matter?

Mr. Macdonald (Rosedale): Mr. Speaker, as I indicated, the response to the question of gas pricing into export markets is a very complicated response and I do not really think I can go into it on orders of the day. As I have already indicated to the hon. gentleman and the House, we will be prepared to go into this very fully in the committee when we get to the question of gas pricing after the current discussion of oil exports.

* * *

[*Translation*]

TRADE

IMPORTATION OF SNOWMOBILES—REQUEST FOR EXPLANATION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce.

In view of the fact that Canadian plants producing snowmobiles have had to slow down their production during the past few months and that others have closed down because of over-production, may I ask the Minister of Industry, Trade and Commerce whether he could tell the House why the government authorized imports of snowmobiles amounting to $47 million during the first ten months of 1972?

Mr. Speaker: Here again I am under the impression that the hon. member is inviting the minister to make a statement which normally should be made on motions. If the minister can reply briefly, I shall allow him to do so.

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have not got the figures before me but my impression is that there were much greater exports of skidoos from Canada abroad than imports into Canada. However, I will be very pleased to get the figures for the hon. gentleman.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I wish to ask a supplementary.

I regret that I cannot specify the date on which the answer was given in *Hansard*, but it was indeed related to imports. I was not wrong therefore in asking my question. I asked the Minister of Industry, Trade and Commerce why the government had allowed these snowmobiles to be imported while Canadian plants are forced to close down?

[*English*]

UNITED STATES DISC LEGISLATION—INTENTION OF GOVERNMENT RESPECTING ASSOCIATION WITH EUROPEAN ECONOMIC COMMUNITY IN PROTEST

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce. Now that he has given us his various interpretations of the auto pact, I should like to ask him about another matter relating to Canada's trading position. Is it the intention of the government to associate itself with the proposed protest by the European Economic Community against the DISC proposals of the United States as a contravention of GATT?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have raised our objections directly with the United States on a bilateral basis.

Mr. Stanfield: I am quite aware of that, having heard the minister say it in the House, but I should like to know whether he intends to associate himself or the government with the protest by the European Economic community? More specifically, has the government consulted with the European Economic Community through its ambassador to that organization with a view to determining the position of the community and, in particular, with a view to associating itself with that protest?

Mr. Gillespie: Mr. Speaker, there is no plan to associate ourselves directly with the community. We have raised the issue in the councils of GATT.

Mr. Stanfield: Is the attitude and the position of the government to go it alone in respect of protests against DISC rather than attempting to associate itself with any general protest?

Mr. Gillespie: Mr. Speaker, I would expect this will be one of the items that will be discussed at the forthcoming multilateral negotiations under GATT, particularly the whole area of non-tariff barriers.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question in this connection is directed to the Minister of Finance. Did the terms and the principal proposals of the budget of May 8, 1972, which were claimed to be counter-DISC proposals, shall we say, indicate that the government of Canada felt there was no recourse through GATT and, therefore, if we are now to associate ourselves with the European Common Market countries will the minister then abandon his proposals in that May 8 budget?

Hon. John N. Turner (Minister of Finance): In no way, Mr. Speaker. Those proposals were general tax proposal reductions not only as a measure that would take into account the proposal of the DISC legislation of the United States but also to render us more competitive in a world where trading negotiations in the GATT and international monetary stability are prerequisites to Canadian prosperity. In the current world I think these corporate tax cuts are even more important.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to direct a supplementary question to the Minister of Industry, Trade and Commerce. Were these protests he says have been made by the Canadian government to the United States government on the DISC proposition made by his officials only or has he done it on a minister to minister basis, which is the only effective way of making a protest of this kind?

Mr. Gillespie: Mr. Speaker, it has been done on a government to government basis.

Mr. Hees: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member will be recognized for a supplementary question, but we are not moving very quickly with so many supplementaries to each question asked.

Mr. Hees: Mr. Speaker, I would simply ask the minister to give a straight answer. Has he done this on a minister to minister basis or on an official basis?

Mr. Gillespie: Mr. Speaker, it has been done on the most official of all official bases, a government to government basis, the Canadian government to the United States government.

Mr. Hees: You simply left it to your officials and you know it. You haven't got guts enough to call the secretary yourself.

Oral Questions

AGRICULTURE

AMOUNT OF LAND IRRIGATED FOLLOWING CONSTRUCTION OF SOUTH SASKATCHEWAN DAM—ALLEGED FAILURE OF PROVINCIAL GOVERNMENT TO LIVE UP TO AGREEMENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, yesterday I asked the Minister of the Environment a question in connection with the South Saskatchewan River irrigation situation where, as a result of the action taken by the government of Saskatchewan, the expected irrigation of 200,000 acres has been restricted to 15,000 acres. Has he communicated with the government of Saskatchewan to point out what a gross betrayal of the rights of the people of Saskatchewan this is as the result of action of that government?

Hon. Jack Davis (Minister of the Environment): Not yet, Mr. Speaker. I am consulting with the Minister of Regional Economic Expansion under whom PFRA is now operating. We will be taking appropriate action when we have the facts.

• (1150)

Mr. Diefenbaker: That is not the question I asked. The government of Canada put up 75 per cent of the $120 million and the provision was that there was to be a certain amount of irrigation done. Has the minister communicated with the government of Saskatchewan to point out that what is being done is a repudiation of the agreement entered into with the government of Canada when the money was advanced which made possible the building of the dam with the assistance of the government of Saskatchewan? What is he going to do about it?

Mr. Davis: It seems to me that the right hon. gentleman is making a submission concerning an agreement with the government of Saskatchewan which he entered into in his period as Prime Minister of this country. We will look into it with a view to ensuring that the agreement is carried out.

Mr. Hees: Just answer the question. We just want a yes or no.

Mr. Speaker: Order, please.

Mr. Diefenbaker: Has wedded bliss between the government of Saskatchewan and the NDP in this House resulted in the fact that while the Liberal party in Saskatchewan is taking a strong stand against this, it is not going to receive the support of the government of Canada?

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question. When the minister is looking in this matter, will he ascertain whether or not there was a government in Saskatchewan from 1964 to 1971 that discontinued the extension of the irrigation works and whether or not that government was not in fact supported by and very friendly to the right hon. member for Prince Albert?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

[Mr. Hees.]

Mr. Speaker: It seems to me that we are getting into the area of debate and argument.

Mr. Hees: Mr. Speaker—

Mr. Speaker: We are running short of time. Is the hon. member rising on a point of order?

Mr. Hees: Yes, Mr. Speaker. This will take very little time. It is very reassuring to hear the junior members of the coalition backing the senior members.

Some hon. Members: Oh, oh!

Mr. Speaker: We shall now return to the question period. The hon. member for Selkirk.

* * *

NATIONAL DEFENCE

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

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the Minister of National Defence and is related to the questions I asked yesterday. Was it on instructions from the Minister of National Defence that the Canadian Armed Forces undertook the somewhat unusual step of establishing a board of legal inquiry into the damage done to HMCS *Restigouche* in refit following the report of the board of inquiry, and was this step taken because deliberate damage that might even be termed sabotage was discovered by the original board of inquiry or was it for the purpose of determining whether the government of Canada can take legal action against the shipyard?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I would have to check the dates. I think the inquiry may have taken place before I became Minister of National Defence.

Mr. Rowland: Can the minister inform the House at this time what the cost of the repairs involved following the damage to the *Restigouche* has been and when the *Restigouche* will once again be ready for service? I refer to the cost over and above the $12 million incurred in the original refit.

Mr. Richardson: I cannot give this cost figure now, but the *Restigouche* will be back in service very shortly. It is in operational order.

* * *

ENERGY

PROPOSED WEST COAST OIL TANKER ROUTE—JOINT CANADA-UNITED STATES COMMITTEE TO CONSIDER CONTROL—PRESENT GOVERNMENT POLICY

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is directed to the right hon. Prime Minister. In view of the fact, as reported yesterday, that the United States administration has now sent legislation to Congress which would circumvent the court's decision against the

Alaska pipeline proposal, and in view of the fact the premier of British Columbia is due to meet with representatives of the United States government in Washington, D.C. on March 9 to oppose the tanker route, can the right hon. Prime Minister today tell the House whether the joint Canada-U.S. committee set up last spring to consider joint control of the tanker route has in fact met and, if so, has that committee reported to the governments of Canada and the United States?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I do not have the answer to this. I took note of the question the other day and referred it to both the Secretary of State for External Affairs and to the Minister of the Environment to see who could provide an answer.

Mr. Fraser: I thank the right hon. Prime Minister for his answer and I direct the same question to the Minister of the Environment. I might point out that this is the third week that this question has been asked.

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I will be meeting shortly with Mr. Russell Train, U.S. presidential adviser on the environment, regarding west coast tankers and related matters.

Mr. Fraser: Mr. Speaker, this is the third Friday this matter has been raised and it may become a weekly event. This is the most elusive committee I have ever known. I wish to ask a supplementary question of the Prime Minister. Can he tell the House whether the government is sending a representative with the premier of British Columbia in order to show the federal government's support of the opposition of that province to the tanker route?

Mr. Trudeau: We have offered to the premier of British Columbia to arrange his visit in Washington and to assist him in meeting U.S. officials. I believe we have the practice of ensuring that our ambassador or a senior official be present at such meetings. I might remind the hon. member that his belated interest in this subject really has not come as something new to the government. We have made representations to the United States government at all levels on many occasions. I told the House that I had discussed the matter with President Nixon himself. Of course, the hon. member is aware of the fact that the Liberal leader in British Columbia is responsible for the very good turn of events in this matter.

Some hon. Members: Hear, hear!

Mr. Fraser: Mr. Speaker, may I say with respect that I do not mind waiting three weeks to get an answer but I do not think I deserve to have a lecture.

Some hon. Members: Oh, oh!

Mr. Fraser: I have a supplementary question for the right hon. Prime Minister. In view of the fact that the government has stated its opposition to the tanker route and yet apparently set up a joint committee to study international control, can the Prime Minister tell the House what the present policy of the government is regarding the tanker route and, if the policy is opposition, what alternative has the government discussed with the United States?

Mr. Trudeau: With regard to the matter of policy, Mr. Speaker, I think we have discussed it in the House in answer to several questions. I just want to remind the hon. member that what I said a couple of weeks ago, I believe, in answer to this question was that I had discussed this matter with the President. I suggested to him that we refer the matter to the International Joint Commission. The President suggested that it be done rather through a different ad hoc committee. It is this ad hoc committee to which I have referred. I have no report on how frequently it has met or if it has met at all. I do know that the matter has been pursued, as the Minister of Industry, Trade and Commerce would say, between the two governments and the Minister of the Environment has repeated again that he is proposing to meet his opposite number in the United States.

Mr. Speaker: Order, please. The Chair will recognize the Leader of the Opposition for a supplementary question. We are fast approaching the end of the question period and we have had a large number of supplementary questions on every question that has come up. I think that is the source of difficulty during the question period.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the Prime Minister following his answers to the questions put to him. Is it not the position that the government, after assuring the House that an ad hoc committee representing officials of the two countries would be set up to study this matter, has done absolutely nothing about that since?

* * *

STATUS OF WOMEN

IMPLEMENTATION OF COMMISSION RECOMMENDATIONS—POSSIBILITY OF DELAY BECAUSE OF ESTABLISHMENT OF ADVISORY COMMITTEE

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Labour and is prompted by the report that the minister intends to establish an advisory committee to study implementation of the recommendations of the Royal Commission on the Status of Women. Is it the intention of the government now to delay the implementation of any of these recommendations or to delay the bringing forward of legislation until the minister has had a report from that committee?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, many of the recommendations have already been implemented and many are in the course of being implemented. The purpose of the advisory council is merely to assist the government in a judicious way in acting on other recommendations that have not yet been acted upon. It is designed to help. I would point out to the hon. member that there was a report tabled in the House in the latter part of last year indicating how many of these recommendations we have already acted upon, and I would be pleased to send him a copy.

• (1200)

ACTION TO ENSURE EQUAL PAY FOR WOMEN

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a supplementary question to the Minister of Labour. What steps is he taking to correct the situation that came to light recently in a departmental publication in which it was indicated that three million women in Canada are getting less than equal pay notwithstanding federal and provincial law to this effect? What steps is he taking within his jurisdiction, to correct that unjust situation?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I know that the hon. member is aware that we passed a bill providing for equal pay for men and women at the federal level. It is a good bill, and we are taking action to see that it is implemented for the benefit of all those employees who come under federal jurisdiction. If some of the provinces would pass similar, strong legislation, this would have a noticeable impact on a great many more employees, most of whom come under provincial jurisdiction.

Mr. Hees: That bill is a snow job. It has no teeth.

Mr. Speaker: Order, please. The hon. member for St. John's East has the floor.

Mr. McGrath: Is the minister prepared to meet with his provincial counterparts to achieve the situation he has described in his answer whereby women will be treated equitably and justly all across the country, and will he discuss with his provincial counterparts some standard code across the country?

Mr. Munro (Hamilton East): Mr. Speaker, I believe that the Ministers of Labour from the provinces will be coming to a meeting in Ottawa some time in the latter part of March or early April, and this undoubtedly will be one of the subject matters to be discussed.

* * *

[*Translation*]

AGRICULTURE

FEED GRAIN—REVIEW OF POLICY

Mr. Roch La Salle (Joliette): Mr. Speaker, may I direct a question to the minister responsible for the Canadian Wheat Board.

As he met last Monday with the president of the Union des producteurs agricoles du Québec, can he give the House the assurance that changes will be made soon in the feed grain policy and if so, can he assure us that they will reflect the representations of Eastern producers?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we did meet last Monday and there will indeed be a number of other meetings in the course of putting into effect the statement in the Speech from the Throne that prior to the beginning of the next crop year we will have measures in place to ensure fair and equitable pricing of feed grains across the country, always, of course, allowing for inevitable costs of moving and storage. Therefore, the representations of the producers in the province of Quebec are being taken into consideration, as are the representations from other producer groups across the country.

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CAPE BRETON DEVELOPMENT CORPORATION

ALLEGATION THAT CORPORATION ACTED ILLEGALLY IN EARLY RETIREMENT OF MINERS

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Prime Minister. Is the Prime Minister aware that for eight months the Cape Breton Development Corporation acted illegally in putting miners on the street because of age without the required approval of the Treasury Board, and is he aware that the corporation is continuing to retire people before the normal age of 65 despite a Federal Court ruling which removed that power from the government because the government was acting beyond its jurisdiction?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member has an allegation of illegality against the government or any of its agencies, I think he should address the question to the Minister of Justice.

Mr. MacInnis (Cape Breton-East Richmond): I rise on a point of order, Mr. Speaker. This gives me the opportunity to call the Prime Minister's attention to the fact that on many occasions I have asked the Minister of Justice to look into this matter. I have also written to the Minister of Justice. I have received no answers in the House or to my letters. It is time that the government and the leader of the government took the responsibility of seeing that the statement made yesterday in the House of Commons by the Minister of National Revenue, to the effect that the Department of National Revenue "is obliged to apply the law as parliament passes it, not as we would like it," is put into effect. If the Minister of National Revenue is going to remain an honest man, the government and the Prime Minister had better do something about this.

Some hon. Members: Hear, hear!

Mr. Speaker: Is the hon. member rising on a further point of order?

Mr. MacInnis (Cape Breton-East Richmond): Yes, Mr. Speaker. My point of order arises from the fact—it will not be recorded in *Hansard*—that the Minister of National Revenue seems to see something in this to laugh about. I point out to him that his integrity is in question on this subject, and I repeat that if he is going to remain an honest man he should do something about this situation.

HEALTH

STATUS OF NUTRITION SURVEY

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Some time ago I asked him about the Nutrition Canada survey and he was good enough to promise to get some detail and to say when we could expect the results of the survey to become public. Does he have that information now?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): With pleasure, Mr. Speaker.

The survey of Nutrition Canada was the widest ever undertaken in Canada on Canadians' nutrition. During this survey about 28 million data were collected and they now have to be compiled and analyzed. Reports are being prepared for each province; the first ones will be ready by May and the others will be completed in October or in late September.

These reports will be conveyed to the government of each province as soon as they are completed. An agreement has been reached between the provinces and the federal government whereby all papers will be made public when they are ready, as regards all provinces. Even though the first reports will be conveyed to the provinces in late May, I hope to be in a position to make all these documents public by the middle of October. Meanwhile the provinces and the federal government will make a thorough study of them.

[*English*]

Mrs. MacInnis (Vancouver-Kingsway): Will it be necessary to have the agreement of all the provinces on a course of action before we can expect action on the nutrition survey?

[*Translation*]

Mr. Lalonde: No, Mr. Speaker. The only agreement reached with the provinces about the study was that reports would not be made public on a regional breakdown only, and in order to prevent a biased interpretation for the whole of the country, these reports were not to be made public separately. Of course, each government will be free to act as it sees fit within its responsibilities in the light of the report.

* * *

[*English*]

PUBLIC BUILDINGS

ARCHIVES RECORD CENTRE, WINNIPEG—ALLEGED FAILURE OF LOWEST BIDDER TO RECEIVE CONTRACT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the President of the Treasury Board and the Minister of Public Works. It is with regard to the error made by the Treasury Board and the Department of Public Works in awarding the build-lease Public Archives Record Centre contract in Winnipeg to the second lowest bidder when it should have been awarded to the lowest bidder, thereby saving the Canadian taxpayers $272,000. Will the two ministers order a halt to the second lowest bidder proceeding with any building plans until this matter has been fully investigated and a report made to the House of Commons?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I will have to look into this matter. I am not aware of it. I will report back to the House.

Mr. McKenzie: Mr. Speaker, I would like to point out that I have written both ministers on this subject, and I have been corresponding with their departments on it for the last three months.

* * *

EXPORT DEVELOPMENT CORPORATION

POSSIBLE EXCEEDING OF CEILING ON LOANS—REQUEST FOR AUDIT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. I have given him notice of it. Would the minister inform the House as of February 28, 1973, to what extent has the Export Development Corporation's $850 million authority under sections 29 and 30 of the Export Development Act been exceeded?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I thank the hon. member for this notice. As of February 28 the ceiling has not been exceeded.

Mr. Stevens: Would the minister request the Auditor General of Canada to do an audit of the Export Development Corporation's books as of today, so that the House may be assured that the $850 million ceiling has not been exceeded?

Mr. Gillespie: Mr. Speaker, I do not consider that necessary.

• (1210)

REQUEST THAT CORPORATION GIVE PRIORITY TO CANADIAN COMPANIES

Mr. Sinclair Stevens (York-Simcoe): A supplementary question, Mr. Speaker. Would the minister inform the House if he has requested the Export Development Corporation to better serve Canadian-owned businesses as opposed to foreign corporations and to give more export assistance to small businesses in this country?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we will have a full opportunity, I hope, at an early date to discuss the question of small Canadian-owned businesses and the great benefit that the Export Development Corporation has provided for Canadians and Canadian jobs.

Oral Questions

AIR TRANSPORT

AIR CANADA REQUEST FOR ROUTE TO PEKING—GOVERNMENT POSITION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a question for the Minister of Transport. In view of the almost historic practice of allocating Atlantic routes to Europe to Air Canada and Pacific routes to Canadian Pacific Airlines, and in view of the fact that in later years routes were allocated to Canadian Pacific in Europe, can the minister assure the House that Air Canada's request for the route to Peking is being sympathetically considered, and will a decision be made at an early date?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think in both cases a decision is going to be made very shortly.

Mr. Benjamin: Can the minister assure the House that no further erosion of Air Canada routes and opportunities, both in regard to the new landing sites in Europe and at Peking, will be countenanced and those routes will in fact be granted to Air Canada?

Mr. Marchand (Langelier): Mr. Speaker, I think when the hon. gentleman learns the decision of the cabinet he will be able to draw whatever conclusions he wishes.

* * *

TRANSPORT

PROVISION OF RAILWAY CARS TO MOVE BRITISH COLUMBIA APPLES

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is supplementary to the question I asked on February 19 of the Minister of Transport which he answered by letter yesterday. In view of the fact that Canadian National Railways supplied only 13 out of the 207 cars for Okanagan apples shipped to the United States while Canadian Pacific supplied 115, and in view of the fact that the Okanagan fruit industry hauled 79 cars across the border at an expense to them of $15,000 as well as the loss of business because of the lack of Canadian railway cars—

Mr. Speaker: Order, please. Would the hon. member ask the question. I suggest that a question asked in those terms is somewhat irregular. The hon. member should ask the question as quickly as possible without conveying information to the House.

Mr. Whittaker: Mr. Speaker, I will do that immediately. Will the minister assure the House that the CNR will now supply cars for this export business?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as of February 21, eight 40-foot cars and four 50-foot cars were on hand in the Okanagan. Twenty-eight 40-foot and 32 fifty-foot cars are standing by in Edmonton and eighteen 40-foot cars in Vancouver. Canadian National system cars that are being supplied are not foreign cars. In summary, CNR have supplied whatever cars have been requested.

[Mr. Gillespie.]

WILDLIFE

ACTION TO PROTECT WOLVES FROM EXTINCTION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is to the Minister of Indian Affairs and Northern Development. In view of the strenuous efforts made in the United States—may I start again, Mr. Speaker. My question is for the Minister of Indian Affairs and Northern Development.

An hon. Member: Tell Georgie boy to keep quiet.

Mr. Paproski: In view of the strenuous efforts made in the United States to protect the Canadian timber wolf, what action is the Canadian government taking for the survival of this threatened magnificent species?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker,—

[*English*]

Mr. Speaker: Order, please. I have the impression that perhaps this question could be placed on the order paper. In view of the fact we have about reached the end of the question period, perhaps the minister might be allowed to reply—whichever minister is responsible.

Mr. Paproski: Mr. Speaker, a point of order before the minister does reply, I consider this to be a very important question and I want to get an answer this week, since there has been a Canadian wolf displayed in the United States House of Representatives. In view of the fact the wolf population in the United States has been reduced to 350-500 in Minnesota, three to five million in Alaska and 90 in Louisiana of French heritage, which I think are becoming extinct, I really think there should be something that the minister could say.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I want to attempt to reply to the hon. member. I can assure him that the species is alive and well. I saw the tracks of a wolf just about a mile from my house last weekend. I rather think it was a brush wolf and not a timber wolf because of the spacing between the tracks. I will try to ascertain which it was this weekend and perhaps reassure the hon. member next week.

POLAR BEARS—REQUEST FOR NUMBER SHOT IN ARCTIC

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I thank the Prime Minister for that explanation but I should like to ask the Minister of Indian Affairs and Northern Development a supplementary. When will the minister be prepared to indicate the number of polar bears shot in the Arctic?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, a quota has been set for several years on Arctic polar bear killed by Eskimos under Canadian Wildlife Service supervision and I think the situation is quite under control right now; I believe that even in the Churchill area, in Manitoba, they complain that there are too many polar bears.

[*English*]

Mr. Speaker: The hon. member for Prince George-Peace River rises on a point of order.

Mr. Oberle: Mr. Speaker, the minister finally got up and answered the question, but I feel that he was unduly protected by Your Honour—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member will appreciate that these remarks are entirely uncalled for. I will now call orders of the day. The hon. member for Oshawa-Whitby rises on a point of order.

Mr. Broadbent: Mr. Speaker, I wonder if we could get the unanimous consent of the House to revert to motions for a brief statement to be made by the Minister of Industry, Trade and Commerce to explain the $47 million discrepancy in trade figures announced by his department today?

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Speaker: The hon. member has heard the answer. He has heard a no from one side or other of the House. Orders of the day.

GOVERNMENT ORDERS

OLD AGE SECURITY ACT

AMENDMENTS TO INCREASE BASIC PENSION AND TO CLARIFY BASE YEAR IN ESCALATION FORMULA

The House resumed, from Thursday, March 1, consideration of the motion of Mr. Lalonde that Bill C-147, to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, when the debate on this bill to increase the old age security pension adjourned last evening, I was making the point that for the vast majority of Canadians, but certainly not for all, these are extremely good days in which to be living in Canada. Because not all are sharing as they should in this general prosperity, it is imperative for us to bring in this legislation, Bill C-147, raising the old age pension to a minimum of $100.

In 1952, the basic universal old age pension was first introduced in Canada by the 21st parliament. It was to be $40 and for those who were 70 years of age and over. I suggested last evening, Mr. Speaker, that if in 1952 a cost of living escalator had been built into the plan, the pension today would amount to $64.62—that is assuming that along the way there were no other lump sum increases, but only percentage increases according to the cost of living.

Today, rather than a $64 or $65 pension, what we have is a basic old age security pension of $100, with a supplement which could bring that amount up to $170 for a single pensioner or $325 for a married couple. As well, in both the old age security and the guaranteed income supplement, there is now a built in cost of living escalator. The eligible age has been reduced from 70 to 65 and, in addition to this, there is the Canada Pension Plan for those who have retired fairly recently and those who will retire later. In introducing Bill C-147, the government has opted to follow the principle of universality rather than that of selectivity. The bill is universal in scope, in that the basic old age security pension has been increased to $100 per month. Everyone 65 years old and over will benefit.

• (1220)

At the same time, however, I hope that we have not entirely abandoned the principle of helping those who are in greatest need. The hon. member for Bruce (Mr. Whicher) reminded the House last evening that the government of British Columbia has decided to add another $30 to certain pensions, in order to help pensioners who are in special need. The federal government, under the cost-sharing formula, is paying part of that cost. The government of British Columbia has made sure that needy pensioners in that province will be paid at least $200. It astonishes me that Ontario, the richest province in the land, cannot see its way clear to act in the same way. A few days ago, 2,000 pensioners put such a request before the government of Ontario at Queen's Park. They did not see the premier; instead, they were given a nice little talk by the social services minister of Ontario who told them how good and kind the Ontario government had been in the past to the elderly in the province.

I sincerely hope that when the Ontario Legislature goes back to work—it meets so rarely these days—immediate consideration will be given to following the priorities laid down in this House, those to do with decreasing taxes and increasing pensions. I would encourage the needy pensioners of Ontario to keep up their campaign, and continue reminding Premier Davis that his government has some responsibility for helping those who are less fortunate in his very, very wealthy province. Let Ontario add to the pensions of its needy elderly citizens, because the federal government will share in the cost of that increase by virtue of the provisions of the Canada Assistance Plan.

I have already mentioned the year 1952, when the universal old age pension was first introduced in Canada. Reading the Speech from the Throne with which the fifth session of the twenty-first parliament was opened in 1952, the governor general of the day said in part:

> The primary reason for summoning you ... is to invite your consideration of a measure to provide increased security for our older citizens ...

That session was convened so that members could enact that important piece of legislation. Notwithstanding any other legislation that this House may enact during the first session of the twenty-ninth parliament, the law we are now considering to increase basic old age pensions will forever stand to the credit of this parliament.

In 1952 when the universal old age pension was first introduced there were 700,000 persons 70 years of age and over who became eligible. Hon. D. C. Abbott, then minis-

ter of finance, estimated that the annual cost of the program would be $342 million. Today, there are nearly 1,800,000 pensioners who are receiving the basic old age pension and supplement. The total annual cost of the basic pension plus the supplement has now risen to nearly $3 billion. In 1952 the minister of finance, when talking about the $342 million, said that the burden of this duty we are voluntarily assuming is not a light one and that no one should be under any misapprehension about this. He told the House that the cost was a heavy one and reminded the House of the simple proposition that a dollar paid out to one person must first of all be taken from another.

If the cost was considered heavy in 1952, think of the cost of the program today, even if one discounts the factor of inflation. In that year, the government was prepared to spend $342 million. We are now being asked to spend $3 billion on a vastly improved program. The cost is high, there is no question about it. Yet it is a cost which I believe most taxpayers are willing to bear gladly. They bear the taxation for this program gladly because they see it as an insurance policy for their own old age, as a contributory plan for their own retirement. They bear the taxation for this program gladly because they know that the old age security program provides a greater measure of dignified independence for our senior citizens.

Before 1952, a very high proportion of Canadians in retirement were obliged to seek some form of social assistance in order to meet basic needs and just stay alive. If the legislation now being considered passes, it will be possible for all senior citizens, except a small number with special needs, to live without having to apply for social assistance of some kind or other. With respect to those with special needs, such as prescription drugs, care in nursing homes, or in their own homes, the costs can in part be met by the Canada Assistance Plan. The federal government pays 50 per cent of costs incurred under that plan. In addition, if the provinces wish to increase supplements that may be paid to the aged and handicapped, federal cost-sharing assistance is available, as I mentioned earlier.

The present level of taxation in all western countries which is needed to pay for programs such as old age security and many others which have been introduced would have been unthinkable 50, or even 20 years ago. Today, however, there is general acceptance of taxation levels needed to pay for these programs, because they are felt to be the result of social progress. It was pressure from the people themselves which made this progress possible. Under popular influence such social programs as old age security have given new rights to our citizens. I stress that the pension is given as of right. It is not a handout; it is a right of the citizens of our country. It has increased their opportunities and opened roads that were previously closed by poverty and secured people against risks that in earlier times were disastrous for individuals and families.

Despite wars and other adverse events, production has increased and incomes and standards of living of a broad stratum of our national community have been rising more rapidly than ever. As a result, the prospects of the young are much better than the prospects which faced their parents or grandparents when they started out in life.

[Mr. Penner.]

Because this is so, I detect in Canada today a general willingness—more than that, an eagerness, a pressure—for a universal pension program which is as generous as possible. This is one government program which provokes few complaints about the amount of money spent on it, even though we are to spend nearly $3 billion.

Speaking as one Canadian, I am proud of the way that Canada has provided a reasonable order of protection for its elderly citizens. Canada is one of the first countries in the world which has provided by legislation that pensioners shall, as a matter of right, without reference to contributions that they may or may not have made to any particular pension plan, and without the imposition of a needs or means test, be guaranteed an income which will permit them to live out their declining years with some measure of security and dignity.

• (1230)

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, this bill is very close to my heart. During the election campaign I continuously stressed the urgency of giving equitable treatment to our golden age citizens. I repeated everywhere that a nation that forgets its senior citizens is a heartless nation. And a government that refuses them a well-deserved comfortable life is a heartless government. I am therefore gratified to a certain degree by the very minor increase granted through this bill, but I recognize with much less gratification the diffidence of the government in a field where hearts with humane feelings should be inspired to greater generosity.

I read attentively the speech delivered by the hon. Minister of National Health and Welfare (Mr. Lalonde). I expressly say I read it, Mr. Speaker, because while the minister was delivering his speech I was attending a meeting of the House Committee on External Affairs and National Defence and it is one of the drawbacks of our way of proceeding that we should have to sit in a House committee while bills are being debated here in the House.

Still, I did read his speech very carefully and I was struck, right off the start, by the clearly partisan tone which coloured the first words of the minister. He hurried to give all the credit for this measure to a liberal minister, of a liberal government, succeeding other liberal governments, with the result that the liberals alone know what is good for the people, they alone have the monopoly of social security, and without them, we would be very helpless, very miserable.

I would have thought, Mr. Speaker, that the arrogance reflected in the words of the minister had disappeared as a result of the lesson taught on October 30 last. But it must be that feelings die hard and that attitudes persist in spite of the lessons of the past.

Mr. Speaker, in presenting such an important bill, the minister should have placed himself on a much higher, more detached and serene level. Does he forget, for instance, that public funds do not belong to a party, a minister or a member of parliament, that they belong to the Canadian people, that they are not the exclusive property of the liberal party?

Does the minister forget that the public treasury must be managed with wisdom, without any influence reflecting the colour of the distributor?

Has the minister forgotten that, as a Crown minister, he is first and foremost the servant of the people and not a Ceasar who gives arrogantly and says: Accept because I am Ceasar.

Mr. Speaker, on reviewing the speech and studying more thoroughly the legislation brought forward, I wondered whether there really was something to be so proud about. All I need do is reread the hundreds of letters I receive, like other hon. members, to be able to say that the measly allowance granted to senior citizens seems to be an extremely shabby measure to hundreds of Canadians.

When the minister tells us about an increase in his budget, an increase in allowances, he forgets that other increases have also taken place; he forgets that unemployment in this country has reached a record high. As a matter of fact, the rate of unemployment in the province of Quebec has reached 10.2 per cent.

The minister also forgets that the cost of living now stands at an unprecedented level in this country, an aspect which should hang in the balance when the minister brags about his own bill.

Mr. Speaker, my intention is not to give a detailed analysis on this measure. Besides it has been done quite competently and intelligently by my colleague, the hon. member for Hillsborough (Mr. Macquarrie). I would still like to say why we have so much set our heart on this cause of the golden age people, and why we must give so much attention to it.

First, it is a matter of justice. If we consider the position of older people, we must remember the hard work, the sacrifices, the devotion, the taxes they paid, the services they gave and the devotion they showed, for we would not want all that to have been done for nothing.

These people have given us a much better society than the one they had known. The have endowed us with the material comfort which enables successive generations to progress and get better chances of success. They have left us, for instance, their daily experience, their way of living, all this moral heritage revealed by the traditional worth of our people: work, honesty, quest for perfection, faith. They gave whole-heartedly their health, their welfare so as to leave us with a country measuring up to their hopes.

In return, Mr. Speaker, the most elementary justice requires that we permit them, at this awkward age beginning at 60 to enjoy life just like all other Canadians. This is a question of justice, but also of gratitude.

Gratitude stands among the noblest feelings in the heart of man, and we from Quebec have a motto that we like to repeat: I remember. We remember not only the past, our inheritance, but we are pleased on the occasion of the consideration of this bill to say that we also remember aged people.

It is all very nice, on certain anniversaries, on New Year's Eve, to offer our wishes to our parents, to wish them a long life, but I think that what should express our feelings are neither words nor compliments, but indeed positive and concrete actions. We have now reached the point where we can stop talking and do something.

It is also a matter of humanitarianism, Mr. Speaker. It is easy to show compassion for under-developed countries. It is a good indiction that we are not fenced in our own country and that we are looking to the world beyond.

We are quick to bring assistance to countries suffering from disasters such as earthquakes, erupting volcanoes or other things. And this is good.

A reconstruction program for North and South Viet Nam which have been ravaged by war for 40 years is now underway. There is agreement to finance this program costing billions of dollars which is good and worthy of praise.

There was even some thought given to prisoners today. During the question period, there were some comments on what is going on in penitentiaries. Authorities agree that penal institutions should be made more conducive to prisoners rehabilitation and reintegration into society. We are willing to spend $8,000 annually for each prisoner. And this is good. There are principles which warrant it. And yet when we Canadians deal with the golden age problems there is stinginess, there are delays, all kinds of pretexts are put forward, the budget is scrutinized and we start talking about priorities. That is a priority issue, Mr. Speaker.

Prior to structures, thorough consideration must be given human persons. I am all in favor of shipbuilding, ecology, highway construction and more embassies. But, there is after all the daily life of those men and women who have reached an age where they need the attention of the government.

That is why, Mr. Speaker, I am not the least ashamed to say that I will fight to my last breath for those people to whom I have promised it. I might also say that those people are in need of a basic, civilized pension. I have promised to fight for the progressive lowering of the eligible age to 60 so that even this year those who are 64 can receive it. As promised, I am asking the government either to amend the bill or to introduce another measure also beneficial to the spouse of a person already receiving a pension, in the sense that such a spouse be also entitled to the pension.

Mr. Speaker, this government—

Mr. Cyr: And the provinces.

Mr. Wagner: I just heard an hon. member on the government side say: And the provinces. He also is echoing the Minister of National Health and Welfare who seeks by all means, all excuses, all arguments to refuse to recognize the natural rights of those who have reached the golden age.

I am coming to the provinces.

I would like to tell you, Mr. Speaker, that this government will thus have refused to increase old age security beyond the basic amount of $100. Any proposals along those lines, according to the Minister of National Health and Welfare, and I quote:

. . . would cost the federal treasury many more billions of dollars a year.

It is true, Mr. Speaker, but it is also true that contrary to the remarks of the Minister of Finance (Mr. Turner) on February 19 last, the government—contributing to inflation—found enough millions, even billions of dollars to increase substantially its operating expenses. For instance, the estimates of the Department of National Defence rose from $1.933,8 billion in 1972-73 to $2.135,5 billion in 1973-74.

Since defence has come up, Mr. Speaker, I trust that these increased estimates do not contain another *Bras d'Or* or another *Bonaventure,* of illustrious memory.

Under the heading of general internal expenditure, Mr. Speaker, we also find a $190 million grant for culture and recreation, which is an increase of $11 million.

Under what they call foreign affairs, the sum has mushroomed from $387,200,000 to $426,600,000.

Under these five major headings alone, the budget estimates have gone up by over $500 million, and the overall budget estimates for 1973-74 are several billion dollars higher than those for 1972-73.

What effort has been made to limit expenditure? None whatever. This is administrative irresponsibility. I therefore find it hard to take when a member of the cabinet, even though he is the Minister of National Health and Welfare, comes here and talks about caution in the use of public money.

It is high time, Mr. Speaker, that the federal government set the example for provinces and municipalities that have not yet put their financial houses in order. But we all know that the present government, caring little about that ideal, is slow to heed the advice of even the Auditor General. Thus, Mr. Speaker, this argument about the limits of public funds, however true in itself, carries little weight coming from the present government.

• (1240)

[*English*]

Mr. Speaker, when the hon. member for Don Valley (Mr. Gillies) made it clear that a Stanfield government would have used a two-pronged approach of increased expansionary budgeting with a temporary across-the-board freeze, many on the other side called this approach irresponsible and simplistic. Had the Minister of National Health and Welfare (Mr. Lalonde) been here throughout the speech by the hon. member for Hillsborough (Mr. Macquarrie), he would have seen further evidence of the way in which the government has missed the boat in terms of an economic policy which had truly beneficial implications in the area of social legislation.

Parliament will pass this bill. Yet while we debate here today we have little or no control over those forces which may now be working to relieve the pensioners of Canada of whatever increases we are endeavouring to approve in this parliament. How many pensioners living in nursing homes will find their monthly or annual rates increased just about the time they receive their first augmented cheques? How many will find the rents for their rooms or apartments going up in May? How many will experience the frustration of finally getting a raise only to see it fall into someone else's hands?

Members of this House are aware that the issue of rents is a provincial one. Nevertheless, the 60-90 day freeze would have given the federal government an opportunity to begin discussions with the provinces which could have led to some real restraint being imposed on rent increases. In my own province of Quebec, the government has already acted in a retroactive way to hold down unreasonable rent increases. The federal government has received, to my knowledge, no negative indications from any province with regard to co-operation in this field. The lack of a two-pronged approach in overall budgetary policy is now emerging as a major obstacle to any real social impact being produced in consequence of the increase we are discussing today. Indeed, it seems fair to conclude that this omission on the part of the Minister of Finance (Mr. Turner) will serve to cripple and undercut many programs and approaches planned by the government in the future.

[*Translation*]

Mr. Speaker, this government keeps purposely to the *status quo* as regards the structure of the old age security plan. The government members will not recognize the needs of a pensioner's spouse, who would be less than 65 years old. Those same government members also close the door against all requests concerning the age of eligibility under the Canada Pension Plan. Now there are 786,000 Canadians between 60 to 64 and the only short-term comfort being offered to 64-year-old people—there are 171,000 of them—is the need for a preliminary and thorough study of an over-all social security policy, with the co-operation of the provinces.

That any matter related to the formulation and objectives of and the responsibility for a social security policy should be a subject of intensive exchanges with provincial governments, we agree to that, because that is real federalism, a federalism that is justified. But that has always been true.

Has this government only discovered since its licking of last October 30, that there are provinces and that those provinces have their own responsibilities and priorities?

What was this government doing at the height of its majority, from 1968 to 1972?

We know what it was doing and that is why, among other things, it was practically defeated on October 30. It was arrogant then, showing no flexibility at all, having no real dialogue with the provinces.

And now this government which was rejected by a great number of Canadians on October 30 is acting the same way towards older people.

Older people in general, especially those between 60 and 64, are paying today the price or part of the price of the arrogance shown by the Liberal government over the four last years.

Incidently, if the Liberal government, its mandarins and some gray eminence, at the time he had the upper hand in the Prime Minister's office, had not been so arrogant with the provinces from 1968 to 1972, a certain Quebec natinalist movement would not now have so much power in direct political action.

In a different context the Minister of National Health and Welfare now says without any apparent embarrassment, and I quote:

> We must look at the question of overall priorities. These priorities have not yet been established. The relative social priorities of benefits for pensioners' spouses or for widows and single women in the same age group, or for disabled people of any age, or for families struggling to raise young children on limited incomes, ought to be closely examined.

And once more the government is confirming our own way of thinking when we said, during the last election campaign, that a national conference on Canadian priorities should be convened. Without governing the country we knew it but withdrawn in their ivory tower, they took years to learn it and recognize it.

It is true that in April a federal-provincial conference will take place on the overall social security policy. But this should not prevent the present Minister of National Health and Welfare from opening avenues and from adopting a progressive attitude.

• (1250)

[*English*]

I found very curious, Mr. Speaker, the two-fisted approach of the minister in introducing this bill yesterday. With one hand open wide, he spoke of how much the increase was and how important it would be to the senior citizens across Canada. At the same time, with the other hand the minister was very close fisted with regard to further progress in old age security planning in the future.

I find it very difficult to understand how a minister who spends a full 30 per cent of his speech extolling his party's commitment to progress in the social legislation field over the years can then spend almost as much time in his speech erecting obstacles to further progress in the field dealt with by the bill. His concentration on the administrative and fiscal arguments against progressing to the point where 60 would be the age of eligibility for a pension seems both overdone and somewhat reactionary. There were no fiscal impediments to mismanagement on the part of the government with regard to the *Bras d'Or* or the *Bonaventure*. There are no fiscal impediments to wild election promises, unsubstantiated by main or supplementary estimates. But when it comes to Canada's senior citizens, there always appear to be some fiscal impediments. That is the type of low priority that the government and this minister obviously attach to this area of social legislation. While this bill may be all right as far as it goes, I believe that it is essential that this parliament be on record as saying that in this area of social legislation we really can do better.

What the minister should have done, and indeed what thousands of senior citizens had a right to expect, was for him to make, along with this bill, a firm commitment to explore a reduction of the eligibility age to 60. We know very clearly the employment difficulties that those in their late fifties with no direct skill have. We know what type of employment insecurity the entire population endures, let alone the 50 to 65 group. While these social concerns should have been enough to encourage the minister to embark upon some commitment, surely the one rationale for this approach should be purely humanitarian.

[*Translation*]

Mr. Speaker: I am sorry I must interrupt the hon. member, but it being one o'clock, I do now leave the chair until two o'clock.

At 1 p.m., the House took recess.

[*English*]

AFTER RECESS

The House resumed at 2 p.m.

Mr. Wagner: Mr. Speaker, before the recess, I was trying to encourage the minister to adopt a humanitarian approach to this whole field of old age pensions. There are many who are suggesting, and quite frankly I happen to agree, that the old measures of a society's success, such as the gross national product and the balance of payments, are not all that relevant to the society in which most of us live. Many are saying that a society's success relates to its ability in terms of a meaningful social audit to measure up to standards of human dignity and social equality. It is in terms of this audit that we remain in the red, with so many just into or passed their prime. We have a responsibility to at least commit ourselves to balancing this particular section of the social ledger through progressive policies aimed at reducing the years of hardship for so many Canadians. It is the area of commitment to future policies that the minister has left far too much unsaid, and he has allied himself with those reactionary arguments that have always plagued societies seeking some very real social progress.

The area of social legislation is not one that can be attacked in short spurts either before risky elections or after inconclusive ones. This is an area of national policy that must have top priority at all times. The area of old age security legislation must not be closed off for a year or even a day. No bill must be allowed to be viewed as the end of any evolution. If Canadians are to have an integrated and comprehensive social legislative package to live with, its continued evaluation and re-examination must be looked at as a major priority for all levels of government.

I truly regret that the minister chose in yesterday's speech to cut off the question of lowering the elegibility. For him and for his government, this is a retrograde step. I think that while it is perhaps parliamentary form for the Liberal government to underestimate its opposition in this House and in the country, it is poor form for that same government to underestimate the Canadian people, their compassion and understanding.

Like most members, I come from a riding where concern for the aged is not confined to the aged. I come from a riding where people care more about each other and want to contribute to each other's welfare. This country, in my view, is made up of that type of person. This government has a responsibility to reflect that concern. This government is not being representative when it closes doors, as did the minister yesterday, to further progress in the old age security field. Indeed, it is doing a great disservice to those who look to government for leadership in the social field.

I should like to associate myself and my colleagues with the thoughts expressed in the Senate Report on Poverty:

To do what must be done will certainly cost money. Lack of action will cost many times more. What inaction will cost in lost humanity will cost many times more . . . Canadian people whose lives are spent in a far different world are ready to face the challenge . . . it is for the citizens of Canada to demand that this be our priority project for the seventies . . . we need search no further for a national purpose—

• (1410)

[*Translation*]

In closing, Mr. Speaker, no utterances seem to me more striking and more thought-provoking at the same time than those of Mr. Hubert de Ravinel whose charity organization dedicated to the golden age, the Little Brothers of the Poor, is so greatly admired and so worthy of our support.

In an interview given to the magazine *Actualité* in December 1972, Mr. Hubert de Ravinel expressed himself as follows:

An existence shared between day-to-day petty worries and the dreary view of a slummy back yard, or the solitude of a big institution for the aged . . . waiting for pensions to be increased, for problems to be alleviated, each day similar to the one before, the monotony of an unchallenging future, such are, in brief, the board horizons offered to the senior citizens of our cities.

I hope, Mr. Speaker, that this House will see to it that the description given by Mr. Hubert de Ravinel will in time become just a bad memory.

Mr. Arthur Portelance (Gamelin): Mr. Speaker, I am honoured as a member of the government to comment on Bill C-147 entitled: An Act to amend the Old Age Security Act. This bill is intended to increase the basic amount of the old age security pension from $80 to $100 per month effective April 1, 1973, with future escalation to commence May 1, 1974. Because of the escalation now in effect, the monthly pension that has been paid since January 1, 1972 is $82.88.

I would like to join with all my colleagues to congratulate the Minister of National Health and Welfare (Mr. Lalonde) for his quick response to the request of senior citizens who are rightfully asking the Canadian government to help them through an increase in the basic rate of pension, which will enable them to live more decently and to continue, even during their years of retirement, to do their duty as citizens and to be proud as Canadians.

Mr. Speaker, a few days ago, I sent a questionnaire to all my constituents of Gamelin, and nobody will be surprised to learn that most of those who were kind enough to answer and to add some comments were mainly concerned with the welfare of our senior citizens, either with regard to pensions or to housing. It is precisely in that direction that this government is going.

I know that in Canada there are still some glaring injustices. It is not easy to eliminate them all at the same time. The present government is now trying to help first the most destitute, especially old people, large families, disabled persons, the unemployed and small wage-earners.

It is certain, as mentioned in the throne speech, that the next important piece of social legislation will be to

[Mr. Wagner.]

increase family allowances in order to make them as generous as old age pensions.

Mr. Speaker, it is good sometimes to compare oneself with others, to tell all Canadians what is going on outside our country, and to learn that Canada remains a forerunner in many fields, particularly in the area of social assistance. I have with me an article from the Toronto *Globe and Mail*, dated February 16, 1973. That article indicates that the old people in the United Kingdom, even if that country has now a Conservative government—maybe they are the elder brothers of our Progressive Conservatives—receive pensions that are not as generous as those received by ours, and I quote:

[*English*]

A retired person receives $16.70 a week if single. The state pension for a married couple is $27.25 a week.

If the old person has no income or savings, he or she can apply for supplementary benefits worth about $1 a week as well as for other payments to cover rent averaging $7.50.

[*Translation*]

And that's not all, Mr. Speaker.

[*English*]

Just recently pensions were increased,—

[*Translation*]

Just imagine what they were previously. And I quote further:

[*English*]

—with both unions and the government claiming credit though pensioners themselves played a role by staging a demonstration outside the House of Commons.

[*Translation*]

In fact, the senior citizens of Canada did not have to demonstrate in front of the House of Commons. This government had already increased the basic pension from $75 to $80 in April 1971, as well as the guaranteed income supplement to $55 a month for single people and to $47.50 for each spouse when both members of a married couple are eligible.

For those who received the GIS, the total pension was subject to an annual increase based on their pension tied to the cost of living index. We know that now total pensions will go up with the cost of living thanks to the new bill now before the House: single people who get the GIS will be entitled to $170.14 a month, and married couples to $324.60.

The old age security pensions amounted to $40 a month in 1952; from April 1, 1973 it will be $170.14 a month, including the GIS; of course, this represents an increase of over 400 per cent.

• (1420)

As a Canadian, I am proud to say that Canada is the first country in the world to provide that protection to the elderly. Canada is the first country in the world having legislated that people be eligible for a pension notwithstanding contributions they may or may not have paid into a pension plan and without subordination to various tests. The Canadian people are being guaranteed a revenue allowing them to live their retirement years with security and self-respect.

In order to improve the financial position of all Canadians 65 or over, this government has granted a substantial tax reduction for the year 1972. This applies instead of the additional tax exemption of about $650 granted to people having reached 70 years of age by the previous plan. Then, on reaching 65, people were entitled to a reduction of $1,000, which means that a single person 65 years old or over was entitled to the basic exemption of $1,500, plus an exemption of $100 for charitable donations, plus another $1,000, which altogether represented a $2,600 exemption for the year 1972, whereas the exemption for 1973 will amount to $2,700, plus a supplementary 5 per cent exemption its minimum being $100 and its maximum $500.

In the case of the couple 65 years old or over, similar reductions have been granted by this government.

In 1972, the total exemption could vary from $4,950 to $5,200 whereas, in 1973, with the adoption of the last budget introduced in the House by the Minister of Finance (Mr. Turner), the tax exemptions will still increase.

According to the comments I have received from my fellow citizens in reply to questionnaires, many of them wish the old age pensions were granted to people 60 years old or over. In their views, this would be a practical way of creating jobs and allowing young people to find work more easily.

I think that this recommendation deserves to be thoroughly discussed right now, because in a few years, most workers will be entitled to the maximum under the Canada Pension Plan or the Quebec Pension Plan. Indeed, the cost of the guaranteed income supplement will be decreasing, and I hope that those additional funds will be used to gradually lower the age of retirement, as it was done in 1966.

Yesterday afternoon, the minister said, and he gave some figures, that it was now difficult to look after citizens aged between 60 and 64. As so many others, government members would have preferred to see the situation or the lot of those people improved and since the minister and his provincial counterparts will meet in April to deal with that problem, we hope that a solution will be found in the very near future.

Other valuable suggestions have also been made. It has been suggested that the pensioner's wife, aged 60, should also get the pension and the guaranteed income supplement in some cases. If the legislation allowed the wife to receive the pension, that would be unfair to a widow or a single person who is 60 years old. I would agree if in the future all women of 60 or over could get the pension when they reach 60.

In my opinion, women at that age are facing difficulties greater than those which men may be up against. Even today many European countries already allow 65-year-old men and 60-year-old women to receive a pension. That is an approach which we could surely suggest here, and I agree with other hon. members that we should get on with it as quickly as possible, perhaps on the basis of the same principle used last year to phase down the eligibility age for pension. We should start to deal forthwith with that problem now confronting us.

As long as we will not lower to 60 the eligibility age for pension to all persons, there will be reasons and obligations to keep on paying assistance benefits with the cooperation of the provinces on the basis of equal contributions. Each citizen has a right to assistance if his situation does not allow him to receive a sufficient income, and if my information is correct, the province of Ontario allocates to the spouse of a pensioner in receipt of the guaranteed income supplement an additional sum so that the couple receives at least $235 a month.

I wish the province of Quebec and all the other Canadian provinces could prove as generous in the future, because that assistance is also paid by the federal government on the basis of contributions.

One Canadian province already uses federal funds to help those who need it most; in British Columbia, old age pension and a guaranteed income supplement amount to $200 a month, and only half of those $30 is coming out of the provincial coffers.

Senior citizens also have a right to an active contribution to the community, and today 709,000 men between ages 55 and 64 have a job and 270,000 women of the same age group are also part of the labour force throughout this country.

It is acknowledged and accepted that compulsory retirement can destroy whatever has been and is important to the person who is forced to retire. That means that the establishment of a fixed age for retirement should be avoided and that the eligibility for jobs should be made easy until such time as a person wishes to retire or has to do so on grounds of illness. However, perhaps we should help the elderly person to withdraw gradually from regular employment, redefine the social role of a pensioner and encourage the greatest possible number of retired people to participate in community life.

Such ideas are not at all conflicting with the principle of the guaranteed annual income for people ranging from 60 to 64 years of age, but they suggest programs which would add to the financial assistance so as to give retired people the opportunity to put their idle knowledge and experience at the service of others. A fine example of this is the New Horizons program.

In conclusion, and subject to budgetary considerations, the federal government should first consider introducing a guaranteed annual income for people 60 to 64 years old. For the first year, if necessary, the pension should be granted to the 64-year olds, the age being reduced each year until the entire group is included. Then, the guaranteed annual income could very well be a little less than the old age pension and the guaranteed income supplement combined. Finally, the program should at least provide an income equal to the guaranteeed income supplement.

Moreover, some tax legislation should be brought in jointly with the provinces to encourage the gradual transition from full employment to retirement, by putting at the individual's disposal means to engage in useful and creative occupations and to remove or reduce the age limit specified in the pension plans.

In co-operation with the provinces, programs should be developed to create part-time jobs, which would stimulate the participation in community life.

Mr. Speaker, another area also affects people who are 65 years old and I think it is not the least important. When people become 65, they are often forced to leave their jobs. These people go to unemployment insurance offices where often steps are taken so that it is impossible for a man or a woman of that age to qualify for the benefits they are entitled to.

As chairman of the Standing Committee on Labour, Manpower and Immigration, I remember that in 1971, when we passed this act, a worker who was 65 could choose to stay in the labour force—and, of course, he did not get a pension under the Canada or the Quebec pension plans—or to go on working; then he had to be helped to find a job and allowed to get his benefits as it is the case for every other Canadian worker.

I would invite this group of citizens to be careful when they meet people who have responsible positions in these unemployment insurance offices and to be available to take on the jobs they could be offered.

Having said this, Mr. Speaker, I remain optimistic as far as the economic and social progress of Canada is concerned. We meet everywhere Canadian men and women who are responsible, who are capable of leading and organizing their own lives, who are aware of their responsibilities and their needs and I invite them to go on trusting the present government, so that together we get more and more in the world the position and the influence we deserve.

• (1430)

[*English*]

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, it is a pleasure to rise once again in this House on a Friday afternoon. My seatmate and I were discussing the formation of a new type of club, the Friday and Monday club. This club would have one difference in that members of it would attend on Friday and Monday when it seems so much easier to get the Speaker's eye than on the other days of the week.

Some hon. Members: Hear, hear!

Mr. McKinnon: This leads into my opening remarks. I am at my wits end to discover why any of us are here discussing this bill at this time. This is government legislation. I listened with interest yesterday to the hon. member for Yukon (Mr. Nielsen) and the hon. member for Hillsborough (Mr. Macquarrie) when they both agreed on behalf of our party that we would surrender our speaking positions on this bill if we could get agreement with the other parties to send it to committee. I do not think there is a soul in this House who intends to vote against this bill. If there is, I would be glad to surrender my place to him right now and we could move on with this legislation.

In my constituency of Victoria, British Columbia, there is a fine club for the elderly known as the Silver Threads Club. If they had the unanimity at their meetings that this House has on this particular legislation, they could handle the business more quickly than this House of Commons seems able to. Why has the bill not gone to committee? The government does not seem to want that to happen at this time. They are supported, although I think in error, by the New Democratic Party, those who desire to talk about this bill rather than act on it. Certainly, the rather peculiar position of the government is that, in one sense, they are obstructing their own legislation. If the parties could come to an agreement, I would be glad to surrender the floor right now and have this bill go to committee.

It seems that we are not able to come to any agreement on this, Mr. Speaker. We seem to be the only party who would give up our right to waffle about this bill rather than act on it.

Mr. Nielsen: Why are you filibustering your own bill over there? We are going to vote for it.

An hon. Member: What's the rush?

An hon. Member: The aged are in a rush.

Mr. Nielsen: I will be eligible for the pension myself by the time this is through.

Mr. Deputy Speaker: Order, please.

Mr. McKinnon: It could be that the Liberal party so seldom does anything for the aged of this country that they must get the last ounce of gratitude out of the elderly people. Well, Mr. Speaker, if we must talk about it instead of acting upon it, I presume I may as well do as some of the other members have and speak for a time on the history of it, not trying to deceive the people of Canada with statistics as has been done by others in the last few days.

The history of the old age pension did not commence in 1952; it was instituted in England in 1908. The Old Age Pensions Act was passed to establish a non-contributory system of pensions and it was amended in 1911, 1919, 1924 and 1925. The last amendments provided for contributory pensions for certain classes of persons. So they were talking about contributory pensions in England then, Mr. Speaker.

When I read the minister's speech yesterday—I was unable to be here as I was called to a committee meeting—I learned that he spent a great deal of time, as did the hon. member for Thunder Bay (Mr. Penner), talking about what the country could afford. I should like to refer to something that was said about that bill in 1908 and hon. members will understand if it has a familiar ring. In 1899 Mr. Joseph Chamberlain said that the British scheme, which proposed to give pensions to everybody, was beyond the resources of the state, that it would make no distinction between the improvident and the thrifty, the drunkard and the spendthrift. He said that they should put aside at once every further attempt to secure compulsory contributions from working classes, which was the system in operation on the continent. So, Mr. Speaker, the more things change, the less they change it seems.

The pension was introduced in Canada in 1927 as a result of the previous election. The act was dated 1927 and stated that the maximum pension payable should be $240 a year, subject to reduction by the amount of the income of the pensioner in excess of $125 a year. We started at $20 a month. Who was responsible for starting this off? Everyone knows that the party in office at that time was the Liberal party. Anybody who wishes to be confused about

the history of old age pensions need only listen to members of the Liberal party and the New Democratic Party trying to claim to be the parents of that act. The New Democratic Party claim that they are the true and only sons and daughters of the CCF whose parentage is a little cloudier. In 1927 the Liberals were sustained by the Progressive party, as they are now by the NDP. Many of the Progressives became Liberals—some became Progressive Liberals, some became Senators and some faded away, but there was a kernel there which after being buried on the Prairies for six years, became the CCF. For them to claim that, through Mr. Woodsworth, they were the instigators of the old age pension is rather like claiming responsibility for this measure because of Hazen Argue.

We know that the Liberal party introduced this bill under a certain amount of pressure; I should like to think it was from the Progressives who went over to the Liberal party. In any case, old age pensions were introduced some 20 years after having been enacted in England. The New Democratic Party claim that, as a result of the CCF party being born in 1933, they had some peculiar prenatal influence on this legislation. When I say "prenatal" I mean that in a little different sense from the normal; they claim the unborn baby of the CCF somehow influenced the legislation six years before it was born.

I listened with interest to the hon. member for Winnipeg North Centre (Mr. Knowles) discussing the early days of the pension and he cleared up one point for me. I assumed the pension had gone from $20 to $40 in one jump, so I am glad to learn from his remarks that it went from $20 to $30. That, of course, is a jump of 50 per cent but the minister stated yesterday that the present rise is the greatest in pensions since the year one. I submit that a rise from $20 to $30, being 50 per cent and ten hard dollars, may have meant more to recipients then than the rise today of $13.39.

• (1440)

Elections followed in the natural course and, by a strange co-incidence, increases in the old age pension seemed to coincide more nearly with elections than with any other events in our history. Pensions increased to $40 and then to $46 just before the Liberal debacle of 1957; and, from $46 they went to $61. For the benefit of the hon. member for Bruce (Mr. Whicher) who, when talking about people in elderly brackets, referred to the penuriousness of the Conservative government, may I point out that a Victoria radio station every year holds an open line contest as to who is the most popular living Canadian. Many elderly people listen to this program and answer and ask questions on it. They make up about one third of our population. The most popular living Canadian in the minds of the elderly of Victoria is the right hon. member for Prince Albert (Mr. Diefenbaker).

Some hon. Members: Hear, hear!

Mr. McKinnon: His government was the first to adopt the idea that old age pensions could be raised substantially, if necessary; and that was certainly necessary in those days. So, the pension went up to $61. In 1962, it was raised by another $10, according to the minister. Then, in 1963 it was again raised by $10. This is when history apparently started because, if you accept the minister's calculation with respect to the $15 and $10 raise in pensions, the pension in 1962 must have been $65.

If this bill passes, and it is sponsored by a reluctant government, the pension will increase slightly. The difference between $65 and $82.88 is not great, dollar-wise or percentage-wise, especially when you consider that government revenues in the same period have just about tripled, to judge from the estimates. This year the government will spend more than $20 billion; in 1962 government expenditure was around $7 billion. If the old age pension were to increase at the same rate as the government's revenues increase, the old age pensioner would be feeling about as fat and happy as the government feels.

The next question is, can we afford substantial increases? There was much talk in the election campaign about the size of the old age pension and about how much it should be increased. We heard lots about this from the NDP. I am baffled as to why the NDP should continually be asking my party how much increase it would have given old age pensioners. Why did they not ask the Liberals how much they promised?

An hon. Member: We did.

Mr. McKinnon: I will tell you why they do not ask. The Liberals did not promise a red cent; not a penny, and it is ludicrous for the NDP to give their unquestioned loyalty to the party which, during the election campaign, did not promise a single extra penny to old age pensioners. If the Liberals were not in their present perilous position, it is probable that they would not have given a penny extra.

Some hon. Members: Hear, hear!

Mr. McKinnon: There has been some talk about how much my leader promised during the election campaign. I wish to put my version of the facts on record. In Victoria the Leader of the Opposition (Mr. Stanfield) met the press at a press conference about the first of September and he said that a $10 increase might have been enough to compensate for the increased cost of living in April or May. By September, the cost of living had accelerated rapidly and my leader said that he thought $15 should be the amount of the increase. Let me point out that $15 and $82.88 comes to $97.88. That was our suggested figure on September 1, in view of the way costs were escalating.

Our leader refused to participate in the auction on old age pensions. It is very easy for the party on our left to suggest that $150 should be paid, but it is not so easy for a party that is likely to assume power to make such promises. None the less, we all expected a great deal more from the Liberal party than we have been given so far. So, in future I would appreciate it if the hon. member for York South (Mr. Lewis) and the hon. member for Winnipeg North Centre (Mr. Knowles), when speaking on what the party I support promised the old age pensioner, would be more factual in their statements. The figure was $97.88.

Let us now consider modern times. Yesterday I consulted *Hansard* and looked at the speech made by the hon. member for Winnipeg North Centre. I read over the words

he had spoken so bravely on January 12 about what his party wanted in the way of an increase. It was to be substantial, Mr. Speaker. If one were a new student of English and reading the speech delivered by the hon. member for Winnipeg North Centre on January 12, one could be forgiven for assuming that substantial and increase together form one word, because the hon. member never used one without the other. I ask the hon. member for Winnipeg North Centre if a $13.39 increase is his understanding of a substantial increase?

Mr. Knowles (Winnipeg North Centre): No.

Mr. McKinnon: The difference between $82.88 and $150 is quite large; I regret the small size of the increase as much as the hon. member does. I regret that the hon. member was unable to have his way in this matter.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. McKinnon: I understand the position the hon. member is in. He is in much the same position as I am. I do not think the increase is worth very much, either, but it is better than none, I suppose. This leads one to this conjecture; how small would the increase need to have been before the hon. member and his party would have considered it an insult and refused to support it?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, $97.88 would have been the figure.

Mr. McKinnon: Mr. Speaker, the difference between $97.88 and $100 is $2.12. The hon. member is drawing a very fine line. It would appear that the party on my left really did not require any particular amount and that their attitude to the government was, "If you want us, just whistle."

Before the budget was brought down we wondered how much the increase in the old age pension would be. I guessed that it would be increased to $120 because I did not think the government could count on NDP support for any length of time if the pension went much below $120. On days when I was feeling good I thought it might increase to $130, and on days when I did not feel so good I thought the increase might be down to $115. Never in my wildest predictions did I think the pension would be so low, as a couple of distinguished members of the party to my left had demanded a substantial increase in the basic pension. I did not think, in view of the position of power which that party now occupies, that it would buy the increase to $100. When the government introduced the figure of $100, I turned to my seatmate that night and said, "The NDP will never support this." I am afraid I either overestimated the principles of the NDP or underestimated their fear of an election.

Why was the pension plus guaranteed income supplement increased to $170? That is a rather strange figure, although there is some rationale for it. If you have less than $170 a month, you are liable to starve to death or die of neglect. That amount, I suppose, will just enable one to buy shelter and food, and nothing else. That is why the figure of $170 was chosen. So, in considering $170, which is made up of the basic old age pension plus the supplement, we are considering an anount that will just enable one to exist. It represents the barest minimum of existence. Everyone knows that you cannot live on $82.88 or $100. Therefore, the present old age pension is only a partial payment to enable old age pensioners to live at the barest subsistence level.

I am in favour of the universal approach, as is the hon. member for Winnipeg North Centre, probably for reasons he did not mention yesterday. Under this kind of legislation, when it is so easy to apply, there is a great temptation on the part of some people to cheat a little bit. Can you blame them? They have been so grievously wronged that one can hardly blame them for cheating a little bit when the occasion arises. Some civil servant puts a piece of paper before them and says, "All you have to do is sign this piece of paper and you will get the supplementary payment. If you sign it, you will get; if you do not sign it, you will not." Many of our old people, when they realize how much they have contributed to our society and how little they are now getting from it, will be tempted to sign and so obtain the supplement. They know what they are doing, but one can hardly blame them when it is made so easy to cheat.

There are other ways of cheating, other ways of getting around the regulations. If you own property, you can turn it over to your children before you reach 65 years of age. I suppose another way of getting around the asset problem is to keep your money in a sock in the garden. They are only allowed to have so much.

• (1450)

When drafting legislation of this nature, we should consider the people who have to deal with it. I draw this to the attention of the minister responsible for the Unemployment Insurance Act. If something could be done to simplify that complex legislation, it would be a great boon to society and the administration of government. The Unemployment Insurance Act is very complex. Some of the people who draw unemployment insurance may understand it, but those administering it at the lower level certainly do not.

I wish to correct the statement made this morning by the hon. member for Thunder Bay (Mr. Penner) while trying to tell us how pure and virtuous the Liberals are. He stated that the British Columbia government added $30 to the pension to increase it to $200. Any sense of fairness and equity should impel an hon. member to state that the British Columbia government added not $30, but $50. The federal government is now catching up a little by increasing the old age pension and guaranteed income supplement to $170. It was $150 when the NDP government in that province, headed by Mr. Barrett, brought out the $200 a month income.

So that it will not appear I am turning toward the NDP, I must state that my understanding now is that this federal basic pension increase will not be passed on to some of the pensioners in British Columbia. Those receiving the guaranteed income supplement will not be getting $230 a month. They will still receive $200. The federal government monies will simply go into the general revenue to help British Columbia pay for the increase. I am not critical of this attitude of the British Columbia government, in view of the difficulty they have had getting the

federal government to assume its rightful share of the $50 a month increase for those receiving the guaranteed income supplement.

Another problem that has been concerning us is whether the pension should be paid to spouses below the age of 65. I have seen quite a few examples of this problem in my province. When the husband retires, there is a drastic drop in income. If the wife is a dependent spouse, one who is not working, she receives no pension to help defray household expenses. Other civilized countries have this type of legislation. In the United Kingdom the retirement age for men is 65 and for women, 60. In Italy, the retirement age for men is 60 and for women, 55. I hope the Minister of National Health and Welfare (Mr. Lalonde) is listening, because yesterday he told us we were light years ahead of every other civilized country. The retirement age in Poland is 65 for men and 60 for women. In Sweden, the forerunner of the social movement, both have to be 67; in the United States both 65 and in Denmark 67 for men and 62 for women.

We will not be breaking fresh ground if we give a pension to spouses at the age at which their husbands become entitled to a pension. There might be a floor established whereby the spouses could receive a pension at age 60 provided they are not working. Almost everyone who has anything to do with elderly people realizes the desperate straits they are in when a man retires and the income drops from an average of say $700 a month to $170.

Another area that should be looked at is providing federal help for elderly people who have to spend their last few years in extended care hospitals. This is a great problem in British Columbia. Quite a few people come to British Columbia from other provinces who eventually reach the stage where they need extended care hospitalization. This is generally paid out of their own pocket. Our new government has promised action on this, but it is not yet forthcoming. This is a very serious problem. They have a bit of ghoulish humour in Victoria; you are never allowed to die until you are broke. Nursing homes and extended care hospitals are a quick way of achieving this. An elderly person on an old age pension who is suddenly faced with a hospital bill of $400 to $600 a month that is going to continue for the rest of his life very quickly loses interest in carrying on.

I intend to vote for this bill. I would be glad to vote for it right now to get it moved along one stage. I wish the amount were larger.

An hon. Member: How much larger?

Mr. McKinnon: When we were estimating how much you people were willing to spend to stay in power, and how much pressure we thought the NDP could put on you, we thought it would be somewhere between $115 and $130. Our party would have voted for that had you introduced it. I would like to see the insulting increases of the past few years, 42 cents and $2.88, avoided. I intend to vote for this bill and the sooner the better.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, when my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), raised the curtain of history yesterday and gave us a very thorough story of how old age pensions came to Canada, I thought it would not be necessary for any of us to refer to it again. However, some of what I have subsequently heard makes me realize that some of the things that were left out, even by my thorough colleague for Winnipeg North Centre, need to be said on the historical side before we go any further afield.

Both the Liberal and Conservative parties had been in office at various times since Confederation, but there was not a single piece of social security legislation on the statute books until the end of World War I. When the old age pension legislation was finally forced on the Liberal government of the day, it became the first piece of social security legislation on the statute books of this country. It is very significant that it did not get there as a result of the efforts of either the Liberal or Conservative administrations of the past.

Yesterday the Minister of National Health and Welfare (Mr. Lalonde) stated that this was the largest increase that had ever been made in the old age pension. I am not very good at arithmetic, but in my opinion the best increase was the first pension that was ever paid, because going from nothing to $20 in those days was really something. After all, this was done after many years of stalling, stalling, stalling on the part of both Liberal and Conservative governments. And pressure was exactly what was needed to get it in 1927. That is why we got it at that time and there is no need to worry about who is claiming credit for it; the record is there in *Hansard* of the day. Some of these people who spin fine fancies as to how it got there should just go back and look at the pages of *Hansard* and they would have no doubt as to how it all happened.

• (1500)

As a matter of fact, listening to the hon. member for Victoria (Mr. McKinnon) throwing all kinds of unflattering remarks in our direction, I was quite entertained, because he went through the geneology rapidly as to how the Progressive party faded out after 1921 and how some of them had faded out into the Senate—you would expect them to fade there—how others had faded out in the Liberal party—you would expect them to fade there—and how others had faded out in subsequent election contests, and you would expect them to fade there. But what he did not point out was that from all this there emerged an instrument of strength among men and women in this country who believed it was time that ordinary people in Canada, doing the ordinary work of farm, field, factory and household, stuck together to make a party of their own in order to get things done rather then having them just talked about.

If the hon. member for Victoria still has any doubts as to how old age pensions got onto the statute books, I would urge him to look back in *Hansard* and he will find out how the Right Hon. R. B. Bennett, who was the leader of the Conservative party at that time, turned to J. S. Woodsworth when the prime minister of the day, Mr. Mackenzie King, was bragging about how his administration put in old age pensions. Mr. Bennet turned to J. S. Woodsworth and said—these are his exact words—he was the man who forced this measure on a reluctant govern-

ment. So if there is any authority required, I think the hon. member for Victoria will find it there.

The Acting Speaker (Mr. Boulanger): Is the hon. member rising on a point of order?

Mr. McKinnon: I doubt that it is a proper point of order, Mr. Speaker, but I would like to say that I regret the submission the hon. member for Vancouver-Kingsway (Mrs. MacInnis) has made. I agree almost entirely with what she has said, and I did not in any way intend to put down Mr. Woodsworth, for whom I have very deep admiration. I agree with the hon. member that the party on the other side never would have put in the legislation without his urging.

The Acting Speaker (Mr. Boulanger): Before the hon. member for Vancouver-Kingsway continues, I would point out to the hon. member for Victoria that he did not, of course, raise a proper point of order.

Mrs. MacInnis (Vancouver-Kingsway): I would like to say that I was not worrying about what was said about Mr. Woodsworth. What I was concerned about was urging the hon. member to go back and look at the *Hansard* reports of those days. There is no need to speculate about the circumstances; the written record is there.

I think we now have referred to enough facts in this connection. But I want to point out that even as people in those days were in a mood to get old age pensions on the statute books and intended to see legislation put there to that effect, they were organized to this end. And so, today, people in this country are in a mood to get things done as well. While I have heard members to my right speak in very beautifully couched and glowing sentences about how this is a very mean amount to give the old age pensioners and how, once they take office, endless and bountiful pensions will descend into the laps of old age pensioners, until the hon. member for Victoria spoke a few minutes ago I had not the faintest idea what amount his party intended with regard to old age pensions. Now, thank goodness, I have a very definite answer. They intended to give the old age pensioners $97.88. Well now, I think the old age pensioners, while they may not all be happy at having elected the Liberals to power, certainly will not feel they missed anything by not electing to power the bargain basement outfit to my right who would have given them $97.88.

Some hon. Members: Hear, hear!

Mrs. MacInnis (Vancouver-Kingsway): I am very grateful that under the prodding of my hon. friend from Winnipeg North Centre the hon. member for Victoria has at last broken down and given us the figure the Progressive Conservative party considers to be appropriate for old age pensions, the sum of $97.88.

The Acting Speaker (Mr. Boulanger): Order, please. I think the hon. member is rising on a point of order.

Mr. McKinnon: Thank you, Mr. Speaker.

Mr. Lang: Sit down.

[Mrs. MacInnis (Vancouver-Kingsway).]

Mr. McKinnon: My point of order is, Mr. Speaker, that the hon. member for Vancouver-Kingsway is confusing the tense of my remarks. I said we promised that on September 1. I did not say that it was what we would now be satisfied with. Time marches on, even among the best of us.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Boulanger): That is not a proper point of order. I must remind the hon. member that the rules do not allow him to rise without consent unless he has a proper point of order. He may not use the occasion to raise a point of debate or give an explanation.

Mrs. MacInnis (Vancouver-Kingsway): If you can take it, Mr. Speaker, so can I. The point is that if the $97.88 was promised on September 1, I would be prepared to bet it would not be higher now, because that date was just before the election. However, I would not want to do the hon. member an injustice. If the figure the Conservative party has in mind is different from what it was at that time, I wish they would tell the House what it is. We have been trying for some time to get them to name the figure they would set for old age pensions.

It is all very well to describe what they would have done in the most glowing and attractive terms. But what the old age pensioners want to know is, how much? So far, the figure of $97.88 is the only one I have been given. If there is a later amount, I think it would be a good idea for a speaker from that party to give the exact figure they propose now, before lowering the boom again on some subsequent speaker. It might be to their advantage to do so.

The fact is that there have been nine increases in old age pensions since the program was first established. Two of the increases have been made under Conservative administrations. It may be that this was because the Conservatives were not allowed to stay in power very long—they can have it that way if they wish—or, if they were in power, that they were not much more generous than they were last September.

I left out one footnote to history, Mr. Speaker, and I would just like to bring it forward. When J. S. Woodsworth and A. A. Heaps sent that famous and historical letter to Mackenzie King, I think it was the first and the last time in recorded history that Mackenzie King ever signed his name to a promise; he knew that a sharp and pointed instrument was aimed at a vulnerable part of his anatomy and he knew it was time to sign. When that happened, the Hon. Arthur Meighen, who was then the leader of the party of my friends to the right, was also sent the same letter. Mr. Meighen, with the same caution which is being displayed by his party today, sent back a lawyer's answer to the question, "Will you give us old age pensions for Canada?" He sent back a lawyer's answer that meant, "We'll see". Well, he was not given the chance to take office. The other party was sustained because although they did not give people all they wanted even then, they did give something concrete and tangible.

I think people to my right ought to take a lesson from that. People today want something concrete and not just glowing promises. It is like the girl who was boasting

about her fiance and said to her friend, "He said he would lay the earth at my feet". Her friend replied, "I would rather have a roof over my head". I think the old age pensioners feel that way too. Although we have had to fight very hard to even get this much—we still want $150—the old age pensioners will remember history and realize that we were the ones who got them the old age pension in the first place. We are the ones who have been fighting successive administrations for these raises ever since, and if the pensioners ever do receive $150 we will be the ones who got it for them.

• (1510)

Enough of history. Let me now come to more modern times. Every time this question is raised, we hear people ask where we are going to get the money from. We feel there are plenty of places that could be scrutinized and from which we could get the money. For example, what about the famous corporation tax reductions that are supposed to be coming before the House? I suggest that instead of bringing that measure forward, the Department of National Health and Welfare be given first refusal because it could put that amount of money to good use.

Of course we should be making provision for certain other groups in this country. It is ridiculous to expect two elderly people to exist in their old age on one pension. Yet there are thousands and thousands of cases where the wife does not qualify for old age pension by reason of age and where she has to try—pitifully—to get along by making her husband's pension stretch for the two of them. If, as the hon. member for Saint-Hyacinthe (Mr. Wagner) says, the measure of our civilization is how we treat our fellow humans, then I say that our civilization is still at a very low ebb in view of the form of torture to which we subject these elderly people by making them exist on one pension.

One of the very next measures that should be put before the House is one making it possible for wives of older pensioners who themselves are not working to qualify for a pension. After all, they have to be housekeepers and look after their older husbands; therefore they should be provided with the means of life. We should also consider moving the age limit down from 65 to 60, just as it was moved down from 70 to 65. Why cannot that be done? The Minister of National Health and Welfare said yesterday that there may be a few low paid workers who would like to retire at the age of 60. Let me tell him that this country is full of people who are ill, weak or handicapped at the age of 60 and who have no means of support until they reach age 65. We should find money to enable us to look after the handicapped, the partially disabled and the sick.

Make no mistake about it, Mr. Speaker, if we do not look after these people by giving them a decent pension we will have to look after them through additional costs of hospitals, mental institutions and these wretched nursing homes where so many of them have to be confined. So we shall have to pay in any event, but we will be paying for broken, disabled and miserable people whom we could have saved for a happy and effective old age. It is true that we can weep over mothers and fathers who are single parents and the sole support of their children. But there is no sense just weeping over their woes; we must do something about them. We must help them support themselves and raise the citizens of the future by providing them with pensions or allowances.

It seems to me we are dealing with this problem as though we were looking at a sinking ship and saying that there are only enough lifeboats to save certain people and that others will have to drown. We are deciding whether we ought to save single parents or throw them overboard, or whether we should save the wife of a pensioner of the old age pensioner himself, since both are unable to get along on one pension. I suggest we should not be satisfied with anything short of a policy that looks after all these people.

How silly it is to maintain a military establishment in the world that we have today. All the military hardware that we have is for what? It is no use in this world or in the next. It is a sheer waste of time and money, of good brains and good people to turn our energies into that particular channel. That is another matter I could deal with in some detail.

Of course we can afford decent pensions for our elderly people. Let me point out that the argument used today is exactly the one used in 1926 prior to the old age pension legislation of 1927. Our old boys in the Senate, above all else, were the ones who wept over the sacred duty of children to look after their aging parents and who said that on no account must we take that duty away from the young by providing a pension for their parents. The same crocodile tears are being shed today when it comes to raising money to look after people who need assistance in this day and age.

If better pensions were provided, a number of unthought of benefits would result. For example, it would provide a tremendous stimulus to our economy. People who receive pensions and allowances usually have to spend them at once. They are people for whom food, clothing, shelter and the few amenities of life are very sorely lacking today. In spending their pension money they would provide a market for farm produce and factory products, and they would engage in various forms of activity which presently are sorely lacking. We might even be able to do something in the land of heavy water, or in the land of the great trees and the ocean in my part of the country. Such a pension would provide these people with the services that they need.

If the sick, the crippled and the elderly were released from jobs which they cannot perform competently and which they carry out at great pain, misery and suffering to themselves, we would provide additional opportunities for employment of our young people. I am convinced that it would also provide opportunities for necessary community services provided on a voluntary basis. When I hear hon. friends to my right damning the New Horizons program as a waste of money, I wish that some of them would get to know an old age pensioner or two. If they did, they too would realize exactly what the New Horizons program means to them. It is opening the door to new activities, to a broader world. In many cases it is opening the door to programs that will enable the elderly to meet with the young, help the young and the old to close the generation gap that for so long has been allowed to exist.

Mr. Roche: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member is rising on a point of order.

Mr. Roche: When I referred to the New Horizons program last evening, I made it clear that my opposition to it was because senior citizens in this country are not entitled to be paid money for projects that they recommend and in which they take part. I am not opposed to the New Horizons program itself—

The Acting Speaker (Mr. Boulanger): Order. The hon. member knows that that is not a point of order; it is a point of explanation or debate. The hon. member for Vancouver-Kingsway (Mrs. MacInnis) has the floor.

Mrs. MacInnis (Vancouver-Kingsway): I am sorry, Mr. Speaker, but I did not even hear the hon. member speak last night. In fact, I was referring to one of his colleagues who spoke earlier. Even though the cap did not fit, the hon. member insisted on feeling that it did fit and he put it on. However, I did hear one of his colleagues earlier do a good job of damning the program.

I think all the aspects to which I have referred ought to be discussed with the provinces. I wish the present Minister of National Health and Welfare—I admit he has made a good impression on many of us—would go out to the provinces with a real plan. I wish he would say that he does not care whether the premiers are NDP, Conservative, or what-have-you in the Maritimes, that this is what the government thinks is a really good program to replace the present social security patchwork. Let us try it out and see whether it will work. I think it will work. Draw it up and put it across, and invite these people to comment on it. This minister should not be afraid of the premiers of the provinces before he gets there—and I know a lot of this has been going on. I know several of them very well and they are not half as vicious as the minister may think. I am sure they would not be, if he went there and said he had something positive, produced it and asked them to make a start.

• (1520)

I should like to say a few words about another aspect of this whole matter which I think is important, but before I do so I should say again that we intend to support this legislation, not because it represents all we want but because we think it is a step forward. We would like to see old age security at $150 now, and when we accomplish that goal we will want more. We expect that by then people will have reached a higher level of civilization and we want to think that the elderly can share in the improvement.

I think it is silly and futile to provide old people, young people or people somewhere in between with sufficient pensions and allowances to live decently without taking precaution to see that they can keep the extra money. Often the elderly or people with low incomes are deprived of any increase as soon as or before they get it, because of increases in rents and necessities. These other people take as big a bite out of that increase as they can. In my view, the minister should be trying to establish this protection when he visits the provincial representatives. He should say that there is no sense in giving these people an increase unless protection is provided so they can keep the increase.

What does this entail? I suggest it means we must devise some form of price agency or review board to monitor prices. Such an agency would have to ensure that prices are held steady in order that the people I have referred to can afford more at their new level of income. We will have to establish rental boards. The province of Quebec is probably in the forefront in this regard, although perhaps it has not gone far enough. It does have a rental control board to which people can make representations if they feel their rents are unjust. We must take that sort of approach, and we must adopt other controls to protect these people from being gouged of their pension increases.

One may say that this cannot be done. I suggest that it can be done and I want to give one or two examples of how it can be done. A few years ago the people across this country grumbled and growled about the terrific cost of insurance on their cars. They complained about their young people not being able to drive cars because of the high cost of insurance. They complained about the high cost of accidents. When people were involved in accidents without being covered under a special policy, they were ruined for life. At least the people in two provinces today have discovered that you can have public car insurance which covers accidents at a cost less than that payable in other provinces without similar schemes. A third province has announced its intention to venture into such an insurance scheme this spring. With the success shown in these provinces, I suggest this can be done.

I do not know how we are going to accomplish what we have in mind to protect our citizens, but I do know that in at least two provinces experiments are being conducted with a view to protecting their citizens by means of providing medicinal drugs as a public utility. Every time I heard the hon. member for Simcoe North (Mr. Rynard) suggesting that we should do something for our old people in respect of drug costs, I feel like reminding the House that years ago our ancestors thought that everyone should build his own piece of road and put a turnpike on it. But finally we got the picture and built our own national road with our own collective resources so that everyone could use it. You should hear the screams in British Columbia whenever anyone proposes putting a toll on a bridge now. We have had enough of that and we do not want any more.

I suggest that these things have to be done as a country. This idea of giving people increases and failing to protect them is not enough. We must adopt measures to safeguard these increases when we have them. We must protect people against having these increases taken away by stronger and more ruthless segments in our communities. We must prevent these more powerful people from moving in on any group which receives a little extra pittance.

I commend this action to the minister when he meets with provincial representatives, because it is something which will call for agreement between federal and provincial authorities. There is no reason under heaven why the provinces cannot cede or give authority to the federal

government, and vice versa, where it is necessary to handle the situation in these areas.

I have now said the things I wanted to say about this measure. There should be no doubt now about the views of those of us who have spoken from this group. We are going to support this legislation, not because it provides all we want for the elderly people of this country but because it is a little better than we could get from the bargain basement Conservatives. This Liberal group happens to be in power for the moment and this is all we can get now. I want to say that we will support this measure, but as soon as it is passed we will start on our next campaign for more.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am very happy to join in the debate on Bill C-147, to amend the Old Age Security Act. In my view, income support for our senior citizens is one of the cornerstones of our social security policy. In correspondence and conversations with my constituents, the importance of ensuring an adequate standard of living for our pensioners is a constantly recurring theme. This widespread concern for the welfare of our old people can be accounted for on several grounds. In part it is a human response to a situation of obvious social and economic disparity. In part it derives from the fact that most of us have intimate associations with elderly people—our parents, grandparents and friends. In part it undoubtedly reflects the realization that all of us will one day be old.

In any event, I subscribe to the theory that the way in which we treat the elderly is an important test of our society's level of civilization. In this respect, I think Canadians can be justifiably proud both in the objectives they have set and in the progress they have made in achieving them. Although as members of this House we may disagree from time to time on specific measures and questions of detail and timing, there is a remarkable degree of consensus among Canadians—one might even say unanimous agreement—as to our society's obligation to ensure a decent standard of living for our senior citizens not as a matter of charity but as a matter of right. We want to ensure that our old people are able to share fully in our nation's ever increasing prosperity, a prosperity which their own past labours have done much to promote and which many of them never knew during their working years when they were struggling to raise young families and meet mortgage payments.

• (1530)

We still have a long way to go before that goal is fully realized, but much progress has been made since January, 1952, when the government of the Right Hon. Louis St. Laurent enacted the Old Age Security Act which for the first time provided universal pension payments to all Canadians aged 70 and over. Developments over the past 21 years, taken together, constitute a revolution in the government's approach to the elderly. The amount of the basic pension has been increased several times since then. The age of eligibility has been lowered to 65 years. The guaranteed income supplement was introduced in 1967. Last year an escalation clause to make payments reflect the full increase in the cost of living was added to both the guaranteed income supplement and the old age pension. This is a truly remarkable record of achievement for our country. Perhaps I might be permitted to add that it is a truly remarkable record of achievement for Liberal governments.

This progress is reflected in the proportion of our national wealth which we have committed to the task of ensuring a decent standard of living for our elderly people. The amount paid to old age pensioners during 1971-72 was over $2 billion, of which some $500 million, or one-fourth, was paid in supplements. Canadians numbering 1,800,000 are now receiving the old age pension. Of this number, 1,050,000 are also receiving the guaranteed income supplement, 500,000 are receiving the full amount, while 550,000 receive a partial amount.

The effect of these increased payments has been to progressively remove our old people from the welfare rolls. We have now reached the point where, according to the latest estimate available, only 5 per cent to 10 per cent of pensioners require welfare assistance, and this is in special circumstances and special cases. We have recognized as a society that old age need not be and must not be allowed to be synonomous with the indignity of abject poverty and deprivation.

This record of achievement of Canada and of its Liberal government is even more impressive when seen in a global context. The variety of different schemes for income support and social assistance makes direct comparison of pension levels between countries quite difficult. However, one central fact is clear: Canada provides a higher guaranteed income, a higher standard of living to its senior citizens than any other country in the world. This is a field in which Canada has led the way. It is an achievement in which we should take pride. At the same time, we must never fall into complacency for much remains yet to be done.

That the present government has not become complacent is evidenced by the bill now before us. This bill would raise the basic monthly pension for an individual from $82.88 to $100, an increase of $17, and for a married couple, from $165 to $200, an increase of $35. This increase—20 per cent on the basic monthly pension—represents the largest single increase in our history. Together with the guaranteed income supplement, it would ensure a minimum monthly income to every Canadian 65 and over of $170, in the case of an individual, and $325 in the case of a married couple. Just compare those figures with the $40 old age pension of only 20 years ago.

In discussing this bill and in assessing the adequacy of the proposed increases in pension payments, it is essential to take into account the combined impact on our senior citizens of certain other measures outlined in the budget speech. The reductions in personal income tax have been designed to give maximum relief to those most in need—low and middle-income Canadians, a category which includes the vast majority of the elderly. Old age pensioners will welcome, as will all other Canadians, the increase in personal exemptions from $1,500 to $1,600 in the case of individuals, and from $2,850 to $3,000 in the case of married couples. Together with the increase in the special exemption for pensioners—from $650 to $1,000, the highest in the world—this will mean that no individual over 65

will pay tax on an income of less than $2,700, and that a married couple over 65 will be tax free on the first $4,100 of income.

Of the 750,000 people who will be removed from the federal tax rolls, senior citizens who tend to fall into the lower income groups can be expected to constitute a significant proportion. Those whose income is above these new thresholds will benefit from the 5 per cent cut in the federal tax rate, with a maximum reduction of $500 and a minimum reduction of $100. This tax reduction is even more significant when seen in the context of a family. For example, it constitutes a 47 per cent tax reduction for a family earning $5,000 a year. It amounts to an 18 per cent tax reduction for a family earning $7,000 a year. These reductions in income tax make this budget truly a family budget.

The budget measures designed to reduce consumer prices will benefit pensioners as they will benefit all Canadians. The removal of federal sales and excise taxes from certain consumer goods, including some foods and toilet items, and the average reduction of 5 per cent in the tariff on a wide range of consumer imports will be welcome news to our old people as well as to the young. The tariff reductions on food products such as out-of-season fruits and vegetables are especially important to our senior citizens and others on low or fixed incomes for whom food constitutes a relatively large proportion of the weekly budget. Of particular importance is the reduction of tariffs on drugs.

Our pensioners, like everyone else, will benefit from the new indexing system for personal income tax to be introduced in 1974 under which there will be annual adjustments in exemptions and tax rates to compensate for increases in consumer prices. For old age pension recipients and guaranteed income supplement recipients, this will mean specifically that they will not become liable to pay tax merely by virtue of increased pensions and supplements.

Taken together, these budgetary measures can be expected to have a significant effect in lowering the cost of living for old age pensioners and in reducing their income tax. Along with the increase in the basic pension payment, they will go a considerable way toward improving the financial position of senior citizens. In considering the requirements of our senior citizens and the adequacy of the proposed increases in the basic pension, we must always bear in mind that the old age security payments are but one element of the social security system that was evolved in Canada to meet the needs of our elderly.

Canada is a country which provides support to elderly persons by means of several schemes. The universal old age pension and the guaranteed income supplement are augmented, in the case of many pensioners, by a contributory insurance plan, the Canada Pension Plan, which will not only pay 25 per cent of the worker's average annual earnings up to $5,100 from 1976 but also provides a disability pension, a benefit for dependants of those disabled and unable to work, a pension for widows, orphans and disabled widowers and a lump sum death payment. Canada is one of the few countries which has this three-tier approach to income support for the aged. In addition, a fourth tier is provided for many employed persons through private pension plans.

• (1540)

There are also several programs which provide special assistance to the elderly in many facets of life. The Canada Assistance Plan, introduced by the Liberal government in 1966, can assist with special needs such as drugs, nursing home care, home care, etc., with a 50 per cent payment by the federal government. In most provinces, under the medicare scheme no premiums are charged to OAS and GIS recipients for hospital and medical care.

The New Horizons program will provide funds of up to $10 million over the next 18 months for projects undertaken by the elderly. Over 200 projects have received approval to date, with grants totalling some $1.3 million. Mr. Speaker, I believe that the New Horizons program, although designed for elderly people, will provide benefits to people who though they may be old in age are young in heart. When I looked at the announcement of several projects approved recently I came across one for a project in Toronto entitled the Merry Hearts Club, another in Kingston was for the Gadabouts Club and another in western Ontario was for the Rhythm Rascals. After visiting some of the senior citizens groups in my own riding, I know that a great many of our elderly people are young at heart—and the New Horizons program is keeping them that way.

It can be seen that the OAS and GIS payments under the present system of income support for senior citizens merely form a base, a minimum level of income guaranteed by the federal government, and it can be seen that additional measures, both federal and provincial, are available to supplement this basic income in special circumstances for specific needs.

Judging from the record of past Conservative governments, and from the figures which the Leader of the Opposition (Mr. Stanfield) has quoted, suggesting his party would provide an old age security benefit of $92 or $95, it seems to me that we could have expected criticism from the official opposition suggesting that we are going too far and too fast. However, I was pleased to learn yesterday that the official opposition will support this bill, and to learn from the hon. member for Victoria (Mr. McKinnon) that he was suggesting an amount of $97 per month. Many of us would like to be able to do even more for our senior citizens and to raise the pension by an amount even greater than that proposed in this bill. But to do so at the present time would be very costly. I am convinced that this is the best we can do under the present circumstances.

Another area in our social policy concerning old age pensioners which is very important is the provision of the low rent, geared to income, housing program which has been available in Canada. Surely this program to provide good shelter at minimal rents is a most valuable one to our senior citizens who have to face the difficult years of retirement. This program in Ontario is financed jointly through the Ontario Housing Corporation and the federal government's agency, Central Mortgage and Housing Corporation, with 90 per cent of the cost being paid by the

federal government and 10 per cent by the province. The program is administered by the Ontario Housing Corporation.

Any losses sustained by the program are borne three ways, 50 per cent by the federal government, 42½ per cent by the province and 7½ per cent by the municipality involved. I often wondered how much this 7½ per cent cost would be to a municipality. I inquired, and the response from one municipality was that this cost was very minimal, that in fact it always got back more in rents than it had to pay out in picking up the 7½ per cent loss sustained under the program.

The important thing is the benefit that the program provides to senior citizens in the form of safe, clean, low cost housing. Several of these complexes were built in my riding during the last few years, and I have never been so pleased with any federal government program than I am when I visit these housing complexes and talk to the people in them. A comparison of regular rents with those charged under this program readily reveals the advantage of it. A two-bedroom apartment in my area may regularly rent at $100 to $150 per month, but an old age pensioner who receives the OAS may pay rent as low as $39 per month. For a couple living solely on old age security, the rent may be only $74 per month. The only problem is that we need more and more of this type of housing for out senior citizens.

I was pleased yesterday to hear the Minister of National Health and Welfare (Mr. Lalonde) say that the problem of the working poor would be considered at the spring conference with provincial ministers of health and welfare. I regularly meet couples in my riding where the husband is working at the minimum wage, but the problem is that their family may include six or seven children. We must examine this problem soon to see if we can provide financial assistance to these working poor. I can think of a number of examples. There is one chap who was injured in an accident and as a result could not take a regular job. He had to take on a night duty job and could earn only $75 a week. He might have been able to survive on that wage if there were only his wife and himself to look after, but he had a family of six children and as a result had no alternative but to quit his job and go on welfare. That is something that must be changed. We must consider the provision of an improved family allowance program which takes into account a family with several children who have to be fed, clothed and educated. In other words, we must provide a supplement to low income workers. Such a program should have high priority for consideration by the ministers of health and welfare in the spring conference.

In conclusion, Mr. Speaker, I support Bill C-147 which increases the old age security pension to $100 a month. It is in step with the times. The need is very great among our senior citizens. It is time to make this advance in our old age security system.

Mr. Peter Reilly (Ottawa West): Mr. Speaker, on February 19 the Minister of Finance (Mr. Turner), when he mentioned proposed increases in old age pensions, said among other things:

> It is aimed at ensuring that older Canadians share more fairly and more fully in the growing national prosperity—which their efforts during their working years helped to make possible—so they may better enjoy living in well earned retirement.

Yesterday, when opening debate on this bill, the Minister of National Health and Welfare (Mr. Lalonde) said among other things:

> I, for one, am thinking of my 86 year old mother and my 81 year old father who all their lives worked extremely hard for their family's livelihood on a farm in Quebec and who, like all those of their time, gave everything they had for the raising and education of their children. In their humble way they made Canada a country in which one is proud to live.

I congratulate the minister for those obviously genuine comments about his parents, and those of their time, who worked hard to make this country a good place in which to live. They deserve the respect and concern of the many people carrying on in their wake. Mr. Speaker, I think of my father who died at the age of 63, short of pensionable age, after having worked hard to support his mother and father before they died, because in those days there was no pension plan. He began to raise his family at age 40, but died and left my mother without a pension because the munificent, giant American corporation for which he worked and upon which my hon. friends across the way are getting ready to lavish more windfalls, did not believe in pension plans. They did not believe in group insurance, either.

• (1550)

My father could not afford to carry very much on his own, so he left my mother to raise several children out of a family of five. She is now past the age of 60 and is still working toward her retirement in a couple of years. She is living in terror, Mr. Speaker, because when that day comes she will have to live on the amount of money that the Minister of National Health and Welfare tells us has banished poverty for old people in this country. I have sat in this House now for several months listening to the claims of the Liberal party, but that one, for sheer bunk, has to surpass any of the fatuous comments I have heard sail across this floor.

My leader and my party may support this bill if they wish, and the New Democratic Party may support it if they wish—their virtue has been so thoroughly compromised now that one more roll in the hay will not hurt—but I will not vote for the damn thing, Mr. Speaker. I think it is an affront to the old people of this country, I think it is cynical and I do not believe that any member of this House who is honest with himself believes that this amount of money can maintain a person who has no other income.

I should like to give a few figures to back up what I say. In the past four years, according to the government's own figures, the cost of living has risen by no less than 20 per cent. According to my arithmetic, the amount of money which this government, in its open-handed attitude to the people who have worked all their lives to pay taxes and educate their children, is about to hand out to them in its largesse, less the amount of money that has been eroded thanks to their incompetence, leaves the old people of this country a net increase of 75 cents a week. That is enough for a large packet of cigarettes and a couple of books of matches.

The figure of $170 a month, according to the Minister of National Health and Welfare, is enough to banish poverty in this country among old people. Well, Mr. Speaker, I want to apprise him of a few facts. In the city of Ottawa, which is by no means the worst place in the country to live, it is very likely that an old person would have to pay $120 a month for a bachelor apartment. On top of that, I calculate food at $43 and some odd cents a month, based on $10 a week multiplied by 52 and divided by 12—not an unreasonable amount to spend on food. These two total $163.33, so they are left with $6.66 for the entire month to cover transportation, entertainment, clothing and insurance for their poor possessions if they have any left by that time. That, Mr. Speaker, is as close to poverty as I would care to see my parents come. I hope the parents of the Minister of National Health and Welfare who worked so hard all their lives, as he has said, and whom he holds close to his heart, who are always in his thoughts, are not dependent on the figures which he announced the other day and of which he and his colleagues are so very proud.

The government claims that the time is not ripe to impose any kind of controls on prices in this country. I wonder when it will come to the conclusion that the time has arrived, with inflation rising at 5 per cent a year and no evidence that any of the government's programs are going to abate that rate, and with inadequate escalator provisions built in to accommodate old people. I cannot imagine when the time has been more ripe for the imposition of some controls but the government says, "Not yet". I do not believe the government is really very concerned with these people.

When I hear hon. members opposite, such as the one who spoke immediately before me, claiming credit for this paltry accomplishment, I am left to wonder what they believe is a tiny accomplishment, if this is the best they can do. I notice that my time is close to running out, so I shall conclude—

Mr. Lalonde: Mr. Speaker, I should like to rise on a point of order to clarify immediately something that the hon. member has attributed to me. He quotes the imposition of certain criteria from the English *Hansard* at the bottom of the right-hand column of page 1793, ending with the words:

—it will be readily seen, Mr. Speaker, that this government has effectively banished poverty for persons over 65 years of age in the course of the last two years.

I recognize readily that the text that would have been distributed and which was to be checked against the English translation was this actual text, but what I said in the House and what is in *Hansard* and I refer here to the French text reads quite clearly:

[*Translation*]

When coupled with the cumulative benefit increases of $58.70 a month that have been provided and the provision for full escalation of pensions in future, it will be readily seen, Mr. Speaker, that this government has considerably improved the economic situation of persons over 65 years of age in the course of the last two years.

[*English*]

Mr. Speaker, this is what I said in this House in French; this is the actual text. I understand now that *Hansard* in English did not translate properly and correctly what I said, and I hope that *Hansard* will be corrected accordingly. I never said such a thing. I am sure the hon. member will excuse me for interrupting him in this respect, but I would not like such an interpretation to be given to the words I said in this House.

Some hon. Members: Hear, hear!

Mr. Reilly: Mr. Speaker, the minister cannot know with what relief I receive his remarks. I am glad he did not say such a thing. I conclude by simply saying that a country which does not take better care of its parents than this one appears to be prepared to do, is a country which has some pretty strange priorities. When Members of Parliament meet in solemn conclave assembled to consider their own circumstances, their own aspirations, their own wants, it does not take very long to come to the conclusion that massive salary increases of the order of 100 per cent are merited and it does not take very long to conclude that pensions of the kind that we have can be implemented without any great jar to the economic system. I do not notice any blushes in their rubicund faces when they line up at the $1.50 buffet upstairs featuring prime ribs of beef and British Columbia salmon. If a pensioner could get one meal a week in that place he might be in a position to live on the money this government is prepared to hand out.

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the hon. member, but we have reached four o'clock and at this time the House will proceed to the consideration of other business.

[*Translation*]

It being four o'clock p.m., the House will now proceed to the consideration of private members' business.

[*English*]

Mr. Reid: Mr. Speaker, normally today we would be taking private members' notices of motion, but I think there would be agreement to take private members' public bills instead. Therefore I would move, seconded by the hon. member for Pontiac (Mr. Lefebvre):

• (1600)

That the House now proceed to the consideration of private members' public bills.

The Acting Speaker (Mr. Laniel): Hon. members have heard the proposal of the parliamentary secretary. Is this agreed?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

CANADA FLAG DAY

MEASURE TO ESTABLISH

The House resumed, from Thursday, February 15, consideration of the motion of Mr. Nelson that Bill C-136, respecting Canada Flag Day, be read the second time and

referred to the Standing Committee on Justice and Legal Affairs.

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

Mr. Bell: On a point of order, Mr. Speaker, I wonder if the parliamentary secretary to the President of the Privy Council (Mr. Reid) has anything to say in view of the way this matter was left when it was discussed on the previous day.

Mr. Reid: Mr. Speaker, we last debated this bill on February 15 and, as Your Honour may recall, there was some confusion in the House. It was agreed that we would stand the bill we are now discussing, which would create a holiday of flag day, and at the same time it was agreed that we would bring forward the bill standing in the name of the hon. member for Hillsborough (Mr. Macquarrie) and allow it to stand in position No. 2 on the order paper. This was done. There was some discussion at the end of the hour as to whether these two items ought to be discussed at the same time. There did not appear to be any agreement, according to *Hansard,* that they would be discussed at the same time, although the *Hansard* record is rather confused as to exactly what happened.

I would therefore suggest, if the House agrees, that we discuss the bill concerning flag day and, if hon. members are so prepared, the bill concerning Sir John A. Macdonald day. Then hon. members might want to discuss the possibility of referring to the Standing Committee on Justice and Legal Affairs not both these bills but their subject matter, that is, the possibility of a holiday being held either in February or March. What that holiday should be called could be left for hon. members to decide at this time or when they deliberate in committee.

Speaking further on the point of order, may I say that from the legislative point of view the form of both bills is sadly deficient. There is some doubt as to whether, if either or both bills were referred to committee, satisfactory amendments could be introduced to bring forth the results that both hon. members wish. For that reason I would not want to send either of the bills to committee because it might not be possible to put them into the proper form which hon. gentlemen sponsoring them so obviously want. If that is agreeable, we would be prepared to permit debate to go forward on that basis.

Mr. Bell: Mr. Speaker, is the parliamentary secretary proposing that during this hour we should discuss the matter of holidays and talk at the same time both on the flag day bill and on the Sir John A. Macdonald bill, and that toward the end of the hour the parliamentary secretary would get up and propose that the general subject matter of a holiday early in the year should be referred to the committee, but that neither one of these bills should be referred to the committee?

Mr. Reid: Yes, Mr. Speaker, in general that is what I have been saying. I want to emphasize that if we do send the subject matter of these bills to committee, that must be done on the basis that we are looking at a potential holiday in February or in March. That is as far as we have gone, because in those two months there is not now a statutory holiday. I should like to hear discussion on what we might call such a day.

Mr. Bell: Discovery day.

Mr. Reid: The hon. member says, "Discovery day". As there are a number of bills like this on the order paper, if Your Honour were to permit it might be worth while discussing all those which have been brought forward by hon. members.

Mr. Macquarrie: Mr. Speaker, may I say a word on the point of order. As one of these measures is particularly close to my heart, I have some question as to what method is to be used with respect to disposing of the bills. What will happen to the bills? I am wondering if there will not be even worse confusion than at present. I hear talk of transferring the subject matter of the bills to committee. Where will that leave the bills? I am also wondering exactly what will happen to the Sir John A. Macdonald day bill.

Some hon. members have already spoken on Bill C-136. The proposed administrative marriage might preclude them from speaking in today's debate. I fear that we may get into a sort of "lost in limbs" situation. I have heard some talk about a holiday in February or March. May I point out that one of the bills does not mention a holiday in either of those months. In view of all this vagueness I want a little more assurance, a little more clarity, so that we may have some better idea of what exactly are the terms of reference with which we are left.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): I rise on a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Madawaska-Victoria on a point of order.

Mr. Corbin: Mr. Speaker, on a point of order, the suggestion brought forward by the parliamentary secretary does not seem quite acceptable to me in some aspects because in my opinion it would lead us to insincerity. The two bills now before us, Bill C-136 titled "An Act respecting Canada Flag Day" and Bill C-95, titled "An Act respecting Sir John A. Macdonald Day", deal specifically with two quite different matters. One seeks to honour our national emblem, the Canadian flag, whereas the other aims at recognizing the honour due to one of the Fathers of Confederation, perhaps the greatest of them, Sir John A. Macdonald. However, at the end of the time we have at our disposal the intention is to limit debate on those two bills, to a mere discussion on the possibility of establishing a legal holiday between New Year's Day and Easter. I suggest that we are straying considerably from the specific content of the bills and I am reluctant to accept the parliamentary secretary's suggestion.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on the point of order. I am sure it is the feeling of hon. members that we want to know what we are going to do during this hour, and that if possible we would like to agree to some course of action. I believe the point raised by the hon. member for Hillsborough (Mr. Macquarrie) has to be considered, namely, that if we spend this hour

ostensibly debating Bill C-136, we shall preclude the possibility of a number of members taking part in the debate. I wonder, therefore, if we could not arrive at this moment at an agreement to discharge these two bills, and, if there is unanimous consent, tell the parliamentary secretary to the President of the Privy Council (Mr. Reid) to move a motion that could be debated and voted on at the end of the hour.

In response to the problem raised by the last speaker, I wonder if the proposed reference to committee as suggested by the parliamentary secretary could not include the subject matter of these two bills or the establishing of a holiday in the period between the New Year and Easter. In other words, my suggestion, since what has been proposed so far has not been accepted unanimously, is that the House should now agree to discharge these two bills and that there be debated in this hour an order to the effect that the subject matter of these two bills or the question of a holiday between New Year's day and Easter be referred to the appropriate standing committee.

Mr. Macquarrie: Mr. Speaker, I would be quite agreeable to what the hon. member has proposed if he will withdraw the word "or" and use the word "and".

Mr. Knowles (Winnipeg North Centre): With pleasure, Mr. Speaker.

• (1610)

The Acting Speaker (Mr. Laniel): Is the hon. member rising on a point of order?

Mr. Stevens: Yes, Mr. Speaker. As some hon. members know, I also have a bill dealing with this general subject matter which I hope will be presented for second reading in due course. I am referring to Bill C-150, an act respecting discovery day. Perhaps we could include the three bills in the suggested motion and have this whole subject matter, including what I would like to say about discovery day, referred to the same committee.

Mr. Nelson: Mr. Speaker, I rise on a point of order. I support what the hon. member opposite said with regard to the subject matter of the bill. It was never my intention, and I think the bill is quite clear on this point, that debate be polarized on the question of which figure in history the bill should commemorate. It was simply and solely a request that a legal holiday be instituted on February 15 or the following Monday to commemorate our official Canadian flag. This was the sole intention of the bill.

Mr. Reid: Mr. Speaker, I would agree to the suggestion that has been made following my original suggestion that we discharge these three bills. Perhaps I could move a motion which the House would debate and we could then vote on it at five o'clock. The motion I would propose would be that the three bills be discharged and that the subject matter of a national holiday from, say, the end of January to the end of March, the two months in which we in Canada do not have a national holiday at the present time, be referred to the Standing Committee on Justice and Legal Affairs for further discussion. If that is agreeable to hon. members, I would be prepared to move such a motion.

[Mr. Knowles (Winnipeg North Centre).]

The Acting Speaker (Mr. Laniel): Order, please. I am sure hon. members do not want to spend the hour discussing a decision on which we do not seem to be making progress. The only way we can do this is by asking whether hon. members are prepared to accept the proposal of the parliamentary secretary and of the hon. member for Winnipeg North Centre (Mr. Knowles) that the subject matter of the two bills appearing on the order paper as items Nos. 1 and 2, along with the possibility of selecting a day for a national holiday in the period from the end of January to the end of March, be referred to the Standing Committee on Justice and Legal Affairs. Is there agreement to this effect?

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): There does not seem to be agreement.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on the same point of order. I realize the position that the parliamentary secretary is trying to protect, but it seems to me it is not really fair to the hon. member for Hillsborough (Mr. Macquarrie) to ask him to discharge his bill in favour of this motion when the proposal is that the period within which this holiday is to be established does not include the day that he suggests, which is January. We are not deciding it here. The committee will, I am sure, come up with just one day. I wonder if the parliamentary secretary will accept the wording of the hon. member for Madawaska-Victoria (Mr. Corbin) that the proposed holiday be in the period between New Year's and Easter.

Mr. Reid: I am prepared to accept that, Mr. Speaker, providing that it says "one holiday." I do not think I could defend a proposition where we end up with three national holidays in one year. If that is acceptable, I will certainly accept an amendment of that nature to my motion.

Mr. Nelson: Mr. Speaker, may I say, on the point of order, that we must be careful in selecting the date because several provinces have now instituted what they call a mid-winter break in March. To my way of thinking, a holiday in March would be superfluous.

Mr. Stevens: Mr. Speaker, I wish to have it clarified that the motion proposed by the parliamentary secretary will include the three bills, including Bill C-150 with respect to discovery day.

The Acting Speaker (Mr. Laniel): The motion would read that the orders for second reading of Bill C-136, Bill C-195 and Bill C-150 be discharged and that the subject matter of a national holiday in the period of February and March be referred to the Standing Committee on Justice and Legal Affairs.

Mr. Knowles (Winnipeg North Centre): January, February and March.

Mr. Reid: January, February and March.

The Acting Speaker (Mr. Laniel): Yes, that the subject matter of a national holiday in the period January, February and March be referred to the Standing Committee on Justice and Legal Affairs.

Mr. Knowles (Winnipeg North Centre): That covers it.

The Acting Speaker (Mr. Laniel): Is there agreement to this proposal?

Some hon. Members: Agreed.

Mr. Reid: Then I so move, Mr. Speaker.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): We have another difficulty. If we discharge the order from the order paper, it might be worth while either before or after to have agreement or unanimous consent to spend the balance of the hour discussing the subject matter of these three bills.

Mr. Corbin: I thought the question would be put at the end of this period.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think all that is required now is to ask if there is unanimous consent for the discharge of these three bills and the making of the proposed motion by the parliamentary secretary. It is part of the unanimous consent that there will be debate until five o'clock, if we wish. But it would be understood that there is to be a House order that the motion be voted on not later than five o'clock.

The Acting Speaker (Mr. Laniel): Is this agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): The motion before the House is now debatable and it will be put at five o'clock.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I preface my comments by saying that we are progressing in a spirit of national unity this afternoon by bringing together three distinct bills for at least discussion and referral to committee for examination. After living in the United States for ten years I returned to Canada in 1965. This was shortly after the new Canadian flag—which now graces this chamber by being placed to Your Honour's right hand—was displayed for the first time in our country and raised on the Peace Tower. I must say that it was with emotion and gratitude that I viewed the new Canadian flag. I am wearing in my lapel this afternoon, as are many members of this House, a replica of that flag as a reminder of the country that we in this House have the honour to serve.

In our discussion on a way to commemorate that flag and honour it, we should concentrate less on the aspect of a holiday or mid-winter break, nice as that would be and to which I am not opposed, and more on the sense of history in our country that our flag symbolizes. I said that I lived in the United States. Three of my children were born there. Some began their education in that country. Any child educated in the United States quickly obtains a sense of appreciation for his country and a sense of history. Shortly after being exposed to school, or even the nursery television programs, every child knows that

George Washington was the founder of his country and Abraham Lincoln saved the union.

• (1620)

I was always impressed by the way in which the people of the United States carry with them through their lives an appreciation of their country. I wish that in our country we had had the same kind of appreciation. Of course, I found upon coming back that developments had taken place in the previous decade which helped to deepen our appreciation of Canada. Expo in 1967 was not only a memorable event but was probably the greatest event since confederation, one which brought together the Canadian people in a realization of what this country means, in a realization of the possibilities of this country in relating to the interdependent global society in which we live.

We are moving forward. This afternoon we are moving forward in trying to reconcile certain differences which occur in the presentation of the bills which are now before us, particularly Bill C-136 which deals specifically with the Canadian flag and Bill C-95 which deals with Sir John A. Macdonald and the third bill referred to this afternoon which concerns the whole question of recognizing the discoverers of this country.

I observed that on February 15 when we debated in this House the merits especially of Bill C-136 and tried to relate Bill C-95 to it, that there was, and let us be frank about it, a playing off of Lester Pearson against Sir John A. Macdonald. As I say, I came back to this country in 1965 when Lester Pearson was prime minister and the architect of the flag, and I noted with great joy the respect in which he was held throughout the world for his accomplishments not only domestically but internationally, for which, of course, he was awarded a Nobel Prize.

Mr. Pearson was a man who served his country nobly. As a matter of fact, he gave us a lesson in "togetherness," a lesson, unfortunately, which was revealed to us through the funeral of this great statesman, for we saw on television, those of us who were in other parts of the country, at the time, the leaders of the great faiths in this country, men and women from all walks of life, coming together to honour this man. I said to myself as I watched the ceremony, "Isn't it too bad that it takes the funeral of a great man to bring together Canadians from all religions and walks of life." This is perhaps part of the price we pay for the discordancy of the times in which we live.

I stand second to no one in this chamber, or even in the country in my appreciation of Lester B. Pearson. Indeed, just the other day I wrote a letter to his dear friend, Bruce Hutchison, who preached the eulogy at a service in Vancouver for the late Mr. Pearson and I recalled in my previous conversations with Mr. Hutchison the manner in which Mr. Pearson led this country into what might be called the modern era, the international era which Canada has now clearly entered.

I do not feel that if we celebrate Canada flag day as a way in which to mark our sense of appreciation of the national unity which is desired in this country, a sense of appreciation of our history, that we want necessarily to circumscribe the full meaning of this holiday, of this day on which we are going to emphasize our history, by identi-

fying it so closely with one leader, distinguished as he is, to the detriment or to the putting into the shadow of other great leaders of our country. There are a number of leaders in Canada's history who have made distinguished contributions.

We cannot for a moment forget the contribution made to our country by the founding father, Sir John A. Macdonald. For several years my hon. friend from Hillsborough (Mr. Macquarrie) has introduced into this House a bill which would honour our founding father, Sir John A. Macdonald. I have noticed with a sense of sadness that this bill has been talked out, unfortunately; allowed to fall along the wayside of the parliamentary corridors. I have always wondered why we could not find some way to keep always before the Canadian people, one might say, in the same manner as we keep the external flame outside these buildings, the sense of the founding fathers of this country and what they have done for us.

This is in no way a partisan matter. I do not care to which party men like Sir John A. Macdonald, Lester B. Pearson or any of the other leaders who have helped to bring us to our stage of history belonged. They were great men. They were founders of this country. One need turn only to the Enclyclopedia Canadiana for a comprehensive article on Sir John A. Macdonald. I shall certainly not read the whole of this article now; I shall refer to only a couple of the points it makes which remind us how necessary it is to keep alive in our sense of history the role Sir John A. played, to recall in particular the role he played at the Charlottetown conference on December 1, 1864, and at the even more important conference which followed in Quebec on October 10. I quote from the enclyclopedia as follows:

> Macdonald was thus at all stages a major formative influence in the making of Canadian confederation. His declared preference was for a strong national federation rather than for a weak decentralized union of powerful provinces, and he sought at all times—through the division of legislative powers and the organization of the new federal institutions—to ensure the primacy of the new dominion.

He went on, of course, to the great events of July 1, 1867, when the British North America Act uniting the provinces went into operation. As I was looking through this article I came across a passage which I think is particularly relevant to the problems we face today in our society, more than 100 years later, because we read that Sir John was convinced that the continental imperialism of the United States was, and always had been, the most serious threat confronting Canadian nationality. How many times in the debates which take place today in this chamber, on television and in the newspapers across the country do we hear the very same sentiment expressed? Is it not remarkable that Sir John had the prescience to foresee the difficulty we would encounter in establishing our Canadian identity and in preserving it while living beside the giant of the United States?

• (1630)

I am absolutely opposed to playing-off in any sense men like Lester B. Pearson and Sir John A. Macdonald, both of whom in their own way and in the fullness of their times made distinguished contributions to Canada. So, too, did Sir Wilfrid Laurier, Borden and other leaders who have taken their place in this chamber and served their country in capacities beyond political life.

As Bill C-136 emphasizes, in protecting and underlining unity in Canada we must not turn this day that is hopefully going to be marked between January 1 and the end of March into a narrow expression of or focus upon our history, nor regard it merely as a holiday. If celebrating this day on Sir John A. Macdonald's birthday, January 11, is said to be too narrow and too partisan an approach, then let us at least include in the terms of reference and in the literature that will be written about this day the fact that we are honouring all the founders of Canada.

To me the word "founder" has a noble and lasting ring. It speaks not only of the beginning of our country but has a sense of continuity as well. As I remarked in my comments about Expo, we are surely continuing to develop this country. There is, again, a sense of founding, especially in the culturally explosive society that has been with us since the middle 1960s. There is a sense of continuing to discover, as my hon. friend who sponsored the bill respecting discovery day emphasized. That is why I say we should incorporate into the literature surrounding this holiday the names, the accomplishments, the sense of history of those who have helped make our country great.

If this whole subject is now to be referred to the Standing Committee on Justice and Legal Affairs, then let it be sent to the committee with the instruction from this House that the matter not be viewed in too narrow and partisan a way; that it not be viewed in a way that would hurt that national unity which all of us in this country desire—for as I remarked only yesterday in my comments on the pension bill, there is a temptation in this country to speak of national unity in too narrow terms. How many of us think, in the context of today, that national unity will be achieved if only we can solve the English-French question? Certainly this is a pressing priority, but it does not embrace the totality of what is national unity. To me, national unity means taking into account the problems of the aged, the problems of women and the problems of youth, three major components of our society. National unity means going back to the beginnings of this country and keeping before us the fullness of our history and all those who participated in bringing us to where we are today.

I want this day that will mark our country's acceptance of its flag to be more than just a holiday, as I have said; more than just a day on which we display our flag. The flag will be the symbol of what is underneath it. It will be the tip of the iceberg: The greater part of the iceberg will be the strength of Canada; this is what this day must focus upon. It will be a day that will help young Canadians who are now pursuing academic careers to achieve a sense of pride in their country. I have always felt that this country had a great future, one that belongs to us if only we do not give up on it because we feel that living beside the United States is too great a problem.

I conclude my remarks by saying that national unity is an elusive, precious thing but something we in this country need. We need to transmit it to our children. A burning desire to display our flag will remind us of Sir John A., of Sir Wilfrid Laurier, Borden, King and Pearson. It will remind us of the founders of our country, of all those the

committee will declare as having made a great contribution to this country. Let there be a national debate, indeed anything that will give the Canadian people a deeper appreciation of the merits of this country, especially as we now move into the very challenging role Canada plays in accepting our responsibility to the developing, third world. Canadians cannot live alone. We have to project ourselves into the rest of the world community, because this is the kind of global society we are living in today. We need a sense of history in Canada which will enable our children to meet the challenges we are now facing.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my little girl, soon after her sixth birthday, came back from kindergarten one day singing "I love my country, I love it". So I started to ponder not on the fact she was singing well what she was singing, Mr. Speaker, but on the innocence of that little girl who was expressing so well what she felt in the bottom of her heart and what she had learned from her teachers.

It is obvious that she was showing love and respect for her country, which she regarded in some way like her father and mother. When we hear children express such things candidly and innocently, we are entitled to ask ourselves why we adults find it difficult sometimes, even every day, to rediscover, to retain that innocence from our childhood when, serious matters are involved, matters of national interest, closely related to this country's unity.

• (1640)

Mr. Speaker, I was a little confused a while ago as to the procedure we were to follow this afternoon for the consideration of those two bills—now there are three of them—for the simple reason that when I read the remarks of the hon. member for Burnaby-Seymour (Mr. Nelson), the sponsor of Bill C-136, I noticed that he had actually given an explanation—and I quote the following from page 1327 of *Hansard* for February 15 1973:

—Bill C-136 is to establish February 15 or the Monday following as a legal holiday, to be known as Canada Flag Day.

Here is the explanatory note of his bill:

The purpose of this Act is to emphasize the unity of the Canadian nation, and further, to commemorate the ideals of the Canadian Bill of Rights and of the late Right Honourable Lester Bowles Pearson.

Of course I am not criticizing him for confirming this afternoon that the main objective of his bill is to proclaim another holiday in Canada.

However I cannot help but expressing how deeply I agree with the reasons which inspired this bill.

As the hon. member said, the bill is aimed at emphasizing Canadian unity and we quite agree with this because anything that can be done in this direction should be most welcomed. Nothing will be sufficient to reassert this Canadian unity which is so dear to us.

It has also been suggested to recall the aspirations of the Canadian Bill of Rights. I have no remarks to make in this connection; I am totally in agreement with the point of view of the late Right Hon. Lester Bowles Pearson.

We want the day in question to be called the Canada Flag Day. There are on the one hand some concepts which tend to concentrate everything on Canadian unity and, on the other hand, there are concepts which rather antagonize this symbol of unity.

And I am sure that all Canadians recognize in the maple leaf the concrete symbol by excellence of this unity.

This is why since the first reading, of Bill C-136, I devoted myself to support it without any reserve. For the sake of the proper functioning of the business of the House, and particularly for private members hour, I agreed to the subject matter of bills C-136, C-95 and C-150 being deferred to the committee because it now seems that the objective is not to honour Sir John A. Macdonald, the Canadian flag or Lester B. Pearson but rather to designate simply a new holiday and I think that we will have some difficulty in agreeing on how to call it.

I see my friend from Hillsborough (Mr. Macquarrie) opposite and I am sure he will insist for this day to be given the name which he recommended in his bill, namely bill C-195, and I think that the hon. member for Burnaby-Seymour is quite right when he wants that this holiday be called the Canada Flag Day.

I foresee that the debate just initiated will not be brought to a swift end. However, since this afternoon we showed concern for Canadian unity by agreeing in principle to the necessity of discussing all these matters together in committee, it is quite possible, Mr. Speaker, that we should find increased agreement within the committee and be able to agree on the designation of the legal holiday.

Mr. Speaker, I do not want to use up all the time to which I am entitled but I should like to say a few words about a related subject. It is not my intention to bring forward a bill in this respect, which might not be necessary, but it does seem to me that the time has come or is near when hon. members and senators will seriously consider the propriety of singing our national anthem in both languages, simultaneously or successively, once a week. It seems to me that singing the national anthem after the oral question period every Monday would have a unifying effect on us and would strengthen our will to keep Canadian unity strong and sound.

Mr. Speaker, this, in short, is what I wanted to say. I shall conclude by adding that the area I come from, which is not merely a tourist attraction, is rooted in history. It is that part of the country which is known as the "Republic of Madawaska", which is wedged in between Quebec and the state of Maine, which state also has a flag. Its flag was designed by Colonel Baker, a prominent figure in history who did live in fact and who, because of his convictions, was incarcerated in a military prison in Fredericton over a century ago. In Madawaska, we truly and sincerely love the flag of the "Republic". That is to say then, that amongst all peoples, the flag remains the symbol *par excellence* of national unity. Whether it be small or large, the nation always rallies around the flag, Mr. Speaker.

[*English*]

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, it is true that when I drafted the Canada flag day bill I mentioned in the preamble the Canadian Bill of Rights and the late Right Hon. Lester Bowles Pearson. As I said earlier, the simple statement of the proposed act is a

request that the 15th day of February or the Monday following be declared a legal holiday to be known as Canada flag day.

During a previous debate, because of an informal arrangement in the House I agreed to forgo speaking on the bill, and did so except to request its passage on second reading and reference to the committee. I spoke then for only 55 seconds, and I do not intend to speak at length now because I do not regard this as an occasion for patriotic oratory. We Canadians are not normally flag-waving, but I feel deeply that we should recognize the official flag of our country in a concrete way outside the House as we have done inside.

I was somewhat saddened by the turn of events in the previous debate because I did not intend or foresee that it would be polarized on the question of whether certain men in history should be commemorated. It was, I suppose, not necessary to mention in the preamble the contributions of both the right hon. member for Prince Albert (Mr. Diefenbaker), through reference to the Canadian Bill of Rights, or the late Right Hon. Lester B. Pearson as the prime minister most directly connected with the adoption of the flag, as history has already taken note of contributions of men like these and many others. Neither was it my intention to denigrate the union jack or in any way to slight the monarchy or the commonwealth. Above all, I have no intention of resurrecting the flag debate.

I am a veteran of World War II and a member of the Canadian Legion in Burnaby, and I respect the traditions that have been built up in this country. In my first speech in this House I spoke of the importance of national unity. I believe that the Canadian flag is a symbol of that unity. My sole intention, as I say, was to ask for a holiday in the middle of February to recognize our flag, which seems to me to symbolize the ideals of all Canadians. If it seems presumptuous for a new member to introduce such a bill, I feel justified in that the hon. member for Winnipeg North Centre (Mr. Knowles), as seconder, lends stature to the bill commensurate with its importance.

I am thinking primarily of our young people, Mr. Speaker. As a teacher for many years, I know that our July 1 holiday occurs long after children have been dismissed from classrooms across the nation. I had hoped that this occasion in the middle of February might help to instil in our children a feeling of pride and respect for the Canadian flag.

• (1650)

Furthest from my wishes would be the encouragement of exercises in every classroom in which children would repeat by rote an oath of allegiance or salute the flag, or both. I believe that teachers across the land can be trusted to discuss voluntarily the significance of our national emblem. Still further from my intent would be the encouragement of any jingoistic form of nationalism, because I believe that pride in our country and its institutions is best expressed by a quiet but deep respect for this symbol of our nation.

In every political party there are men and women whose contributions in particular fields earn them the gratitude and respect of all citizens regardless of political affiliations. I could name many such people from all parties including my own. I doubt the wisdom of attempting to commemorate any one person because of the difficulty of making a choice, particularly among political figures. But the question before us, surely, is one that should be considered without reference to politics as such. The flag that hangs in the Commons chamber is our national flag. I would like to emphasize the recognition of that fact to the rest of the country through the institution of a holiday.

I would like to make one more point which is most important to me. There is growing up now a generation of young people for whom the maple leaf flag has a special significance, not only inside Canada but particularly in other countries because our younger people are travelling more and more in these modern times. If you travel to Europe you will see our flag displayed on packsacks, on camper windows and on signs that Canadian young people hold up to let motorists know that they are Canadian, not American, British or Australian. For these young people who are too young to recall many of the traditions associated with other symbols, this is the flag that says to them "I am a Canadian". For them it is a symbol of our nation.

In the intervening weeks since the bill was first placed before us there have been strong indications of wide public acceptance of this measure. By fortuitous circumstance, the middle of February seems to be the time when a holiday would be most appreciated. I welcome the decision of the House to refer the subject to committee but I must say in closing that, whatever the result, I hope our official flag and the unity of our nation will be honoured in whatever form the bill emerges.

Some hon. Members: Hear, hear!

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I am very pleased at the progress that has been made today with respect to the holding of a holiday in Canada some time between New Year's and Easter. I feel, from the tone set in the House so far, that it is likely there will be such a holiday established.

I would like to mention something about my "discovery day" concept. I feel that it is a broader concept than has been put forward so far concerning the nature of the holdiday which might be held in the period that has been mentioned. I believe that looking at our long history will help to renew our confidence in the future. I feel that in addition to Sir John A. Macdonald and the Right Hon. Lester B. Pearson, there are many politicians and exceptional men in other fields who have contributed substantially not only to the discovery but to the development of our country. I believe it would be fitting to honour these people by paying tribute to them on this public holiday.

I also feel that discovery day would be a day when governments, including this one, could designate people whom they felt had made a distinct contribution to Canada's development in the preceding year. These people would be honoured, not just with token recognition but in a very substantial way. In that way I feel we could look at our past and, I hope, our present and our future on a day which would be enjoyed by all Canadians during our relatively long winter season.

I would also like to point out that my bill proposes that the holiday be on a Friday, because I have found that

many people feel that a holiday on Monday is not as convenient as one on Friday in that with a holiday on Friday there is a natural evolution into Saturday and Sunday, the day of rest. I hope we will now vote on this question, and I thank hon. members for including my bill in the motion. I sincerely hope the committee will take action on this important matter.

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

Some hon. Members: Question.

Mr. Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay. There being no dissent, I declare the motion carried.

Motion agreed to and the subject matter of a national holiday in the period January, February and March, contained in Bills C-95, C-136 and C-150, be referred to the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: It being five o'clock, I do now leave the chair. This House stands adjourned until Monday at two o'clock in the afternoon.

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

HOUSE OF COMMONS

Monday, March 5, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

EXTERNAL AFFAIRS

REPORT BY MINISTER ON INTERNATIONAL CONFERENCE ON VIET NAM HELD IN PARIS

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the House is aware, I have just returned from the International Conference on Viet Nam which I attended as the representative of the government of Canada. Essentially, this was a conference of the great powers and the belligerents in the Viet Nam war. Canada was present because of our participation in the International Commission for Control and Supervision.

As members will recall, I made clear prior to my departure that we were not going to Paris to sit in judgment on the political and military settlements embodied in the Paris agreement. I have made it clear repeatedly that Canada has not sought, and is not seeking, a truce supervisory role in Indochina but was prepared to serve in such a capacity if we were convinced that the ICCS could be made to play a useful and effective role in restoring peace in Viet Nam.

I have also made clear in this House and outside it the conditions we would consider essential if we are to continue our participation in the ICCS. One of these essential conditions was the establishment of an outside political authority independent of the belligerents themselves to which the commission could send its reports and which could alert the international community to a serious threat to the peace in Viet Nam. Provision for such a mechanism was lacking in the January 27 agreement and it was our hope that this deficiency would be corrected by this conference. I therefore went to Paris to do all I could to see if a satisfactory authority could be established.

In my initial intervention at the conference on February 26 I expressed our views on this subject clearly and forcefully and placed before the participants a proposal that provided for the Secretary General of the United Nations to receive and circulate communications from the International Commission of Control and Supervision to the membership of the international conference, and to perform a similar function regarding the comments of the membership of the conference on such communications. The Canadian proposal also contained a provision for the reconvening of the conference on any of four conditions:

(a) on receipt of a request from the International Commission of Control and Supervision;

(b) on receipt of a request from the Four-Party Joint Military Commission or the Two-Party Joint Military Commission;

(c) on receipt of a formal request from five of the members of the conference, excluding the Secretary General of the United Nations; and

(d) after determining, at the request of any member of the conference that a two-thirds majority of the members, excluding the Secretary General, considered that there was cause to reconvene the conference.

It soon became clear that few participants at the conference were prepared to support the type of independent international reporting mechanism, involving the Secretary General of the United Nations, such as we had suggested and some were strongly opposed to the whole concept. I think it is safe to say that it was only because of our insistence on this matter that the conference addressed itself at all seriously to the matter. What finally emerged in Articles 6 and 7 of the act was the most that could be obtained. Under these arrangements, the reports and views of the international commission will at least be transmitted outside the closed circuit of the belligerents to the conference participants, and the conference itself can be recalled.

I made clear to the conference our disappointment that it could not agree on a more effective arrangement and I questioned whether the mechanism established went far enough and whether it could work. I emphasized to the conference on March 1 that the arrangements provided in Articles 6 and 7 would be carefully reviewed by the Canadian government in determining the extent to which our conditions for continued participation in the conference had been fulfilled.

• (1410)

The act provided an opportunity for world powers to acknowledge their respect and support for the January 27 agreement in association not only with the parties to that agreement, but also with the governments participating in the International Commission established under it. It is also noteworthy that the conference was conducted in the presence of the Secretary General of the United Nations.

I signed the act on behalf of Canada because the spirit of the act and the good will reflected in it were such as to command the support of the Canadian people. The act welcomes peace in Viet Nam and it calls for the participants to do nothing to jeopardize that peace. It was, therefore, important to have all the participants at the conference associated with those objectives, and failure to sign could have been open to misinterpretation. Moreover, not to have signed the act could only have been construed as meaning that one of our *sine qua non* had not been met. We were not in a position at the conference, nor are we yet in a position, to say whether the machinery provided in

Articles 6 and 7 could serve the purpose we have had in mind. We will look at these arrangements in the light of our experience in the International Commission. This will be one of the prime factors in determining whether the commission is playing or can play an effective role in restoring peace to Viet Nam.

We must now, Mr. Speaker, examine very carefully the political authority and the reporting arrangements that have been established to determine whether, in our judgment, they have a reasonable prospect of operating effectively. We must also relate these arrangements to the effectiveness of the International Commission on the ground. The Canadian delegation under the direction of Ambassador Gauvin is making a tremendous effort to see that the commission works. But we cannot do it alone, Mr. Speaker, and disturbing developments in Viet Nam compel us to question whether the International Commission will be allowed to function in a way that would justify our continued participation. Perhaps—and I cannot say that I am very confident—the discussions in Paris will result in increased support by all the participants at the conference for the objectives we have in mind. Over the next few weeks, therefore, we will need to assess the relevant factors very carefully. It may be, Mr. Speaker, that at some time I should pay a visit to Viet Nam and see the situation on the ground for myself. If so, I would invite members of the opposition to come with me, but that is a decision that has not yet definitely been made. I will report to cabinet on the results of this assessment and the government will then be in a position to make its decision.

Perhaps I should emphasize again that the peace in Viet Nam depends upon the parties to the peace agreement itself. The International Commission can help by investigation and observation and reporting but it cannot keep the peace. The commission is not an essential element. It can be of help only if the parties—and that means all of them—wish to see the commission function.

I wish to table, Mr. Speaker, the text of the act of the International Conference on Viet Nam and copies of my statements to the conference on February 26 and March 1. It might be useful, since they are really part of the statement I have made today, if they could be printed either as an appendix to *Hansard* or as an appendix to *Votes and Proceedings.*

Mr. Speaker: Is it the wish to the House that the documents referred to by the minister be made an appendix to *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For text of document referred to above, see Appendix.*]

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, we are pleased to welcome back the hon. Secretary of State for External Affairs (Mr. Sharp). We wished him good luck when he left but, unfortunately, we notice that our wishes for his success did not materialize.

[Mr. Sharp.]

[*English*]

The minister has reported to the House his failure to secure acceptance of what he termed himself before his departure a *sine qua non* condition to our continuing participation in the International Control Commission. The conference's new position is virtually without meaning and constitutes a watered down and unacceptable version of the minister's proposal. This failure leaves the government with but one alternative. It has been summed up very clearly by many observers who have expressed themselves over the weekend. One Montreal paper expressed it this way:

> A continuing Canada presence will not stand for devotion to duty but rather for bluff, backdown and bumbling.

Our view all along has been that the minister should not have involved Canada without prior consultation with parliament—

Some hon. Members: Hear, hear!

Mr. Wagner: —and without prior acceptance by all parties involved of the essential conditions.

As a nation, we should not apologize for desiring structures that will ensure a peace that can be supervised. The minister not only implies apology but indicates that for all intents and purposes we have backed down.

If a middle power has any long term interest it is in peace arrangements that guarantee an effective role for neutral smaller powers. If we do not stand by our own ground rules now, we will not succeed in letting belligerents know that the ground rules exist and must exist in the future.

The minister has disregarded parliament, has left dormant on the order paper the resolution calling for a debate and vote, and now, in spite of the difficulties in which he finds himself, the minister continues on behalf of the government to show continued disregard of the role of this House. He stated with arrogance yesterday that parliament will not be consulted before a final decision is reached. On the part of a weak minority government, the behaviour of the minister cannot be condoned.

Some hon. Members: Hear, hear!

Mr. Wagner: Although we sincerely regret the minister's failure in Paris, he has but himself to blame and in this House he stands alone.

Some hon. Members: Hear, hear!

Mr. Andrew Brewin (Greenwood): Mr. Speaker, this party has made it clear that while it supported the participation of Canada in the International Commission of Control and Supervision in Viet Nam for an initial period of 60 days, we believed and believe that the decision to continue Canadian participation was and is such an important and grave commitment, not a mere detail in the conduct of our international affairs, that the decision should not be made without the prior approval of parliament.

Some hon. Members: Hear, hear!

Mr. Brewin: We repeat this stand today and invite the minister to bring a resolution dealing with this matter

before the House prior to committing the government to action on this matter.

Some hon. Members: Hear, hear!

Mr. Brewin: As to the continuation of our contribution to the commission, we would deeply regret if the arrangements or machinery for ending the war and restoring peace in Viet Nam broke down. But it remains true, as we said in an earlier statement, that the observer team can perform no useful function if the parties do not themselves accept the ceasefire or do not accept the provisions of the agreement in any important respect. No outside observer team or peacekeeping arrangement can enforce an agreement which the two parties themselves do not accept in good faith.

So far the ceasefire has been only partial and the observer team has been frustrated in performing its supposed function by lack of an adequate international body to whom to report and lack of a proper and workable procedure for reporting. We share the doubts of the minister as to the effectiveness of clauses six and seven of the Paris Act. We, along with the Secretary of State for External Affairs, would much have preferred the Security Council or the Secretary General of the United Nations to have been designated as the international authority to which the observers would report.

• (1420)

If the present situation continues without improvement—and I say "if"—then Canada must not repeat the farce of the International Control Commission.

Some hon. Members: Hear, hear!

Mr. Brewin: But I repeat—and in this I differ from the views expressed by the spokesman for the Official Opposition—if the observer team can function effectively, and we have not made a judgment on this aspect, then we would support the government in continuing the Canadian contribution.

The picture is not all dark. The arrangement made last week for the further release of United States prisoners of war and the continued withdrawal of United States troops from Viet Nam are to be welcomed, as is the international endorsement of the peace agreement reached in Paris.

I should like once again to refer briefly to the question of the release of the 200,000 political prisoners in South Viet Nam as constituting an integral part of a peaceful settlement. Many of these prisoners are neutral or non-communist politicians. Many are students, teachers or religious leaders. They constitute the third force which is so essential to the genuine national reconciliation that is the core of the peace agreement. One of the reasons I hope Canada may be able to continue its participation in the work of the commission is that it could use its membership as a measure of leverage in urging that this immense tragedy be relieved.

Lastly, a word on reconstruction. The international community must make it clear that international aid for reconstruction in Viet Nam is contingent upon a genuine peace and the bona fide acceptance of the peace agreement by all parties. The absence of any reference to these issues in the minister's statement presumably means that they were not the subject of serious discussion at the international conference. This is much to be regretted. These questions must be solved if genuine peace is to come to Viet Nam.

We look forward to further frank and full exploration of the situation in the Standing Committee on External Affairs and National Defence. Following that full study, we want our share of participation in reaching the decision on whether or not we should continue to participate.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, the Viet Nam conference in Paris has shown us that bringing peace to Viet Nam is going to be a difficult and even a painful business. The Secretary of State for External Affairs was full of optimism when he went to the conference, but he no doubt discovered very quickly that, however good his intentions, his proposals would not gain immediate acceptance, because not just one but both sides were represented at the conference. And unlike here in the House, even though we do have a pretty strong opposition, there seem to have been greatly differing opinions.

I am by no means sure, Mr. Speaker, if the suggestion or proposal of the Secretary of State for External Affairs would have had much success even if it had been accepted and carried out.

It must be admitted that United Nations achievements so far in the field of worldwide peace-keeping have been somewhat inconclusive.

It may be that we have nothing better to propose when it comes to trying to reconcile countries in conflict, especially when they have been at war for almost 30 years; however, if the United Nations is to become an effective instrument in future situations of this kind, I believe it will need to undergo some reforms.

Mr. Speaker, Canada has now committed herself to continuing to seek a way of bringing peace to Viet Nam, and I think that we should continue the debate that we started at the beginning of this session, on a subject that is still on the Order Paper, to give Parliament an opportunity to express its opinion.

I recall that in a very similar situation in 1964, under rather complicated circumstances, the government saw fit to ask for the support of the House for sending troops for peace-keeping in Cyprus.

I have always wondered why the government did not do likewise when it came to sending troops to Viet Nam for observation duties after the cease-fire. At all events, Mr. Speaker, I and my colleagues in the opposition consider that Parliament ought to be consulted on any further steps that might be taken.

[*English*]

AIR CANADA

ALLEGED DETERIORATION IN SERVICE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I should like to move a motion on an urgent matter affecting all members of the House. In view of the serious deterioration in Air Canada service across the country, especially in the Ottawa area and surrounding communities since relocation of their information services to Montreal, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That a special reference of this matter be made to the Standing Committee on Transportation and Communications, and that Messrs. Baldwin and Pratt be summoned to account accordingly.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Gander-Twillingate under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

FISHERIES

BRITISH COLUMBIA HERRING FISHERY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, in view of the complete chaos currently existing in the British Columbia herring fishery, I ask leave of the House under the terms of Standing Order 43 to move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House demand that the Minister of Fisheries forthwith (a) institute a rational quota division between gillnetters and seiners in order, among other things, to ensure that local fishermen, Indians and others have some reasonable opportunity to participate in the herring roe fishery and (b) lift his ruling that test fishing to determine the suitability of herring schools for harvesting be done by seine fishermen without remuneration for their work.

Mr. Speaker: This motion is put to the House under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

[Mr. Laprise.]

NAVIGABLE WATERS PROTECTION ACT

AMENDMENT TO MAKE GOVERNMENTS AND AGENCIES THEREOF SUBJECT TO ACT

Mr. Thomas S. Barnett (Comox-Alberni) moved for leave to introduce Bill C-155, to amend the Navigable Waters Protection Act.

Some hon. Members: Explain.

• (1430)

Mr. Barnett: Mr. Speaker, this bill adds a new clause to the Navigable Waters Protection Act to make Her Majesty in right of Canada, in right of the provinces, or agencies of Her Majesty, subject to the terms of the act. Many activities of the governments of Canada and the provinces and their agents now affect navigable waters in ways similar to non-governmental activities. It is therefore proper and necessary that the act clearly require that governmental activities are subject to the same conditions and approvals.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

EXEMPTION OF CONFECTIONERY PRODUCTS FROM 12 PER CENT GENERAL SALES TAX

Question No. 41—**Mr. Mather:**

Is consideration being given to removing the 12 per cent tax on confectionery products?

Hon. John N. Turner (Minister of Finance): In his February 19, 1973 budget, the Minister of Finance did recommend that confectionery products and all other foods for human consumption be made exempt from the general 12 per cent sales tax.

EXPENDITURES ON RESEARCH DEVELOPMENT AND CONSULTING SERVICES

Question No. 98—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Tax Review Board on contracts to outside persons and organizations for research, development and other consulting services?

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

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

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Hon. Otto E. Lang (Minister of Justice): 1. 1968-69, nil; 1969-70, nil; 1970-71, nil; 1971-72, nil.

2 and 3. Not applicable.

4. No contracts have been awarded.

REMOVAL OF WATER TESTING LABORATORY FROM BROCKVILLE SHOPPING CENTRE

Question No. 257—**Mr. Cossitt:**

1. Did the Department of National Health and Welfare remove its water testing laboratory a few years ago to Kingston, Ontario, from the Brockville Shopping Centre, Stewart Blvd., Brockville, Ontario and, if so (a) did any persons make any representation to the Department on behalf of such removal (b) what were their names (c) were they in any way involved in the decision to make this removal?

2. How long did the lease the government had on the premises have to run beyond the date that the Department vacated this Brockville location?

3. What was the monthly rental paid by the government at this Brockville location?

4. Between the date when the Department vacated the Brockville premises and the date the lease expired, what was the total amount of rents paid to the owners of the Brockville Shopping Centre?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. The Department of National Health and Welfare phased out temporary laboratory operations at Brockville, subsequent to the decision that current and projected analytical support required for field activities could be provided by the Department's larger and better equipped laboratory at Kingston. The Brockville and Kingston laboratories were initially established at the same time. (a) No record of any representation; (b) N/A; (c) N/A.

In so far as the Department of Public Works is concerned:

2. Twenty-eight months.

3. $810.

4. $22,680.

ACQUISITION OF LAND FOR TORONTO HARBOUR PARK

Question No. 423—**Mr. Stackhouse:**

1. To date, how many acres of land have been secured by or on behalf of the government for use in the proposed Toronto harbour park?

2. How many acres remain to be acquired for the full assembling of the parcel required for this park?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. 14.569 acres have been secured by the purchase of Terminal Warehouse Limited, expropriation proceedings are currently underway to secure approximately 21 acres in private ownership and some 46 acres owned by the Toronto Harbour Commission have been secured by written agreement in principle that the lands will be transferred to the Crown in exchange for harbour improvement works to an equal value.

2. Less than five acres to be acquired, generally under Provincial or Municipal control. Arrangements to transfer these lands to the scheme will be discussed at forthcoming tri-level meetings.

Order Paper Questions

RAIN DAMAGE PROGRAM

Question No. 495—**Mr. Beaudoin:**

1. What was the total amount spent by the government in the Province of Quebec for aid to farmers whose crops were damaged by rain in 1972?

2. What was the amount spent by the government in each Quebec constituency under the same program?

3. Does the government intend to renew this assistance program to disadvantaged farmers and, if so, through which programs?

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): (1) Under the auspices of the Rain Damage Program $7,311,200 was paid to Quebec farmers up to December 31, 1972.

(2) Records are not maintained on a constituency basis.

(3) No.

DREE GRANTS MADE DURING 1972

Question No. 519—**Mr. Stackhouse:**

What was the total amount of DREE grants made during 1972 (a) in Metropolitan Toronto (b) in Scarborough (c) in each of the ten provinces, Yukon and Northwest Territories?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): (a) Metropolitan Toronto, none, not designated under Regional Development Incentives Act. (b) Scarborough, none, not designated under Regional Development Incentives Act. (c) From January 1, 1972 to December 31, 1972, the following figures represent the net totals, by province, of accepted offers of development incentives authorized under the provisions of the Regional Development Incentives Act: Newfoundland, $2,018,827; Prince Edward Island, 1,576,-336; Nova Scotia, 15,602,654; New Brunswick, 9,938,337; Quebec, 66,514,253; Ontario, 19,031,443; Manitoba, 5,171,-595; Saskatchewan, 1,456,407; Alberta, 6,749,054; British Columbia, 623,300; Total, $128,682,206. The Yukon and Northwest Territories, none, not designated under Regional Development Incentives Act.

BANK OF CANADA—ACCOMMODATION FOR TRAVELLING OFFICIALS

Question No. 594—**Mr. McKenzie:**

When travelling on official government business, do Bank of Canada employees receive first-class or economy-class accommodation and, if first-class, for what reason?

Hon. John N. Turner (Minister of Finance): It has not been the practice to answer detailed questions concerning the internal administration of the Bank of Canada inasmuch as the Bank of Canada Act places the responsibility for its management in the hands of its Board of Directors.

ONTARIO REGIONAL ARTS CONFERENCE

Question No. 623—**Mr. Stollery:**

1. How much did it cost the government to put on the Ontario Regional Arts Conference known as "Direction Ontario" held at the O'Keefe Centre in Toronto on January 19, 20 and 21, 1973?

2. How many such conferences were or will be held across Canada in 1973 and what will be the total cost of all of the conferences?

Order Paper Questions

3. (a) Were the artists charged admission to the Ontario Regional Arts Conference, known as "Direction Ontario" and, if so, how much was the total amount collected from artists (b) were the press charged admission to the conference and, if so, how much was the total amount collected from the press (c) what was the total amount of admission collected from the conference?

Hon. James Hugh Faulkner (Secretary of State): 1, 2 and 3. "Direction Ontario" was organized by the Canadian Conference of the Arts (CCA), which is a non-profit organization serving working members of the artistic and cultural community in a variety of ways. The CCA received a sustaining grant of $150,000 from the Arts and Culture Branch of the Department of the Secretary of State in 1972-73 to aid it in carrying out its program, including "Direction Ontario"; but the CCA was free to prepare its budget so as to meet its objectives in the most efficient and effective way possible and also to supplement the federal grant with funds from other sources. Further information can be obtained directly from Mr. John Hobday, National Director, Canadian Conference of the Arts, 49 Wellington Street East, Toronto, Ontario, M5E 1C9.

DREE—FUNDS INVESTED IN LOTBINIÈRE CONSTITUENCY

Question No. 643—**Mr. Fortin:**

Were funds invested by the Department of Regional Economic Expansion in the constituency of Lotbinière since the establishment of the Department and, if so (a) what was the total amount (b) what is the complete list of firms that received grants (c) what are the details of the agreements reached in the constituency?

[*Translation*]

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The following amounts were committed by the department in the constituency of Lotbinière, Quebec, from the coming into force of the Regional Development Incentives Act to December 31, 1972 by means of the acceptance of offers of development incentives authorized under the provisions of the Act: (a) $2,004,882.

(b)

Name	Incentive
Arthabaska	
Imprimerie d'Arthabaska	$ 22,500
St-Louis-de-Blandford	
Les Industries Ltée	33,000
Warwick	
Warwick Ladders Inc.	29,970
Warwick Woollen Mills Co. Ltd.	138,200
Roland Boulanger & Cie Ltée	55,550
Lockport Felt Ltd.	193,409
Princeville	
Duval & Raymond Inc.	30,000
Sani-Chutes Lego Ltée	115,670
Prince-Caravane Inc.	109,400
Victoriaville	
Sani-Marc Inc.	30,534
Royal Chesterfield (1966) Inc.	17,565
H. P. Cyrenne Ltée	39,300
H. P. Cyrenne Ltée	19,400
Placements des Bois-Francs Inc.	6,300
Polyclar Inc.	20,601
Les Produits Industriels Motorisés Ltée	19,691
Menuiserie Rive-Sud Inc.	42,600
J. M. Caya Ltée	15,300
Interprovincial Parts Inc.	21,518
J. M. Caya Ltée	47,550
Industech Inc.	30,000
Sunray Boats Inc.	60,800
Ventilateur Victoria Ltée	48,600
Daveluyville	
National Underlay (1972) Inc.	53,520
Tricot P.G. Ltée	149,800
Robert Lapierre Ltée	55,850
Entreprises A.R.M. Ltée	37,550
Ste-Croix	
Fonderie Ste-Croix Ltée	234,400
Val Alain	
P. Bolduc & Fils Inc.	35,000
Deschaillons	
Montréal Terra Cotta (1966) Ltd.	26,043
Laurier Station	
Meubles Laurier Ltée	36,000
A.P. Furniture Industries Inc.	42,000
Ste-Eulalie	
Yelles & Frères Enrg.	5,244
St-Samuel	
J. A. Poulin	14,580
Confection Idéale Ltée	7,030
Ste-Marie	
Vachon Inc.	160,407

(c) There have been no agreements reached between Canada and the government of Quebec in the constituency of Lotbinière.

[*English*]

VISUAL EDUCATION CENTRE

Question No. 651—**Mr. Schumacher:**

1. Is the Visual Education Centre (a) a private corporation (b) a public corporation?

2. Who are its senior management personnel?

3. To whom is the Centre responsible for its operation?

4. Has the Visual Education Centre been given exclusive post-broadcast distribution rights in Canada of any and/or all CBC program material including educational television rights and, if so, for what reason?

5. Are taxpayers funds used in any way to finance the operation of the Visual Education Centre and, if so, in what amounts?

6. Does the Visual Education Centre charge for programs distributed to education bodies or authorities and, if so, in what amounts?

7. Are individual schools or educational bodies allowed to videotape and rebroadcast educational programs within their own school systems and, if not (a) for what reason (b) what is the penalty for so doing?

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): 1. The Visual Education Centre is a private company.

2, 3 and 6. Enquiries concerning the Visual Education Centre should be addressed directly to the Visual Education Centre, 115 Berkeley Street, Toronto.

5. No.

In so far as the Canadian Broadcasting Corporation is concerned, I am informed by the Canadian Broadcasting Corporation as follows:

4. The Visual Education Centre has exclusive non theatrical distribution rights in Canada for those CBC owned programs that CBC is able to clear and wishes to put into distribution. The contract does not cover those programs in which another party has an interest, and therefore national and local school broadcasts are not covered. VEC has the right to licence telecasts of those CBC programs released to it on the educational television in Edmonton and Toronto. No theatrical distribution has been undertaken under the contract. CBC has selected a private company to carry out its distribution because the audio-visual market is highly specialized and outside its sphere of major activity. The use of a successful private company ensures the most effective educational distribution.

7. In so far as CBC is concerned, individual schools or educational authorities cannot be authorized to videotape and re-use CBC programs within their own schools or school areas. There are several reasons for this, but they are usually based on ownership of copyright and on collective agreements with performers and writers. In the great majority of cases CBC has only acquired broadcast rights and the non-broadcast rights are either not available or are already under contract to other organizations. Those infringing rights held by others are liable to the penalties provided by law should action be taken by the holders of the rights.

LOCAL INITIATIVES PROGRAM

Question No. 654—**Mr. Macquarrie:**

1. When was the LIP grant for the project for senior citizens in Ottawa given?

2. How much was voted and expended in this project?

3. For what reason was it deemed necessary to eliminate the services of conveying senior citizens to doctors for medical examination?

4. What future plans are in store for this particular LIP project?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Contract between the sponsor and the government is dated December 4, 1972.

2. Contract is for $24,322, of which a payment of $7,548, has been made.

3. The services of conveying senior citizens to doctors for medical examination have not been eliminated.

4. According to the sponsor an attempt will be made to set up a permanent transportation service for senior citizens in co-ordination with other local groups.

CMHC—NAMES OF LAWYERS AND LAW FIRMS RETAINED IN DURHAM COUNTY, 1972

Question No. 677—**Mr. Lawrence:**

What were the names and addresses of all lawyers and law firms in the County of Durham, in the Province of Ontario, who performed services for Central Mortgage and Housing Corporation during 1972, and what was the total amount of money paid to each one?

Hon. Ron Basford (Minister of State for Urban Affairs): In 1972, the following lawyers or legal firms were retained by Central Mortgage and Housing Corporation in the County of Durham, Ontario, for legal work in connection with CMHC direct loans: (a) Bonneville, Fitzgibbon and Good, Port Hope. (b) R. C. Honey, Port Hope. Legal fees in connection with CMHC direct loans are paid by the borrowers and CMHC, therefore, has no record of the amounts paid to these lawyers.

CMHC—NAMES OF LAWYERS AND LAW FIRMS RETAINED IN DURHAM COUNTY, 1971

Question No. 678—**Mr. Lawrence:**

What were the names and addresses of all lawyers and law firms in the County of Durham, in the Province of Ontario, who performed services for Central Mortgage and Housing Corporation during 1971, and what was the total amount of money paid to each one?

Hon. Ron Basford (Minister of State for Urban Affairs): In 1971, the following lawyer was retained by Central Mortgage and Housing Corporation in the County of Durham, Ontario, for legal work in connection with CMHC direct loans: James H. Clark, Cobourg. Legal fees in connection with CMHC direct loans are paid by the borrowers and CMHC, therefore, has no record of the amount paid to this lawyer. C. D. Fitzgibbon, Port Hope, was retained to handle eight actions where arrears on loans had developed, and E. R. Lovekin of Newcastle was retained for one such action. These actions were settled prior to trial and the costs were paid by the borrowers, the Corporation therefore not having a record of the amounts paid to these lawyers.

CMHC—LAWYERS RETAINED IN NORTHUMBERLAND COUNTY, ONTARIO, 1972

Question No. 679—**Mr. Lawrence:**

What were the names and addresses of all lawyers and law firms in the County of Northumberland, in the Province of Ontario, who performed services for Central Mortgage and Housing Corporation during 1972, and what was the total amount of money paid to each one?

Hon. Ron Basford (Minister of State for Urban Affairs): In 1972, the following legal firm was retained by Central Mortgage and Housing Corporation in the County of Northumberland, Ontario, for legal work in connection with CMHC direct loans: Thompson & Thompson, Brighton. Legal fees in connection with CMHC direct loans are

paid by the borrowers and CMHC, therefore, has no record of the amount paid to this firm.

CMHC—LAWYERS RETAINED IN NORTHUMBERLAND COUNTY, 1971

Question No. 680—**Mr. Lawrence:**

What were the names and addresses of all lawyers and law firms in the County of Northumberland, in the Province of Ontario, who performed services for Central Mortgage and Housing Corporation during 1971, and what was the total amount of money paid to each one?

Hon. Ron Basford (Minister of State for Urban Affairs): In 1971, the following lawyers were retained by Central Mortgage and Housing Corporation in the County of Northumberland, Ontario, for legal work in connection with CMHC direct loans: Trevor E. Clark, Campbellford, J. P. Funnell, Cobourg. Legal fees in connection with CMHC direct loans are paid by the borrowers and CMHC, therefore, has no record of the amounts paid to these lawyers. J. H. Clark of Cobourg was retained to handle four actions where arrears on loans had developed. These actions were settled prior to trial and the costs were paid by the borrowers, the Corporation therefore not having a record of the amount paid to this lawyer.

POST OFFICE—POLICY OF SELLING PRE-STAMPED COLOURED SCENIC POSTCARDS

Question No. 682—**Mr. Dinsdale:**

1. Has the Post Office Department commenced a policy of selling prestamped coloured scenic postcards and, if so (a) on what date was this policy begun (b) for what reason?

2. Has the government received any protests over this invasion of private business?

3. (a) What has the program cost to date (b) what have been the revenues to date?

Hon. André Ouellet (Postmaster General): 1. Yes. (a) Prestamped picture postcards were introduced for sale in most regular post office locations beginning July 24, 1972. (b) Prestamped scenic postcards are offered as a convenience to post office customers and as an extension of the sale of prestamped stationery which the Canada Post Office has been engaged in for more than 100 years. A series of prestamped monochrome scenic postcards was offered for sale in 1930. Prestamped stationery displaces separate transactions for postage stamps and eliminates the need by the customer to handle, moisten and affix postage stamps.

2. Yes, but we do not believe the sale of special prestamped postcards through post office outlets represents an invasion of the commercial market for postcards. The scenes illustrated on the prestamped postcards were selected in cooperation with Provincial officials who were enthusiastic about the opportunity to promote areas of their provinces not normally featured on commercial postcards. Commercial cards tend to depict popular tourist areas or specific points of interest, whereas the scenes on the prestamped postcards are representative of the provinces generally. The cards are sold through postal outlets only, and in packages containing five cards. Most post offices therefore are carrying only one package of five cards for sale; that is to say, the five cards relating to the province in which the post office is located. The selling price is $1 per package. Excluding the stamp value, the price of an individual card would be 12c/, which is two cents higher than the prevailing price for commercially retailed postcards. The prestamped postcards are of special interest to the stamp collecting community and a representative group of stamp collectors has endorsed the philatelic aspects of the sale of these cards. Since there is a significant number of collectors of Canadian stamps and postal stationery located outside Canada, the prestamped cards help to advertise the beauty of Canada to collectors in other countries. The primary objective of the sale of the prestamped scenic postcards is customer convenience and reduced stamp sales transactions and with this in mind the Canada Post Office is prepared to discuss the possibility of private postcard manufacturers producing prestamped picture postcards for distribution and sale through commercial retail channels.

3. (a) $228,643. (b) $258,624. A major part of the costs stated in (a) was made up of initial manufacturing and advertising costs which will not be repeated to the same extent. Revenue shown in (b) is revenue as at September 30, 1972. Since revenue is continuing to be derived, the spread between cost and revenue is greater than that indicated.

INFORMATION CONCERNING FEDERAL-PROVINCIAL MEETINGS

Question No. 692—**Mr. Gauthier (Roberval):**

Since 1942, what were (a) the date of the first federal-provincial meeting and the names of all the provincial premiers who attended the meeting (b) the dates of the meetings held in order to renew the five year fiscal agreements regarding certain taxation authorities granted by the provinces to the federal government since the beginning (c) the names of all Quebec premiers who attended such meetings to 1972?

Right Hon. P. E. Trudeau (Prime Minister): (a) The Federal-Provinsial Conference of 1945-46 was composed of three meetings: August 6-10, 1945; January 28-February 1, 1946; April 29-May 3, 1946. The First Ministers in attendance were: Canada—Rt. Hon. Mackenzie King; Nova Scotia—Hon. A. S. MacMillan; New Brunswick—Hon. J. B. McNair; Prince Edward Island—Hon. J. W. Jones; Quebec—Hon. Maurice Duplessis; Ontario—Hon. George Drew; Manitoba—Hon. Stuart Garson; Saskatchewan—Hon. T. C. Douglas; Alberta—Hon. E. C. Manning; British Columbia—Hon. John Hart. (b) The Dominion-Provincial Taxation Agreements, 1947-1952: These Agreements were established through individual negotiations with each province following the failure of the 1945-46 Conferences to reach agreement. The Taxation Agreements, 1952-1957: These Agreements were discussed at a meeting of First Ministers in Ottawa December 4-7, 1950. The Federal-Provincial Tax Sharing Arrangements Act, 1957-1962: The following meetings of First Ministers in Ottawa established the framework for the Federal-Provincial Tax Sharing Arrangements Act 1957-1962: April 26, 1955; October 3-6, 1955; November 25 and 26, 1957. The Federal-Provincial Fiscal Arrangements Act, 1962-1967: Discussions for the Federal-Provincial Fiscal Arrangements Act 1962-67 took place in Ottawa at First Minister's Meetings

on the following dates: July 25-27, 1960; October 26-28, 1960; February 23 and 24, 1961. The Ministers of Finance and Provincial Treasurers also met in Ottawa in this period to discuss fiscal arrangements on the following dates: July 6 and 7, 1959; October 15 and 16, 1959. The Federal-Provincial Fiscal Arrangements Act, 1967-1972: The Federal-Provincial Fiscal Arrangements Act of 1967-1972 was discussed at a First Ministers' Conference held in Ottawa from October 24 to October 29, 1966. The Ministers of Finance and Provincial Treasurers also met in Ottawa to discuss the Federal-Provincial Fiscal Arrangements Act of 1967-72 on December 20, 1966. The Federal-Provincial Fiscal Arrangements Act, 1972: The Federal-Provincial Fiscal Arrangements Act, 1972 was discussed at a First Ministers' Conference Held in Ottawa on November 15-17, 1971. The Ministers of Finance and Provincial Treasurers met several times to discuss the Federal-Provincial Fiscal Arrangements Act 1972. Meetings were held on the following dates: November 4 and 5, 1968; December 19, 1968; December 7 and 8, 1970; July 12 and 13, 1971; November 1 and 2, 1971; January 31 and February 1, 1972. (c) Premier Maurice Duplessis attended all of the above conferences during the period from August 1945 to November1957. From July, 1960 to November, 1963 the First Ministers' conferences referred to were attended by Premier Jean Lesage. Premier Daniel Johnson represented Quebec at the October, 1966 conference. Premier Robert Bourassa represented Quebec at the November, 1971 conference.

DREE GRANTS TO MONTREAL SPECIAL AREA

Question No. 703—**Mr. Stackhouse:**

How much was spent in DREE grants during 1971 and 1972 for purposes in the Montreal special area?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): In the designated Region C, with reference only to that part thereof which includes the Montreal area and the Province of Quebec, but not including the Province of Ontario, 660 offers of development incentives, authorized under the Regional Development Incentives Act, were accepted by applicants. The total net amount committed by the Department in the period from January 1, 1971 to December 31, 1972 was $46,501,795. In the period from January 1 to December 31, 1971 payments totalling $734,324 were made. In the period from January 1 to December 31, 1972 payments totalling $5,009,233 were made.

POLYMER CORPORATION—LIQUIDATION OF ASSETS

Question No. 705—**Mr. Stackhouse:**

Has Polymer Corporation liquidated its investments in South Africa and, if so, what was their value at liquidation?

Hon. John N. Turner (Minister of Finance): Polymer Corporation was sold to the Canada Development Corporation on July 31, 1972, pursuant to authority given by Section 39 of the Canada Development Corporation Act. Officers of the CDC have informed the Minister of Finance that Polymer has disposed of its investments in South Africa and that a statement to this effect will be included in Polymer's Annual Report which is to be available in March 1973. For commercial reasons, Polymer does not disclose the details of its transactions. A request has been made to Polymer Corporation asking that a copy of its Annual Report be forwarded to the hon. member when it is published.

PUBLIC WORKS—DISPOSAL OF PROPERTY, 38 SULLIVAN STREET, TORONTO

Question No. 708—**Mr. Stollery:**

1. Has the Minister of Public Works received a request from the City of Toronto asking for first priority on any disposal of the property at 38 Sullivan Street, Toronto, formerly occupied by the Royal Canadian Mounted Police?

2. Is the Minister of Public Works instructing Crown Assets Disposal Corporation to give first choice of the site at 38 Sullivan Street, Toronto, to the City of Toronto for use by the local residents in whatever capacity they should decide upon in conjunction with the City Council?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. The Department is now in receipt of a letter dated February 1 from the City of Toronto Planning Board enclosing a copy of a letter from the City of Toronto Executive Committee, dated January 18 asking that arrangements be made to open negotiations with federal authorities for the acquisition of the property at 38 Sullivan Street.

2. In the event the property is declared surplus to Crown Assets Disposal Corporation, the Minister will advise the Corporation of the City's desire to acquire the land, and the Corporation will then follow-up on its priority basis.

SSEP PROGRAM—CIVILIAN PERSONNEL, NEWFOUNDLAND

Question No. 729—**Mr. Marshall:**

1. Under SSEP Program, how much of the Department of National Defence funds will be allocated to the province of Newfoundland?

2. Will high school and post secondary students who have dropped out of school in the past two years because of lack of funds qualify for employment?

3. Under the civilian term-employee program (a) what is the allocation by province of the 2,500 students who can apply for maintenance, clerical and research positions, at Canadian Armed Forces bases (b) what is the Public Service rate of pay for each classification?

4. Under the citizenship and community assistance program what is the allocation by province of the 2,600 job openings?

5. On completion of eight weeks employment will students who cannot afford to return to university qualify for Unemployment Insurance benefits?

Mr. James M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Defence and Unemployment Insurance Commission as follows: 1. Under the civilian term employee program the Canadian Forces Stations in Newfoundland have been allocated $35,000. Details of the Militia, Cadet and Citizenship programs are not yet complete therefore it is not possible to determine the amount of funds that will be allocated to units located in Newfoundland.

2. The overriding objective of the program is to facilitate and create temporary student employment and activities. Pursuant to this objective, an applicant who states

that he is or will be attending a high school, university or other institute of post-secondary education would be accepted.

3. (a) The number of students to be employed in each province cannot be given with any degree of accuracy at this time; however, funds have been allocated as follows: Newfoundland, $35,000; Prince Edward Island, $48,000; Nova Scotia, $311,000; New Brunswick, $197,000; Quebec, $859,000; Ontario, $892,000; Manitoba, $194,000; Saskatchewan, $107,600; Alberta, $187,000; British Columbia, $326,000; (b)(i) At the minimum on-going contract rates for those hired to perform duties in the Administrative Support Category. (ii) At the hourly rate of pay applicable to the zone as set out in the General Labour and Trades or General Services collective agreements, if they are engaged in tasks calling for the various duties in these categories. (iii) Students recruited to work in their career specialities (Career Oriented Employment Program) received rates based on Academic Achievement Levels and range from $1.90 per hour for those who have successfully completed 12 years of schooling or less with Junior Matriculation, to $5.15 per hour for those who have successfully completed 21 years of schooling. (iv) In all instances no student will receive less than $1.90 per hour which is the minimum wage under Part III of the Canada Labour Code.

4. Atlantic Area (Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick), 520; Eastern (Quebec), 725; Central (Ontario less Northwestern Ontario), 705; Prairie (Alberta, Saskatchewan, Manitoba, Northwestern Ontario), 390; Pacific (British Columbia), 260.

5. On completion of eight weeks of insurable employment any worker, including students, can qualify for unemployment insurance benefit subject to the normal requirements of the legislation. These requirements are that the worker has not been discharged from his employment for cause or voluntarily left is employment without just cause, and is capable of and available for suitable employment. In the case of voluntary separation or discharge for cause, the worker could be declared ineligible for up to three weeks. A worker is not eligible for benefits unless he is capable and availabe for suitable employment.

LOCAL INITIATIVES PROGRAM

Question No. 738—**Mr. Forrestall:**

1. By province, what was the total number of applications received by LIP for assistance in the fiscal year ended 1972?

2. By province, of those approved, how many applications were exercised by the applicants?

3. What was the total operating cost of the program for the same period (a) exclusive of grants (b) inclusive of grants?

4. What was the average cost, based on the above cost exclusive of grants payments, of each decision made by the program on applications (a) received (b) accepted (c) rejected?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. See Schedule 1, Column 1.

2. See Schedule 1, Column 2.

3. (a) $4,022,000; (b) $153,133,000.

4. (a) $293; (b) $721; (c) $493.

[Mr. Reid.]

Note: The value of the grants for the purpose of question 4(b) has been taken to be the value of program funds committed to projects by contract as at March 31, 1972.

Schedule 1

Local Initiatives Program 1971-72

	Applications Received	Applications Exercised
Newfoundland	1,142	397
Nova Scotia	1,009	427
Prince Edward Island	258	113
New Brunswick	712	379
Quebec	5,215	1,905
Ontario	2,238	989
Manitoba	594	198
Alberta	607	309
Saskatchewan	493	171
Northwest Territories	109	34
British Columbia	1,323	635
Yukon Territory	36	21
Canada	13,736	5,578

CANADIAN DEVELOPMENT CORPORATION HEAD OFFICE

Question No. 765—**Mr. Reynolds:**

1. Is the Canadian Development Corporation's head office in Montreal?

2. Is it still the intention of the government to establish a head office in Vancouver as originally announced and, if not, for what reason?

Hon. John N. Turner (Minister of Finance): 1. No. The head office of the Canada Development Corporation is in Ottawa, as designated by Order in Council P.C. 1971-2560 dated November 18, 1971.

2. In his announcement to the House of Commons made on November 29, 1971, the Prime Minister said that "the Government has made known to the Board of Directors its wish to see the location of the head office moved to Vancouver, British Columbia, within two years". Section 10 of the CDC Act says "The head office of the company shall initially be at such place within Canada as may be designated by the Governor in Council and thereafter at such place as the Board of Directors may determine subject to Section 21 of the Canada Corporations Act." It is understood that the CDC's Board of Directors will be considering this question prior to the end of 1973.

GOVERNMENT CONTRIBUTIONS TO GRANTS TO FARMERS

Question No. 767—**Mr. Godin:**

Does the government contribute to grants made to farmers by the Province of Quebec under drainage and mechanized works programs?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The Department of Regional Economic Expansion does not contribute financially to the grants that the Quebec government gives to farmers under the drainage and mechanized works programs. However, DREE can contribute, and has contributed recently to two projects under the 1971-1975 Canada-Quebec Agreement on Rural Development (ARDA). Both projects are now completed: improvement of major waterways in Saguenay, Lac St-Jean (total cost: $502,700); mechanized works in Saguenay, Lac St-Jean (total cost: $337,200). Under the terms of this Agreement, the federal contribution represents 50 per cent of the total cost.

Insofar as Agriculture Canada is concerned: no.

LOCAL INITIATIVE PROGRAM GRANTS, COUNTY OF DURHAM

Question No. 785—**Mr. Lawrence:**

Who, or what organizations, resident or located in the County of Durham, in the Province of Ontario, received Local Initiatives Program grants in 1972, and what were their addresses, the purpose of the grants, and how much was paid to each?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Under the 1971-72 program, the following project was approved in the County of Durham: Project 311-1101—Sponsor: Canadian Legion Branch 30, Port Hope. Purpose: To assist in the construction of a new Legion Hall in Port Hope. Amount Paid: $20,592. Under the 1972-73 program, the following project has been approved: Project K2183—Sponsor: Ryerson Rural Centre, Box 93, Millbrook, Ontario. Purpose: To employ six people to develop the Ryerson Rural Centre into a suitable country retreat for children who are under the care of the Children's Aid Society. A residential and activity program would then be implemented to provide periods of country holidays for the children. Value of Approval: $9,745.

RCMP—COST OF MAINTENANCE IN SASKATCHEWAN AND ALBERTA

Question No. 802—**Mr. Lambert (Bellechasse):**

1. What is the total annual cost of maintenance of the Royal Canadian Mounted Police in Manitoba, Saskatchewan and Alberta?

2. How much of such cost is paid by each of the provinces?

Hon. Warren Allmand (Solicitor General): 1. Operating and Capital Expenditures for Fiscal Year 1971/72: Manitoba, $11,169,823; Saskatchewan, $15,334,050; Alberta, $18,465,464. These figures do not include the cost of the government's contribution to pensions, the operation of Air Division or the administration of Headquarters, Ottawa.

2. Manitoba, $3,431,955; Saskatchewan, $5,168,095; Alberta, $6,108,616.

N.B.: In addition to the amounts paid by each of the Provinces the following amounts were paid in the Fiscal Year 1971/72 by Municipalities that are under contract with the Royal Canadian Mounted Police within these Provinces: Manitoba, $1,293,730; Saskatchewan, $1,314,738; Alberta, $1,714,291.

Order Paper Questions

EXPENDITURES UNDER CANADA-QUEBEC AGREEMENT, EASTERN QUEBEC

Question No. 806—**Mr. Allard:**

1. What amount was spent to date on programs under the Canada-Quebec agreement for Eastern Quebec?

2. Are there any projects planned for the near future?

[*Translation*]

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. The total amount spent on programs under the Canada-Quebec agreement for eastern Quebec development will reach $216,862,100 at the end of the current fiscal year (1972-73).

2. A certain number of projects are planned for 1973-74. Most of these projects will ensure the extension of current programs. All parties concerned in the development plan are presently negotiating the content of these projects. The details of the projects will be available as soon as an agreement is reached.

Development Plan for the Lower St. Lawrence, Gaspe and Iles-de-la-Madeleine Area

Total Expenditures Incurred by All Parties to the 1968–1973 Agreement (in $)

Field	1968–76 Budget	1968–73 Expenditures	1973–76 Balance
Agriculture	24,470,000	12,484,700	11,985,300
Forests	25,148,000	18,082,100	7,065,900
Fisheries	21,605,000	8,061,200	13,543,800
Mines	11,333,000	9,623,100	1,709,900
Tourism, recreation	29,962,000	19,459,100	10,502,900
Business development	17,663,000	3,859,200	13,803,800
Urban development	36,727,000	28,464,400	8,262,600
Transport	113,500,000	58,959,300	54,540,700
Social development	31,777,000	7,995,200	23,781,800
Labour force training and mobility	86,000,000	47,577,800	38,422,200
Administration and participation	13,133,000	5,296,000	7,837,000
Total:	411,318,000	219,862,100	191,455,900

The 1972–73 budgetary data used to compute the 1968–73 expenditures are only estimates and are subject to change. They were established on the basis of a provisional balance sheet drawn up in December 1972, from which the administrators of the Agreement have derived a projection from the trends observed at that time. In a similar way, the 1973–76 balance is also subject to change.

[*English*]

RESTRICTIONS ON IMPORTATION INTO CANADA OF SKINS OF ENDANGERED WILDLIFE

Question No. 824—**Mr. Arrol:**

Will the government give consideration to imposing restrictions similar to those existing in Great Britain, the United States and Australia forbidding the importation of such exotic furs as tiger and snow leopard skins in the interests of the preservation of endangered wildlife?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): There is at present a plenipotentiary conference in session in Washington, at which all

states that are members of the United Nations are represented. The purpose of the conference is to prepare and adopt a convention on the export, import and transit of certain animals and plants.

SHARE OF REVENUE FROM PERSONAL INCOME TAX TO MUNICIPALITIES

Question No. 831—**Mr. Stackhouse:**

Is it the intention of the government to give city councils a share of the revenue from personal income tax?

Hon. John N. Turner (Minister of Finance): Under the British North America Act, each provincial government has exclusive jurisdiction over the municipal institutions in its province. It is the responsibility of the provincial government to determine the allocation of responsibilities between itself and its municipalities, and to decide how much taxing authority should be delegated to the municipal institutions. Thus the federal government cannot give city councils a share of the revenue from personal income taxes. Through a variety of measures over the past 20 years, the federal government has reduced its share of the total personal income tax and provinces have increased their share. Increased provincial revenues from personal income taxes, as well as other taxes and revenues, have been accompanied by increased provincial transfers to their municipalities.

COMMUTATION OF DEATH SENTENCES

Question No. 847—**Mr. Fortin:**

1. For each year 1966 to 1972, how many individuals were sentenced to be hanged in Canada?

2. In how many cases, each year, were these sentences commuted to life imprisonment?

3. Among individuals sentenced to life imprisonment during these years (a) how many were paroled (b) on what dates were they paroled (c) how many years had they spent in prison (d) how many became repeat offenders?

Hon. Warren Allmand (Solicitor General): 1 and 2. During the past seven calendar years, the number of individuals sentenced to be hanged in Canada and the number of commutations to life imprisonment were as follows:

	Disposition of capital cases		Capital cases considered by Governor in Council	
Year	Sentenced to death	Commuted*	Cases	Commuted
1966	10	10	4	4
1967	8	8	5	5
1968	1	1	18	18
1969	—	—	1	1
1970	3	3	1	1
1971	—	—	1	1
1972	2	—	1	1

*These figures are given according to the year of trial, not by the date of commutation.

[Mr. Rompkey.]

3. (a) Three, whose nature of offence, sentence and age on the date of conviction were as follows: Case 1: Age 77, non-capital murder, life imprisonment; Case 2: Age 59, non-capital murder, life imprisonment; Case 3: Age 18, capital murder, death commuted to life imprisonment. (b) Case 1: Paroled on 22 August 1969, by exception, at the age of 80; Case 2: Paroled on 30 March 1970, by exception, at the age of 61; Case 3: Paroled on 21 April 1970, by exception, at the age of 22. (c) Case 1: Two years nine months and four days; Case 2: three years and twenty days; Case 3: four years one month and twenty-five days. (d) Case 1: No repeat offence, died on parole in 1970; Case 2: No repeat offence, died on parole in 1972; Case 3: No repeat offence to date, still on parole.

DEPARTMENT OF PUBLIC WORKS—PRODUCTION COST OF REPORT FOR FISCAL YEAR ENDED MARCH 31, 1971

Question No. 935—**Mr. Andre:**

1. What was the cost of production, printing and distribution of the Report for the fiscal year ended March 31, 1971, for the Department of Public Works?

2. How many copies of the report were distributed?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. $1,218.

2. 2,500.

CANADA LABOUR RELATIONS BOARD

Question No. 981—**Mr. Reynolds:**

Has a Western Canadian been appointed to the new Canada Labour Relations Board and, if not, for what reason?

Hon. John C. Munro (Minister of Labour): No. A Western Canadian was approached to accept appointment but declined for personal reasons. As vacancies occur on the Board, Western Canadians will be considered for appointment, along with Canadians from all other regions.

WHEAT BOARD—DEMURRAGE

Question No. 1169—**Mr. Diefenbaker:**

1. In addition to the amount paid for demurrage by the Wheat Board as set out in the reply to Question No. 55, how much was paid by (a) ship owners (b) consignees and purchasers of wheat from the Wheat Board in 1972 for demurrage on ships which were held up in Vancouver or other Pacific Ports because of a lack of wheat cargoes?

2. Were the several amounts so paid by wheat purchasers or consignees claimed as a credit or deducted by them when making settlement to the Wheat Board or its representatives for the wheat shipment severally purchased by them?

Hon. Otto E. Lang (Minister of Justice): 1. Following verification, the Wheat Board pays demurrage claims submitted to it by buyers but has no way of knowing what additional demurrage charges if any may have been paid by ship owners, consignees and purchasers of wheat from the Wheat Board.

2. If any such additional demurrage charges are paid they do not in any way involve settlement with the Board

which is only concerned with those demurrage claims which are submitted directly to it.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN TRANSPORT COMMISSION EXPENDITURES FOR RESEARCH AND OTHER CONSULTING SERVICES

Question No. 109—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Canadian Transport Commission on contracts to outside persons and organizations for research, development and other consulting services?

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

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

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

LOAN GUARANTEES UNDER REGIONAL DEVELOPMENT INCENTIVES ACT 1970-73

Question No. 169—**Mr. Broadbent:**

1. What are the names of corporations which received loan guarantees under the Regional Development Incentives Act (RDIA), in each of the fiscal years 1970-71, 1971-72 and 1972-73 to date, distributed by province where the capital expenditure was to be made?

2. In each case, what were the amounts of the loan guarantees?

3. What are the objectives of the above program?

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

Return tabled.

IRISH MOSS INDUSTRY

Question No. 570—**Mr. Macquarrie:**

1. What has been the amount and value by province of Irish moss landed during each of the past ten years?

2. In each of these years, what amounts of this product were sent to (a) Denmark (b) United States for extraction of carageen?

3. What representations have been made by the Government of Prince Edward Island for the construction of a carageen extraction plant in Prince Edward Island?

4. What feasibility studies have been carried out on the question of construction of such a plant?

5. What has been the cost of any such studies?

Return tabled.

Oral Questions

ORAL QUESTION PERIOD

FINANCE

BUDGET FORECAST OF STATE OF ACCOUNTS—SUGGESTED AMENDMENT IN LIGHT OF PRESENT SURPLUS—PROPOSED TEMPORARY TAX HOLIDAY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, now that the figures show a budgetary surplus of about $1,100 million for the first ten months of the year, some $800 million more than for the first ten months in the previous fiscal year, I should like to ask the Minister of Finance whether he is now prepared to amend his forecast at the time of his budgetary speech that the accounts would in fact break even on a budgetary basis this year and agree that he is going to have a substantial budgetary surplus?

Hon. John N. Turner (Minister of Finance): No, Sir, not at this stage. The enlargement of the surplus in January was not unexpected. Indeed, it corresponded very closely with the forecast we put forward and it is quite in line with what I understand to be normal seasonal trends. The hon. gentleman knows that the large drawdown of expenses is done within the last months or few weeks of the fiscal year. In this case the revenues this year are particularly buoyant, I suppose due to the vibrancy of the Canadian economy.

Some hon. Members: Oh, oh!

Mr. Hees: Keep a straight face; don't laugh.

Mr. Turner (Ottawa-Carleton): It is also partially due to a rise in prices and to some uncertainty among Canadian businesses, large and small, concerning the status of the corporate tax measures already proposed to parliament.

Mr. Stanfield: Mr. Speaker, it is difficult to understand how the minister could be pleasantly surprised by buoyancy in the economy when the gross national product is growing substantially less than he anticipated. In view of the great buoyancy in revenues which he welcomes as running away ahead, some 27 per cent, of January, 1972, I should like to ask the minister whether in these circumstances and under these conditions he will give favourable consideration to the request of the Canadian Labour Congress that there should be a temporary tax holiday for personal income taxpayers earning under $10,000 a year?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I made my response to the CLC this morning.

Mr. Stanfield: I do not want to be insistent, but since the minister has been gracious enough to speak to the CLC outside the House, perhaps he might give a brief response inside the House.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I suppose the Leader of the Opposition is technically right, although the meeting was held in the railway committee room of the House. What I said this morning was that if the proposals of the Canadian Labour Congress were added

to the proposals already before the House in the form of budget measures this would add another $2,300 million to the deficit, and I thought that was inappropriate in the current state of the economy.

BUDGETARY DEFINITION OF FULL EMPLOYMENT—
POSSIBLE INDEXING OF FEDERAL MINIMUM WAGE LAW

Mr. James A. McGrath (St. John's East): Mr. Speaker, in view of the concern expressed by the Canadian Labour Congress in its brief this morning over the inability of the minister's budget to achieve anything near full employment, I should like to ask the minister to tell the House, in the interest of the community interests that exists between his government and the NDP, whether he is able now to indicate just exactly what his budgetary definition of full employment is?

Hon. John N. Turner (Minister of Finance): As I have said on several occasions to the House, Mr. Speaker, so far as I am concerned full employment is a state in which every man and woman of this country who is actively and legitimately seeking work can find a job. That is full employment in my view.

Mr. McGrath: On a different tack, Mr. Speaker, in the interest of those who are fortunate enough to have jobs in Canada may I ask whether the minister is now prepared to undertake to provide means whereby the federal minimum wage law will be indexed in a similar way to income tax in the budget so as to protect those who are working under these laws from erosion created by inflation which this government does not seem to be able to control?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that is a representation that the government will consider, but it is probably more appropriately directed to my colleague, the Minister of Labour.

Mr. McGrath: Mr. Speaker, may I redirect my question to the Minister of Labour and ask him whether he intends to provide means, through amendments to the federal minimum wage law, whereby the minimum wage will be indexed or tied to the cost of living, in a similar way to the income tax provisions in the budget of the Minister of Finance?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, as I indicated this morning when I talked to the CLC, the department is giving study now to this whole matter. We are compiling data and comparisons of minimum wage rates across the country, and I will hopefully be in a position to make some recommendation to my colleagues shortly.

Mr. Speaker: I recognize the hon. member for York South on a supplementary.

Mr. Lewis: No, Mr. Speaker, my question is on another subject.

Mr. Speaker: I appreciate there are a number of supplementaries members wish to ask to the question asked by the right hon. Leader of the Opposition. Perhaps before recognizing the hon. member we might hear the question of the hon. member for Central Nova and then return to this matter later.

[Mr. Turner (Ottawa-Carleton).]

* * *

• (1440)

REGIONAL ECONOMIC EXPANSION

POSSIBLE ADOPTION OF STRATEGIES PROPOSED BY
ATLANTIC DEVELOPMENT COUNCIL

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a short question for the Minister of Regional Economic Expansion. Can the minister tell the House whether he plans to adopt any of the strategies put forward by the Atlantic Development Council or to develop similar strategies for other regions of the country as suggested by the Canadian Labour Congress in its annual brief to the government? If so, when will he be making an announcement to this effect?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I will do my best to answer what appears to be a somewhat oblique supplementary question. I am examining all aspects of the Canadian Labour Congress presentation and have met with the president of the Atlantic Development Council. As I told my hon. friend a few weeks ago, I hope to be able to be more specific when the estimates of my department are under consideration.

Mr. Speaker: Order, please. It seems to me that we are getting away slightly from the original question. The hon. member's supplementary was perhaps more related than supplementary, but I will return to him and other members in a moment.

The hon. member for York South.

Is the hon. member rising on a point of order?

Mr. MacKay: Yes, Mr. Speaker. It may well be that my question was slightly oblique, as the minister suggested, but since he is a master of obliqueness I thought it was appropriate.

* * *

UNEMPLOYMENT INSURANCE

REQUEST FOR STATEMENT ON METHOD OF
INVESTIGATING ABUSES AND CRITERIA APPLIED

Mr. David Lewis (York South): Mr. Speaker, may I direct one or two questions to the Minister of Manpower and Immigration relating to the activities of the Unemployment Insurance Commission and its method of trying to get rid of those who are abusing the unemployment insurance program. In view of the fact there is a great deal of disturbance about the way things are being done in various areas where this investigation is now being conducted, may I ask the minister whether he will undertake not later than tomorrow or the day after to make a statement to the House indicating precisely how this investigation is being carried on?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will certainly entertain the hon. member's suggestion. In the interim I should like to say, however, that I have been checking into this matter fairly thoroughly with officials of the Unemployment Insurance Commission. I think they have a difficult job to do at times in terms of ensuring the validity of claimants in their receipt of unemployment insurance benefits. I have not had the direct evidence that has been suggested by several members that their activities represent abuse on their part, and I have full confidence in the commission. Nevertheless, by virtue of the fact that so many people are expressing concern, and in the interests of the individuals who would be affected if in fact there has been any abuse, I have decided to ask the Unemployment Insurance Advisory Committee to convene as quickly as possible and to take this under examination. Although I am quite sure there is a fair implementation of the program, it also must be seen to be fair, and I want this neutral committee to examine the whole situation and advise us all exactly where it stands.

Mr. Lewis: Mr. Speaker, I heard the minister say that this morning. I am sure everyone is pleased that the advisory committee is being called in. However, in view of the fact that the investigation of claimants apparently is being made on the basis of certain computer printouts, and in view of the result that a good many innocent claimants are being harassed by questions from people representing the Unemployment Insurance Commission, would the minister undertake to discuss immediately with the commission that it not go scatter-gunning as it is now in looking for people who abuse the system and thereby harass a good many innocent claimants?

Mr. Andras: Mr. Speaker, the whole premise of the activities of the unemployment insurance benefit control operation in this area under discussion is a pre-selection in certain areas of claimants whose occupations fit job vacancies that have also been identified through manpower in those areas. Those claimants are then asked to indicate whether they are genuinely and actively seeking jobs and if they indicate that they are not actively seeking jobs that have been proven to exist they are then disqualified. This is the requirement under the act. I think the question is whether or not any of the benefit control officers or any of the activities of the Unemployment Insurance Commission represent over-zealousness. I am inclined to think not, but I want to check into that.

Mr. Lewis: In view of the fact that one can easily see with any application of logic that you could have a dozen of certain jobs available in an area and 30 people who might fill those jobs, and in view of the fact that asking people whether they are actively looking for work is a pretty general question—whether they were actively looking last week, two weeks ago or yesterday—and all of this places innocent claimants at a disadvantage, may I ask the minister to tell the House precisely what criteria are being applied for the disqualification of claimants?

Mr. Andras: Mr. Speaker, I will be glad to make a statement on motions on that matter at the earliest opportunity.

REQUEST FOR REFERENCE TO ADVISORY COMMITTEE OF EFFECT OF SECTION 145(9) OF ACT ON RURAL CLAIMANTS

Mr. Arnold Peters (Timiskaming): Mr. Speaker, when the minister is making this request to the advisory committee will he also refer to it section 145(9) affecting particularly predominantly rural areas and the effect this has had on legitimate claimants?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we do not want any legitimate claimants disqualified or disentitled, and I certainly would not restrict the terms of reference to the advisory committee to exclude that consideration.

[*Translation*]

STUDY OF PROBLEMS ARISING FROM BENEFIT APPLICATIONS FOR HEALTH REASONS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to ask a supplementary question of the minister.

While he is asking the advisory committee to study the problems mentioned by the leader of the New Democratic Party, would he also request the committee to look into the problems arising out of applications for unemployment sick benefits, especially in rural regions where there is a severe shortage of doctors?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Yes, Mr. Speaker, I can arrange for that.

RECIPIENT DISQUALIFICATION—IMPROVEMENT OF APPEAL PROCEDURE AND DEFINITION OF CERTAIN PHRASES—CRITERIA FOR SELECTION OF CITIES FOR INVESTIGATION OF ABUSES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, in view of the new investigative procedures that have been implemented by the minister, resulting in some 20,000 persons, I understand, being disqualified or threatened with disqualification, this certainly will place some strain on the boards of referees and umpires. Has the minister at the same time improved the procedure in order to speed up appeals to these bodies, and in fact has he arrived at a definition of the phrases that have been accepted such as "capable of work", "available for work", and "suitability of employment"? Have these definitions been determined and given to the officers involved?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, for some years the Unemployment Insurance Commission has had to exercise judgment in all these matters as well as those other phrases included in the proposed amendments in Bill C-125, that is to say, the question of quitting without cause and the question of misconduct. There is no change in that. I readily admit that the penalties are probably stepped up a bit, but the basic fundamental definition is in existence now and is based on case histories of decisions from boards of referees and umpires over many years.

Mr. Alexander: Mr. Speaker, I note that the minister, perhaps unintentionally, did not answer the first part of my question concerning whether the appeal procedure would be strengthened and made more effective. What criteria did he use when he picked out the city of Hamilton, metropolitan Toronto and the city of Kingston for these investigative blitzes? Has he any criteria to explain why he picked out these three cities throughout the country rather than many more cities that could have been involved in this type of action?

Mr. Andras: Mr. Speaker, I think I described the criteria for selection. There were known to be jobs in the categories that had been publicized and there were known to be many claimants who were skilled or who had had experience in those jobs. On the one hand, we had people who were capable of performing in those occupations and, on the other hand, we had jobs that were not being filled. We tried to match them first through manpower in co-operation with the Unemployment Insurance Commission. When they did not match or when there was an indication that the claimants did not want to take the jobs we suggested to them that perhaps they were not fulfilling their obligations under the terms of the act and they were thus disqualified. That is how these claimants were selected.

• (1450)

With regard to the appeal system I am informed, and I quite readily admit, that in spite of the startling volume of disqualifications as a result of that exercise in the Toronto-Hamilton area, which began about January 1, there has not been an increase in the number of appeals in relation to the number of claimants at the present time, although I also readily admit that we want to beef up the appeal system, and many more boards of referees are in the process of being appointed right now.

Mr. Speaker: The Chair will recognize the hon. member for Hamilton West on a supplementary. Then we will try to complete the first round of questioning by allowing one of the hon. members to my extreme right to ask a question. I will then recognize the hon. member for Kingston and The Islands.

Mr. Alexander: I have one last supplementary. Would the minister stop pussyfooting around and bring forward Bill C-125 in order that the House can deal with this whole matter, whereby we can hear briefs from labour, management and others affected, rather than going about this matter in a piecemeal way?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Richmond.

Mr. Andras: I think we have been around this race course before—

Mr. Speaker: May we have order, please. The Chair has recognized the hon. member for Richmond.

[Mr. Andras.]

[*Translation*]

REQUIREMENT OF PROOF OF EFFORTS TO SECURE EMPLOYMENT

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to ask a supplementary question.

Since unemployment insurance officers demand proof that the claimant has seen two or three employers and that the latter often refuse to furnish proofs of interviews, could the hon. minister tell the House whether the advisory committee will come up with something new in that respect.

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I must apologize. There were conversations going on, and I am really sorry I did not hear the hon. member's question in full.

[*Translation*]

Mr. Beaudoin: My question was the following, Mr. Speaker.

Since unemployment insurance officers demand two or three proofs that the claimant has seen two or three employers, would the hon. minister tell the House if the advisory committee he has called will come up with something new or give more freedom to the claimants on that matter?

[*English*]

Mr. Andras: Mr. Speaker, I think there is a misunderstanding. The claimant does not necessarily have to produce a document from an employer to the effect that he has sought a job and has been turned down. We are asking individual claimants to show that they are actively searching for work. Unless some other factor enters into it, we accept the word of claimants that they are doing that, particularly when they conform to the regulations and the principles of the act that this House endorsed a year and a half ago.

[*Later:*]

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I have a supplementary for the hon. Minister of Manpower and Immigration.

I do not think the hon. minister is aware of what is going on in some unemployment insurance offices because in Sherbrooke evidence is indeed demanded.

[*English*]

INVESTIGATION OF ABUSES—REPORT THAT MORE WOMEN THAN MEN AFFECTED

Miss Flora MacDonald (Kingston and The Islands): Mr. Speaker, my supplementary to the Minister of Manpower and Immigration is predicated on the fact that this subject is of great interest to women throughout the country. In

light of initial reports that these restrictive measures are affecting a larger number of women than men—

Some hon. Members: Shame!

Miss MacDonald (Kingston and The Islands): —could the minister say what the criteria are that result in these measures being applied more vigorously and more particularly to women than to men?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, they are not being applied more vigorously to women than to men. It so happens that of the 20,000 reportedly disqualified in the Toronto-Hamilton area there were more women than men, but they were not pre-selected that way.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in an effort to get this matter out of the House I would like to ask the minister this question. In light of the obvious problems the government is having in trying to deal with the legislation in question, would he discuss with the chairman of the Standing Committee on Labour, Manpower and Immigration the suggestion that the Unemployment Insurance Commission be called before that committee immediately, in connection with consideration of the estimates so that a thorough examination could be made and the government could have the benefit of some intelligent advice from hon. members on this side of the House?

Mr. Andras: I always welcome intelligent advice, Mr. Speaker. I often get it, but not always. I shall be glad once more to place the Unemployment Insurance Commission, its officials and myself at the disposal of the committee when our estimates are before that committee. I think we had four or five goes at this during the last four or five weeks when the miscellaneous estimates and Bill C-124 were being dealt with.

Mr. Speaker: Order, please. We still have not completed the supplementaries on the very first question raised this afternoon. I would like to return to them now, and I recognize the hon. member for Rocky Mountain.

* * *

LABOUR CONDITIONS

ACTION TO ALLEVIATE UNEMPLOYMENT AMONG PERSONS UNDER AGE 24

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I wish to direct a question to the male chauvinist Minister of Manpower and Immigration. What action has the government taken on the proposal made 19 months ago, in a report by the government's committee on youth, to establish a Canadian youth employment directorate as one means to focus action and attention on the youth unemployment crisis that was apparent even then, that was not changed one whit by the budget and was a highlight of the brief of the Canadian Labour Congress today? If no action has been taken, will the minister specify what steps the government has taken to meet the special, serious and recurring crisis of unemployment among Canadians under age 24?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, my colleague, the Secretary of State, a few weeks ago enunciated a policy for youth employment throughout the summer in which my department will be joining. The details were given to the House on that occasion. I can assure the hon. member that we will be just as interested in all the younger female participants in that youth program as we will be in the men, and I do not see where the male chauvinism comes in.

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EXTERNAL AFFAIRS

VIET NAM—METHOD OF DECIDING WHETHER CANADIAN ELEMENT IN SUPERVISORY COMMISSION TO BE WITHDRAWN

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I want to address a question to the Secretary of State for External Affairs, newly returned from the fields of Paris, where he went, saw but did not conquer.

An hon. Member: He should have taken you with him.

Mr. Diefenbaker: He would have been successful if he had.

Mr. Andras: What at?

Mr. Diefenbaker: Did I understand him correctly, as he read his statement, that the question of whether or not the supervisory force should be withdrawn from Viet Nam would be decided by the government and not submitted to the House of Commons? Why should the House of Commons be denied a privilege that has grown up in consequence of what happened not only during the second world war but following it? Why is this course not to be followed?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am very happy that the right hon. gentleman has asked this question because it enables me to clear up a misunderstanding. It is my intention, as soon as the government makes a decision, to bring that decision before the House of Commons. What is being asked on the other side is that before I make the decision there should be a decision made by parliament. I really do not think it would be possible to negotiate with our friends and allies on such a basis, nor do I think it would be wise to deny the government the opportunity of withdrawing our men from Viet Nam if they were under attack rather than waiting for parliament to take action.

Mr. Diefenbaker: Mr. Speaker, I am very glad to have that answer. I now ask him, why is it, therefore, that the government of Canada has threatened to bring before the House a resolution to approve the mishandling of the Official Languages Act, an act passed as a result of a decision made by parliament? Why should there be this transparent and spurious trick on parliament?

Mr. Trudeau: To whom was the question addressed?

Mr. Speaker: Order, please. The hon. member for Ottawa East.

[*Translation*]

Mr. Gauthier (Ottawa East): Thank you, Mr. Speaker.

[*English*]

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: Is the right hon. member rising on a question of privilege?

Mr. Diefenbaker: Mr. Speaker, the Prime Minister, in asking to whom I am speaking, indicates his own guilt.

Mr. Speaker: The hon. member for Ottawa East.

* * *

• (1500)

[*Translation*]

NATIONAL CAPITAL COMMISSION

DISCUSSION WITH PROVINCES RESPECTING RAPID TRANSIT SYSTEM

Mr. Jean-Robert Gauthier (Ottawa East): Mr. Speaker, I should like to put a question to the Minister of State for Urban Affairs.

Can he tell us whether or not the federal government has started negotiations with regard to an urban transport policy for the national capital area and, if so, whether steps will be taken to meet the proposals with regard to setting up a medium-sized rapid transit system for the national capital?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, there are discussions under way now with the public transit authorities on both sides of the river with regard to improved bus service, which I am anxious to conclude. There have also been discussions with the province of Ontario with regard to a rapid transit system. It is my view that any discussion of either heavy or intermediate rapid transit should include government agencies on both sides of the river and the National Capital Commission. I am seeking a meeting with the responsible ministers in the government of Ontario and the government of Quebec to have such discussions.

Mr. Clark (Rocky Mountain): Mr. Speaker, supplementary to my earlier question—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a supplementary, but we will have to try to get away from the very first question in order to cover more than three or four questions in the question period. The hon. member may ask his supplementary.

[Mr. Trudeau.]

SOCIAL SECURITY

ASSISTANCE TO UNEMPLOYED YOUNG PERSONS—CONSULTATION WITH PROVINCIAL AND MUNICIPAL AUTHORITIES

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is to the Minister of National Health and Welfare. Since the government appears to be undertaking no new programs, apart from Summer '73, to create jobs, I wonder if the minister has taken any account yet of the recommendation of the study entitled "A Right to Opportunity" funded in part by his department, urging a federal-provincial-municipal meeting to end the chaos in social assistance programs for unemployed young Canadians who are seeking social assistance? If the minister has taken no account of this, can he indicate to the House when such a conference will be called?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it seems that the opposition has seen a lot of chaos over the weekend. This is about the fifth time the word has been used in the question period this afternoon. I think the answer to this question is very simply that we are embarked with the provinces on a general review of the social security system, including social assistance. We will have our first meeting in April, and I am already meeting with the ministers of the various provinces individually and with their officials. Obviously, the area mentioned by the hon. member is one that will be covered in the general review.

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TRADE

CANADA-UNITED STATES AUTO PACT—REQUEST FOR CORRECT FIGURES ON 1972 CANADIAN DEFICIT OR SURPLUS POSITION—POSSIBLE POSITION PAPER

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the various statements regarding Canada's deficit and/or surplus position under the Canada-United States auto pact, namely, General Motors' statement of February 27, the minister's statement of February 28, Statistics Canada's releases and today's release by the United States Commerce Department, would the minister make a clearcut statement on the subject so we may know our position?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the position as I know it and understand it is the corrected position issued by Statistics Canada at the end of last week, which sets forth that during the calendar year 1972 Canada experienced a $6 million surplus rather than the first figure which came out.

Mr. Kempling: In light of the growing assertions by United States officials that the auto pact has worked against United States interests, for instance, the statement by Senator Hartke that it is a form of foreign aid for Canada and has cost Indiana 37,000 jobs, is the minister going to publish a position paper on the auto pact at least to point out that Canada has not even achieved produc-

tion levels commensurate with our share of the North American automotive market?

Mr. Gillespie: Mr. Speaker, the position of the government is that the auto pact has worked well. We want and expect and intend to keep it that way. We are aware that there are certain interest groups in the United States that would like to alter the agreement. I should like to remind hon. members of the statement I made last week when I said we have made no changes in the safeguards, have taken no decision to alter the agreement in any way, and could only consider changes which in accordance with the agreed objectives of the pact would improve it and protect future Canadian jobs and job opportunities.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary for the Minister of Industry, Trade and Commerce. In view of the fact the Conservative Party of Canada has now discovered the auto pact and has adopted the NDP program, would the minister assert on behalf of his party that they, too, now adopt the NDP program in regard to the automotive industry of Canada?

Mr. Speaker: Order, please.

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NATIONAL CAPITAL

PROPOSED OTTAWA-HULL RAPID TRANSIT—POSITION OF FEDERAL GOVERNMENT RESPECTING CONTRIBUTION TO COST

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a supplementary question for the Minister of State for Urban Affairs. In view of the minister's answer to the question put by the hon. member for Ottawa East that he hopes to meet with the governments of Ontario and Quebec with respect to rapid transit for the national capital area, is it the position of the government that in the event one or other of those governments is not prepared to meet the terms and conditions for contributions by the federal government, and one or other of the governments is prepared, the government will proceed to grant funds or recommend the granting of funds to one or other of those governments to proceed with rapid transit on either side of the Ottawa River?

Mr. Speaker: Order, please. I think that the hon. member's question is hypothetical but if in spite of this the minister wants to reply briefly he will be recognized for that purpose, after which I shall recognize the hon. member for Saskatoon-Biggar.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I am not prepared to jump to the conclusion that the hon. member is. I am seeking to develop a co-operative arrangement within the whole of the national capital region.

ROYAL CANADIAN MOUNTED POLICE

ALLEGED USE OF PLAINCLOTHESMEN IN DUVAL POTASH PLANT INDUSTRIAL DISPUTE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I want to direct a question to the Solicitor General with regard to the industrial dispute now going on at the Duval potash plant in western Saskatchewan. In view of the fact there has been at least one incident where the RCMP used plainclothes personnel at the site of this dispute, and in view of the fact that the use of plainclothes policemen in unmarked cars could lead to provocation or conflict when such individuals attempt to cross picket lines, will the Solicitor General investigate the circumstances surrounding the use of such personnel in this dispute?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I was not aware of this incident but I shall investigate it as requested.

Mr. Gleave: At the same time will the minister inquire and inform the House if there has been a request for additional surveillance by the RCMP at the mine site and, if so, who made the request and for how many personnel? Specifically, has a request been made by the Duval corporation?

Mr. Allmand: Mr. Speaker, I shall investigate that as well. I might point out that an operation such as this would generally come under the jurisdiction of the Attorney General for the province, which in this case would be the NDP government in Saskatchewan.

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AIR TRANSPORT

IMPROVEMENT OF NAVIGATIONAL AIDS IN NORTHERN CANADA AIR CORRIDORS FOLLOWING HARTWELL INQUEST RECOMMENDATIONS

Mr. Erik Nielsen (Yukon): I should like to direct a question to the Minister of Transport, Mr. Speaker. Without imposing unduly limiting and restricting air regulations applicable to general aviation operating in sparsely settled areas of Canada, what action does the minister intend to take with respect to the recommendations of the coroner's jury in the Hartwell inquest particularly with respect to requirements for higher standards of training and basic instrument training and an enlargement of radio aids to navigation throughout the whole of the north?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I have already answered part of this question. As far as the pilot is concerned, he is in hospital. I regret that his licence has been suspended. We will see when he is recovered if he still can pilot a plane. For the rest, I have asked for about 15 days before I report to the House on the new regulations we want to impose in the north.

Oral Questions

HEALTH

UPGRADING OF HOSPITAL FACILITIES AND COMMUNICATION TO NURSING STATIONS FOLLOWING HARTWELL INQUEST RECOMMENDATIONS

Mr. Erik Nielsen (Yukon): I have a supplementary question for the Minister of National Health and Welfare, Mr. Speaker, also arising out of the recommendations of the coroner's jury with respect to the establishment of a central hospital standard institution at Cambridge Bay—central to the Arctic region. Does the minister intend to take that recommendation to heart and to upgrade the facilities at Cambridge Bay to that extent? Second, with respect to the supply of emergency communication facilities to nursing stations throughout the Arctic, is the minister giving consideration to tying this in with the orbiting Anik?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, even before the report of the inquest was published, we had already taken steps to improve the services offered by the various stations in the north. I have also asked my department to study with particular care the recommendations resulting from this last inquest.

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• (1510)

[*English*]

PENITENTIARIES

WILLIAM HEAD—REQUEST FOR ASSURANCE USE LIMITED TO MINIMUM SECURITY PRISONERS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Solicitor General. As there has been a report in Victoria that the minimum security prison at William Head is being used for more hardened criminals, would the minister assure the House that William Head will be used only for prisoners posing minimum security risks?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I will check into that, although I have not heard any story to that effect. The William Head penitentiary is a medium security institution and, consequently, it should only be used for medium security risk inmates. I will check into the hon. member's allegation.

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[*Translation*]

GRAIN

INQUIRY RESPECTING METHOD OF PAYMENT FOR WHEAT EXPORTED IN FEBRUARY

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I should like to put a question to the minister in charge of the Canadian Wheat Board.

According to figures published by his department, some 35 million bushels of wheat were exported in February. Can the minister tell the House under what terms those 35 million bushels of wheat will be paid for?

[Mr. Marchand (Langelier).]

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, this was part of the regular shipment of all grains. We are very happy indeed that during this past February we were able to set a record not only for February but for any month for the shipment of grains from the west coast.

Mr. Diefenbaker: But the record was not for price.

Mr. Lang: These included all types of grains sold in Canada by the Canadian Wheat Board and by the private trade and would consist of a mixture of grain sold on credit, mostly grain sold for cash, and some grain for aid.

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FINANCE

SHORT-TERM INTEREST RATES—CONSULTATION WITH GOVERNOR OF BANK OF CANADA ON MEASURES TO COUNTER POSSIBLE INCREASES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the recent substantial increase in short-term bank interest rates in the United States and the many predictions that similar increases are pending in Canada and that these rates will perhaps reach record high levels in 1973, would the minister advise the House whether he and the new governor of the Bank of Canada have agreed on any measures to counter such high increases?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there has been no agreement. We have had several discussions about this. I am pleased at the moment that the differential between short-term interest rates in the United States and Canada is a point and a quarter in Canada's favour, in the sense that our interest rates are running that much below interest rates in the United States. Monetary policy in Canada will continue to be sufficiently expansive to condition the growth in the economy necessary to reduce unemployment.

INTEREST RATES—POSSIBLE MEASURES TO COUNTER INCREASING PRESSURE FROM UNITED STATES

Hon. Marcel Lambert (Edmonton West): A supplementary question, Mr. Speaker. Could the minister indicate to the House, in these inflationary times, what the government considers to be satisfactory long and short-term interest rates, and at what point the government will consider it appropriate to introduce counter-measures to counter increasing pressures from the United States?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that depends, first of all, on there being a differential in interest rates so as to maintain a benevolent view of our own exchange rate problems. Actually, a good deal of our success—a combination of luck and a bit of good management—in managing to maintain a stable exchange rate has to do with the fact that our interest rates are lower in the short term than those of the United States. As to

what the ultimate rate of interest in Canada will be next year, there is no way to predict that because that will depend on the demand for loans and also on many international factors. I might say to the hon. gentleman that if his views were to take effect in the House with respect to the amount of expansion we should need, they would have a very harmful effect on interest rates in this country and a detrimental effect on our exchange rate.

Mr. Speaker: Order, please. We have just about reached the end of the question period. Perhaps we might permit a few quick questions, but not too many supplementaries, and a few short replies. With the co-operation of hon. members, perhaps in this way we might be able to recognize three or four or five more hon. members for questions before the end of the question period. I believe the hon. member for South Shore has a supplementary to a prior question.

* * *

AIR TRANSPORT

STEPS TO ENSURE THAT AIRCRAFT ARE EQUIPPED WITH PROPER NAVIGATIONAL AIDS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is supplementary to the one asked a moment ago by the hon. member for Yukon. It is addressed to the Minister of Transport. Before a certificate of airworthiness is issued to small carriers, would the minister tell us what steps are taken to make certain that these aircraft are equipped with proper navigational aids, including strobe lights, etc. as called for by his department, which are vitally necessary for these aircraft when carrying out flights anywhere in Canada?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think that the hon. member has misunderstood the meaning of the question put to me by the hon. member for Yukon. This did not concern the quality of the aircraft or its compliance with standards, but the pilot who was qualified to fly by day only without using instruments. But he did fly using instruments even though he had no instrument rating.

* * *

[*English*]

ENERGY

PROPOSED WEST COAST OIL TANKER ROUTE—STATUS OF CANADA-UNITED STATES AD HOC COMMITTEE—GOVERNMENT POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister regarding the ad hoc committee which he and President Nixon agreed to set up to deal with the matter of the proposed oil tanker route from Valdez to Cherry Point. May I ask if this ad hoc committee has now been appointed? If so, who are the personnel? If it has not been appointed, are negotiations going on at present and which Canadian minister has responsibility for representing Canada in those negotiations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I might inform the hon. member that I did not mention an ad hoc committee for that specific purpose but a committee which would look into the general question of shipping, as President Nixon put it himself, not only on the west coast but on the east coast. I have now been informed by the Minister of the Environment that there have been meetings at the ministerial level, that is, at his level, with his opposite number in the United States and that there have also already been meetings of a working committee of officials on the general matter of navigation on the west coast. This is the information I now have. If there are any further questions, I think they should be addressed to the Minister of the Environment.

Mr. Douglas: When does the Prime Minister anticipate that this ad hoc committee will be set up, and what does he envisage the terms of reference will be?

Mr. Trudeau: Mr. Speaker, I did not say an ad hoc committee would be set up and I hoped my previous answer would clarify what committee I was referring to. It was a committee which had been suggested by President Nixon as a counter proposal to our request that this matter be sent to the IJC. I am informed by the Minister of the Environment that the follow-up on that decision by United States officials and by ourselves has been of the nature I just indicated.

* * *

FISHERIES

LOBSTER FISHERY—REQUEST FOR STATEMENT ON REVIEW OF EFFECT OF OFFSHORE ON INSHORE FISHING

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact that on July 31, 1971, at a meeting which the Prime Minister had with Western Nova Scotia lobster fishermen in Lunenburg, Nova Scotia, he called for a year's trial period to determine the effect that offshore lobster fishing would have on inshore lobster fishing and promised that an intensive review would be undertaken at the end of that one year trial period, could he now inform the House what are the results of that review, as some 18 or 20 months have now elapsed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would obviously need to obtain a report from the Minister of the Environment and Minister of Fisheries. The question might be directed to him at some point.

* * *

AIR CANADA

DC-8 CRASH IN TORONTO—INQUIRY AS TO SETTLEMENT OF CLAIMS—QUALITY OF SERVICE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is to the Minister of Transport. He took it as

notice last Wednesday. Can he now say if the insurance claims concerning the crash of the DC-8 Air Canada jet in July, 1971, I think, have been settled?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am still waiting for the answer from Air Canada. Unfortunately, I do not have the information now.

Mr. Lundrigan: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Gander-Twillingate may ask his supplementary question. The Chair will then recognize the hon. member for Hillsborough, and then call orders of the day.

Mr. Lundrigan: As these claims have not been settled, can the minister inform the House what the problem is? Also, would he be prepared to refer to the Standing Committee on Transport and Communications the question of the quality of service of Air Canada, especially that being endured by the residents of Ottawa right now as a result of the relocation of the telephone reservation centre to Montreal?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I shall certainly inquire and make a fuller report on this whole matter.

* * *

[*English*]

OIL

WRECK OF THE "IRVING WHALE"—POSSIBLE SOURCE OF POLLUTION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I direct a question to the Minister of Transport about the *Irving Whale,* the oil barge which has been lying at the bottom of the Gulf of St. Lawrence since September, 1970. Noting his statement that the ship has not been raised because there was no guarantee against pollution arising from salvage operations, may I ask the minister if he can advise the House as to what guarantees he has against massive pollution taking place if the ship is left where it is?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the problem is that I have no guarantee one way or the other. We are still trying to study the matter to see what can be done and if it is worth while doing it. Personally, I would prefer to lift the ship and get rid of it, but I think I must rely on the advice of technical advisers in the department.

Mr. Speaker: Orders of the day.

[Mr. Lundrigan.]

• (1520)

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S. O. 58—INCOME TAX—SUGGESTED EXTENSION OF TIME FOR FILING FORMS AND LEGALIZATION OF 1972 STRUCTURE AND FORMS

Mr. Sinclair Stevens (York-Simcoe) moved that:

This House, noting that the Government's income tax return forms are both confusing and illegal, calls upon the Government to give financial aid and an extension of time to harassed taxpayers, to expedite payment of tax refunds to more than six million taxpayers, and to take immediate steps to legalize both the 1972 tax structure and the forms.

He said: Mr. Speaker, first may I formally move, seconded by the hon. member for Peace River (Mr. Baldwin), the motion that Your Honour just read to the House. In so doing, I wish to point out to the House that there are six fundamental points that we are raising in this motion for consideration today.

First, we say that the income tax form is, in fact, confusing. Second, we say it is illegal in certain respects. Third, we suggest that the government should be giving financial aid to those individuals in our country who must now attempt to cope with the form. Fourth, because of the complexity of the form, we say that an extension of time should be offered to these harassed taxpayers to allow them to effectively deal with their own individual tax position. Fifth, we suggest that the government should expedite the payment of tax refunds, which may be some $1 billion in aggregate, to the six million taxpayers who will be receiving such refunds. Finally, we believe the time has long past when this government should have legalized the 1972 tax structure and the forms with respect to that tax structure.

Before dealing in detail with the points that I have enumerated, Mr. Speaker, I feel it may be of help to the House if I briefly touch on the background of individual payment of taxes in this country over the past 10 years. I do this because I feel a review of such figures reveals the absolutely staggering impact the Trudeau Liberal government has had upon individual taxpayers in the country. In many ways I feel that the income tax form we will be discussing today epitomizes the present government in office. It illustrates their glossing over of illegalities and, in some respects, their encouragement of dishonesty. It also illustrates their contempt for parliament and, in fact, the form, in its confused state, is the epitomy of the government, which itself is confused.

When Canadians finish paying the 1972 taxes which they will pay after filing the current form they, as individuals, will have paid in the aggregate in the five years since this government gained power some $38 billion. Under this government they will have paid an amount which is almost equal to the entire aggregate amount paid by all Canadian individuals in the previous 50 years. If you like, you can go back to Confederation, since the income tax legislation was introduced only in 1917. In short, this government has inflicted on Canadian

individual taxpayers, in the aggregate, as much taxation as has been inflicted in the previous 50 to 100 years.

It is important to remember that for 1972 it is likely that Canadian taxpayers in the aggregate will pay some $10 billion. That is almost five times as much as the individual taxpayers in this country paid in 1962, and it is almost two and a half times as much as was paid by individual taxpayers in 1967, the year before this government under this Prime Minister (Mr. Trudeau) took office. This House should bear in mind that while Ministers of Finance such as Mr. Benson and the present Minister of Finance (Mr. Turner (Ottawa-Carleton)) have repeatedly mentioned that they have taken a certain number of people off the tax rolls, many more have gone on the tax rolls than have come off during this government's five years of rule. In fact, there are two million more people on the individual tax paying rolls today than there were five years ago. There are four million more than there were 10 years ago.

What is most disappointing is that, when we review the individual taxes paid by the average taxpayer in Canada, we find that in 1962 he paid $427; in 1967, he paid $646 and in 1972, he paid $1,176. If we put a deflater on those figures, we see they are equally alarming. Expressed in 1962 dollars, the average taxpayer in that year paid $427. In 1967 he paid $560. Today, and I emphasize, this is in terms of constant dollars, he is paying $841 into the federal treasury. That is an increase of 50 per cent since this government took office. We must bear that in mind as the background of the situation that faces the 10 million Canadian taxpayers who must now cope with the income tax form that we are reviewing today.

As I mentioned, we say that the form is confusing. It has been said that no man should have to pay a tax which he cannot reasonably be expected to understand. In this respect, the Department of National Revenue appears to agree. If we review their booklet Inside Taxation 1972, we find this statement in the introduction, and I quote:

> —there is abundant evidence of a direct correlation between taxpayer understanding of the tax laws and procedures and the most efficient and economic administration of the tax-collecting function.

The introduction also makes the interesting comment that the word "taxation" is a Latin derivative which means to touch sharply. In many ways, there is a sharp touch on us today.

Some hon. Members: Hear, hear!

• (1530)

Mr. Stevens: On the subject of confusion, there are many ways in which one can attempt to portray the anxiety felt by literally millions of Canadians today as they try to cope with this form. I think we should bear in mind that in the last taxation year for which figures are available, 80 per cent of those filing tax returns in Canada used the T-1 short form. So, for approximately 80 per cent of our taxpayers in this current year the form distributed to them will be a completely new experience. When we compare it with the T-1 short form with which they are familiar we find that whereas they had 74 blanks to fill in on the old form there are more than 300 to cope with in the new form. About $1 million is being spent on advertizing and promotions, in an attempt to convince individual taxpayers that the form is not really as complicated as it looks. I would suggest, though, that the mere fact officials of the Department of National Revenue feel it necessary to spend this million dollars is proof that they know it is an extremely difficult form to cope with. I might mention that rate of tax schedules are appended to both the old and the new forms. But for reasons unknown to me in the one form the schedules show odd amounts whereas in the other, even amounts are shown. This tends to make it difficult for the average taxpayer to compare his current rate of taxation with rates in former years. Has this been done deliberately? I do not know.

I do know there has been tremendous pressure on regional offices of the Department of National Revenue as people seek to have their taxation position clarified. In my taxation area, Toronto, there are some 1,500,000 taxpayers whose forms will be processed through one office. I am told the department has increased its staff from 30 to 60 people who will deal at the front desk with inquiries from the 1,500,000 taxpayers. In other words, for every 25,000 taxpayers in my area there is one person to man the desk and iron out whatever difficulties might be experienced by taxpayers in coping with the new form.

Members of the public have been told, it is true, that they can telephone for assistance. Let me tell you, Mr. Speaker, that before entering this debate today I asked my secretary to telephone the Toronto office to ask about the number of inquiries they were currently processing and whether the staff had actually been increased for this purpose. I am sorry to report that I cannot give the House this information, because after trying 25 times to get through on the telephone she gave up. Suppose I had wished to discuss a tax problem with that office in Toronto. I would still be waiting to get through so that I might have a chance of finding out the answer. At least, that would have been the position as at two o'clock.

Mr. Speaker, James H. Boren, the self-proclaimed president of the National Association of Professional Bureaucrats, thinks Canada's new tax system is so complicated that Washington would do well to adopt the same method. In explanation of his reason for making such a statement, Mr. Boren says:

> I would say, almost without hesitation, that the tax forms epitomize our feelings about the maximum extension of retrogressive facilitation.

In other words, the new forms have achieved great success in complicating the already complicated. Later, Mr. Boren made the comment:

> The guidelines are these. When in charge, ponder; when in trouble, delegate; when in doubt, mumble.

We have referred in our motion to the fact that the form as it now exists is in certain respects illegal. Hon. friends of mine will expand on this later in the debate. For example, provision is made for an age exemption which has not been approved by parliament. Provision is made for a deduction in respect of disability which has not been approved by parliament. Then again, there is provision made for a deduction in connection with education and this, too, has not been approved by parliament. In effect, we are asking some 10 million people to deal with this form knowing that parliamentary approval is still required before it is legal in certain respects. It was

unnecessary for this to have happened. We in the Progressive Conservative party asked repeatedly after the election that parliament be convened as early as possible so that matters such as those to which I have referred could have been dealt with and legalized.

I would also suggest that it is extremely unfair for the Minister of Finance to have adopted a philosophy which requires taxpayers to add to their income an amount they have never earned. I am referring to the fact that for the first time in connection with dividend income, taxpayers are expected to add to the amount they received in dividends an arbitrary one-third and count it as taxable income. It is unfair to ask any taxpayer to do this. In effect, he is being asked to report figures he knows are not true.

Granted, the public relations people, Fred Davis and others, have assured the public that the form is easier than it looks. But I suggest it is a very cruel thing to be telling ten million taxpayers in the country not to worry unless attention is drawn, at the same time, to a statement appearing just below the space left for signature, which reads: "It is a serious offence to make a false return".

I believe—and we have made this point in our motion, as well—that the government should extend financial assistance to help taxpayers cope with this form. Department of National Revenue officials admit that it costs approximately $10 to process each return. In short, it costs about $100 million to process the ten million forms with which they will be dealing. Surely it is not too much to expect that if the government feels it is necessary to spend $10 for their processing, it should assist the taxpayer who has to do the bulk of the work in preparing his return. Without such assistance I think it is fair to say that the government has imposed a further levy on the taxpayers of this country in the form of the amount the taxpayers will have to spend in completing their income tax returns. Assuming an amount of $10 per taxpayer, we are talking of a levy of $100 million, in addition to the taxation already levied upon them by the former Minister of Finance, Mr. Benson, and the present Minister of Finance.

• (1540)

In this context, I feel it is probably wise to remember that the individual taxpayers of this country are paying approximately one-half of the total revenue received by the federal treasury. In this connection, our proposal that there be an extension of time for taxpayers to complete their returns is only equitable in the circumstances. Bear in mind, Mr. Speaker, that the Department of National Revenue has only 28 offices across the country to service taxpayers. As I have mentioned, some one and a half million taxpayers go through the Toronto area office alone. To expect the average taxpayer to file his return by April 30, with the small amount of assistance given him by existing departmental officers is extremely unfair.

Tied in with this is the broad subject of tax refunds. In the fiscal year ending March 31, 1972 those refunds amounted to approximately $866 million. It is anticipated that the figure will be approximately $1 billion in the current year. The government should do all in its power to expedite early repayment of those funds to our taxpayers.

[Mr. Stevens.]

The income tax form is so complex, so confusing, that one must ask oneself what was in the mind of the government when it prepared the form. I am more alarmed about this than perhaps anything else, because I believe that the government is setting up 10 million Canadians for further taxation of a kind that we in this House have not even thought of yet. I am told by those who have had some experience with the growth of this type of bureaucratic taxation, that in other countries it has been quite usual to introduce a very complicated form, then in subsequent years new taxes are imposed, such as a possession tax or, as suggested at one time in this House, a capital appraisal tax. Surely, we should recognize the possibility that the present government, if left in power for much longer, will introduce some such tax in order to extract even more from the average taxpayer of this country.

Let me also mention that the form is not only confusing to read but it is an extremely bulky document. As has been pointed out, the length of the form is some 13 feet if attached lengthwise page by page. Many do not realize that if these forms were stretched end to end they would cover a distance of almost 50,000 miles. In short, the forms would stretch twice around the world along its equator. To put it in the Canadian context, the forms could stretch from sea unto sea eight times and from north to south eight times, leaving lots of room for bows.

Mr. Stanbury: You really are stretching it.

Mr. Stevens: This ribbon of paper symbolizes perhaps what the present government calls national unity. This ribbon of paper stretching from border to border, east to west and north to south, is what the government presumably feels is going to unite this country. It will unite it in utter frustration, confusion and indignation. I believe we should not tolerate this type of behaviour on the part of any government. A Progressive Conservative government would not have inflicted an income tax form like this upon the people of Canada. A Progressive Conservative government would indeed be expediting refunds at the present time to the taxpayers of Canada who rightfully can expect a refund. We believe it is high time that the government of Canada got the message that the taxpayers and voters of this country tried to give them in the last election. In short, Mr. Speaker, the government's time is up. The people of Canada want them no longer, and they want these tax forms no longer.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I had no intention of speaking in this debate, but I am aware of the confusion that normally takes place at income tax time from my own point of view. A couple of items I received in my mail recently interested me. One was the Ontario property tax credit return, and I also received a farm tax return. I received several other things that I did not understand as well, so I decided to go down and get one of these kits from the post office. Even the first page of it is unintelligible, but it included the Ontario property tax form, and having read the first page of it I am sure I do not know how it will affect me as a farmer, which I am not. Neither am I sure how it will affect me as a property owner. As a result, I am not at all sure what I am going to do with the two little forms I received from the Ontario government; if they had kept them it would have made it

far simpler for me. The more you read this sheaf of paper, the more confused you become and the less able you are to fill out your return.

• (1550)

The other day a man wrote me on behalf of his daughter complaining about the complexity of this form. After looking at the form I realized why he was confused. This woman has two children, one of pre-school age and one who goes to school. She works in the local hospital as a nurse, most of the time on day shift, although not always. She has to be at work at 7.30 in the morning. She hires one of the neighbour's children, a 16 year old girl, to come in and give the children their breakfast and get them ready for school. The one who stays at home is looked after by the lady next door. The young 16 year old girl takes the other child to school. That is the end of her part in the routine.

The one child comes home from school on her own and goes to the neighbour's house where the younger child is and has her lunch. The first child takes the second child to kindergarten and then she goes to school. This does not end the matter because the children both come home after school. Then, another 16 year old girl looks after them until the mother arrives home. Occasionally, this woman has to work overtime or has to work a swing shift. This does not happen often, but it does further complicate the matter.

The complaint is that the 16 year old girls involved do not make contributions to the Canada Pension Plan and do not work the minimum time which would require them to pay unemployment insurance. The minister may know where in this form you enter contributions to unemployment insurance as an employer, or Canada Pension contributions. I am not sure where it is and I do not intend to search for it now as that would lengthen my speech considerably. If you do not enter these items you cannot claim expenses for your housekeeper or your babysitters.

The woman to whom I referred could not possibly set up the bookkeeping system required to look after these things. The cost would not warrant keeping track of the unemployment insurance or Canada Pension Plan contributions for these girls who work two hours some days, an hour and a half some other days and perhaps not at all on other occasions. The woman might just as well go on welfare in the first place, and she might well be driven to that position as a result of a mental breakdown before she completes this tax form, and that is only the housekeeper section. I see no reason why this could not be simplified.

I now look at the second page, which apparently is for people who can legally cheat the government. There are all kinds of exemptions listed here including medical expenses and charitable donations. Anyone I know who has medical expenses also probably has a medical plan and, therefore, does not have any expenses as such. It is true that my doctor charges me more than the scheme will pay, but that is a small amount and I am not sure that you should list it here.

There are spaces here for capital dispositions which include personal use of property, listed personal property, other capital properties, real estate, bonds and other properties, and there is a place also for a summary of capital gains. Presumably these all apply to the rich. Perhaps if you looked through it you would find a place to deduct as an expense the cost of having an accountant look after this for you. Of course, this part will not have any interest for the average taxpayer who will be paying a comparatively small amount. I do not see included in this form a place for deducting that expense paid in respect of child care.

When we included child care expenses as a deduction for income tax purposes, we thought this would be a fairly simple thing for the mother who got herself a job and had to hire someone to look after her children. I find it is not simple. As is pointed out in this schedule, you must have the security number of those individuals for whom you are claiming an expense. It states here that you should not include payments made to a relative under the age of 21 at any time in 1972, or payments made to a person claimed as a dependent by you or by your spouse. It also states that if payments were made to a boarding school or camp, you cannot include any part of such payment in excess of $15 per week per child. Below that there are spaces for the names and addresses and individual social security numbers of those to whom payments were made. The woman to whom I referred has made great effort to provide for her children and now is not going to be able to claim these expenses.

I presume we are trying to cover all tax bases. It may be that the 16 year old girl who comes in in the morning and gives these children their breakfast, getting the one ready to go to school and the other to the neighbour's house, should be paying income tax, should have a social security number and be eligible for benefits. I presume that is the justification. If she did pay income tax it would be such a small amount it would not pay to operate the computer, and the money would obviously be returned. I am sure if she made a contribution to the Canada Pension Plan this whole thing would prove to be a nuisance and not feasible.

I do not agree with those people who are always complaining about changes in society, because I think changes are necessary and are usually good, but I am not sure that the changes in this tax form will work to the benefit of those people with whom I am used to dealing, the people earning $5,000 to $10,000 per year. They pay their income tax and they are allowed deductions for their wives and children. In addition, they get the $100 deduction for medical expenses and the other small deductions provided by the minister. They will be allowed those deductions and no more. Most people will not fill up those spaces provided for contributions. People who make contributions to the church usually do so on a regular cash basis rather than by cheque.

My father was a very meticulous person and had some knowledge of the income tax field, being in charge of a section of the Department of Agriculture during the war. This was the economic section of that department. I was always amazed when he made a contribution to the church that he made it by cheque. He knew exactly what to do with that contribution. As a miner, on the other hand, when I made a contribution to a charitable organization I just gave it the money. Probably I would have spent it for something else, so I can never remember being

interested in getting a receipt. Charitable donations were never used for income tax purposes because I really did not have too much money to throw around anyway. In those days the form was fairly simple and I could fill it out myself.

• (1600)

I suggest the form could be much simpler for people whose earnings are through wages and whose deductions are made on a payroll basis. In such cases, the amount of the income tax payment is deducted and is entered on the T4 slip. It should be necessary merely to include the personal exemptions and that would be all there would be to it. I never understood why there was not a calculation which would vary from province to province. I do not understand why my Ontario provincial tax is not figured out for me. If the province of Manitoba, for example, should have a different tax structure, a different form could be used for that province. From my point of view this would solve a good part of the problem. It seems to me many people in this country do not have any unusual deductions or unusual sources of income. In their case it is a straight matter of showing the amount of wages, the exemptions, the charitable donations and so on. Such a person should be able to use a tax schedule and simply determine the amount he must pay or the amount of refund he might have. I do not understand why it should be made any more complicated.

I see no reason that people in the lower income groups who would have no right-offs should have to be involved with such a complicated form. All this does is show a person who is a wage earner employed in John Blow's plant that there are other people in this society who are entitled to many tax deductions to which he is not entitled. It shows him where the rip-off comes in so far as other people are concerned. These are not available to him, and yet he must become mixed up in the whole problem without receiving any of the benefits. When I became a Member of Parliament my income increased slightly, by about $1,000. In those days, I found that the amount of $1,000 placed me in a category that was not in the table. Therefore, I had to work out the calculation. I went to high school and learned how to make mathematical calculations. However, it had been a long time since I was at school and I found it very difficult to come up with an answer. I had considerable difficulty when my income increased from $5,000 to $6,000.

Mr. Alexander: What about now?

Mr. Peters: Now, I am not even sure what it is. From looking at this form it would seem that I may have income of which I am not aware. That small cheque I received as a rebate in respect of my farm must be income from somewhere. It is interesting to look at this mauve form for the province of Ontario. Perhaps if I study this form I might understand why I got this money back. Mr. Speaker, I believe there surely could be a much simpler system. My income is shown on my T4 slip. If I should be unemployed I would have to have a TU-1 slip. However, if I am fully employed, earning a salary and the deductions are taken off at source, my salary is shown on the T4 slip. In such a situation I should be able to do a simple calculation and determine my income tax. This form is very complicated. I cannot even understand the first page. Then, there is this Ontario property tax. I suppose that is in respect of my house.

An hon. Member: Send it back.

Mr. Alexander: Do not bother filling it out.

Mr. Peters: The amount I received in respect of the farm is a very small amount. I would gladly send it back, because no doubt it will just confuse matters. The other day I received a T4 slip indicating I had received a relatively small sum of money in the form of a dividend from an insurance policy. I always thought that would be included each year and totalled at the end. I never drew any money; it accumulated. I did not realize I would have to make a payment on something I was not receiving. I will never receive it. I would have to die in order to receive it.

I agree with the Conservative who moved this motion when he stated that this was a complicated form.

Some hon. Members: Hear, hear!

Mr. Peters: The minister may say it is not. I do not know what his profession was, but I would be very happy to take these blank forms over to him and have him fill them out while he makes his speech. I would be very surprised if he could fill them out in time for you, Mr. Speaker, not to call him to order. I believe there should be two things. First, there should be a tax form which would include the provincial tax, so that each person would receive a form which would indicate the amount of his provincial tax rather than requiring that he make a separate calculation.

There is no question that this complicated form is necessary for anyone engaged in the business field. Probably there is another one relating to farmers which is probably four times as complicated. I suggest, however, that there should be a very simple, uncomplicated form on which the average person would need only show the deductions to which he is entitled and the information on his T4 slip.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Knowles (Winnipeg North Centre): He has not completed his income tax form yet.

• (1610)

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, as I can see, this motion gives an indication of the complexity of the tax forms to be filled by the Canadian taxpayers who must comply with the requirements of the tax system.

According to the wording of the motion, the government's income tax return forms will lead to confusion. It will not be the first time. Considering the double taxation system that too many people support, knowingly or not, we find that tax itself is being taxed. Indeed, the provincial tax taxes the federal tax; that is not very intelligent but that is the way it is.

The motion before us refers to illegality. It would be interesting indeed to witness a legal argument in order to

establish the legality or illegality of the tax return forms. Such are the consequences of a crazy system according to which wealth is being appraised in the form of dollars instead of things, property and other real values.

We also note that the motion calls upon the government to give harassed taxpayers—it has been found that the taxpayers were harassed, and better late than never—financial aid and an extension of time and it adds "to expedite payment of tax refunds".

Considering the object of this motion was to prevent confusion, I believe the wording somewhat lacks clarity.

The idea naturally is to keep advocating an outmoded system while at the same time trying to convince most hon. members that the motion should be supported, without suggesting anything practical to lighten the burden of the so-called harassed taxpayers. It is obvious that tax return forms should be at least written in a more simple and clearer language to avoid high expenses for accounting services.

The government seems to like to create complications for taxpayers with complicated income tax return forms. We see that all year long, particularly at the end of the month of April or during the month of May. A lot of income tax problems are submitted to me each week and have to do with the difficulties the taxpayers face in trying to comply with government requirements.

It is not necessary to spend hours studying the legislation to discover how stupid are most of the laws governing the country. Everything is so oriented as to protect the money system instead of intelligently distributing the existing wealth.

We find that thousands of public servants paid from tax moneys are watching the taxpayers. Interesting indeed but this is what you find. If we keep on using this method we will find ourselves in the absurb situation where half the Canadians will be watching the other half.

I admit that we must have laws and regulations. However, I am under the impression that the complexity of existing laws has contributed to creating a stampede attitude within a disastrous economic situation. Our financial system supported by too many of our "colored" politicians has contributed to create a wolf mentality where everyone is running after the almighty dollar—the symbol of the wealth kept too rare by those controlling it—with the result that many laws are violated, many formalities are not fulfilled, many regulations are not enforced, and this is contributing to maintain a riot atmosphere which the government is often obliged to quell through emergency measures.

Those at the controls always find good reasons to justify the resulting tax increases and formalities. And yet it is easy to understand that the after-tax money left to the taxpayer may be spent as he pleases, whereas the tax money is spent as the state sees fit and not as the individual does.

The higher the income earmarked for taxes—whatever formality used—the more the we steer toward state socialism so that if the government took everything, individuals would pay nothing themselves and everything would be paid by the government. This would be absolute state socialism.

I would like to quote part of an editorial broadcast by CFCM-TV station on June 1, 1967. Speaking of popular democracies, the editorialist mentioned something thought-provoking, and I quote:

> In those countries personal incomes have been over-taxed to such an extent that the cost of living index has wildly spiraled, with no compensation whatever by way of an equivalent increase in incomes. The February 1967 report on international financial statistics indicates that in Yugoslavia the cost of living, increased by 167 per cent from 1958 to 1966, whereas the index of incomes is unchanged. According to the same report, in Sweden, a country governed by a socialist government and benefiting from a mixed economic system, the cost of living has gone up by 34 per cent during the past six years. This increase, to a large extent, is due to the burden of social measures and overtaxation.

It makes no difference what method they use.

> This should cause everyone to ponder, and specially those who want to drive us to socialism.

Yet, the individual is paramount and governments are merely institutions at his service.

Others complain specially about taxes, feeling that they are being deprived of the fruit of their toil. They are perfectly right. But what we want to stress is that the increase in taxes is a rapid progression towards state socialism. Moreover, when private enterprise, over-taxed, loses heart, it is necessarily replaced by an industrial or a state monopoly: the first means domination through money, the second means domination with the all-encompassing government. A system has to be very sick indeed when the only choice is between two ways of enslaving individuals.

• (1620)

There is another solution: control funds at the source, in keeping with the facts, the individual's rights and the country's potential. This would mean Social Credit.

But, there, people do hesitate. And our governments would rather control the individuals and leave alone the privileges of the people who create money.

We are living in a world where many seem to have lost a sense of balance, of duty and of responsibility, no matter what forms are being used.

In fact, nowadays, we find that millions of dollars are spent to support exploration trips to the moon, whereas millions of citizens, on our planet, lack the necessities of life, despite the means at our disposal to house, clothe and feed human beings properly. We are grappling with a situation of that kind.

Among the people responsible for this state of affairs, we can easily count many politicians who, in my opinion, do a poor job as far as the interests of the citizens are concerned. Instead of taking the time of the House to discuss red tape due to a silly system, we should rather try to find some means of altering the system which is responsible for all those insignificant and complicated formalities, legal or illegal. We are driven to such a situation by the very nature of the system. Therefore, let us instead try to find a means for changing the silly system that rules us.

Often more interested in showing off than pleasing people, many politicians today are playing the role of actors in offices that would rather command some com-

prehensive legislation to meet men's needs. I admit that there are good men in all parties—

Miss Bégin: And also women!

Mr. Dionne: Yes, a few. I admit, again, that there are good men in all political parties at the present time as there were in the past. However, they seem to be paralyzed by completely out of date procedures.

I cannot find a logical explanation for the fact that after so many years of administrative experience, application of plans, studies and suggestions of all kinds, the working and agricultural people of Canada are now at grips with problems of unemployment, insecurity and debts. And more serious still, this kind of unbearable and demoralizing situation for many people created a feeling of revolt which contributes to produce a climate of insecurity.

No one will deny the fact that the number of criminals increases seriously in a country upon which Providence has bestowed all kinds of wealth.

How come our learned politicians, or at least those who think they are, still prefer to keep procedures which lead to such results.

A group of politicians of a certain colour have come to believe that a country whose leaders succeed in paying interest on the public debt may be considered as being well administered. Imagine what would happen if all Canadians took this position. And yet we in Canada should give the example. These people have the gall to come and speak to us about a balanced budget, while they only succeeded in creating a financial and economic situation that is completely—

Mr. Trudel: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Montreal-Bourassa is rising on a point of order.

Mr. Trudel: I have no objection to the hon. member for Kamouraska speaking about all systems which now exist, but I wonder when he is going to come to the motion before us which deals with forms to be filled under the Income Tax Act, or suggest that such form be changed. In other words, I would like to know when he is going to speak about the subject matter.

[*English*]

Mr. Deputy Speaker: The Chair heard the hon. member for Kamouraska (Mr. Dionne) mention formalities and complexities a moment or so ago, and assumed that this was in reference to the matter of the income tax forms that we are debating. However, perhaps the hon. member should bear in mind the somewhat limited nature of the debate we are embarked upon today. The hon. member for Kamouraska.

[*Translation*]

Mr. Dionne: Mr. Speaker, I am glad to have the opportunity to explain my views on that subject.

At the beginning of my remarks, I explained quite clearly the meaning of the motion, I think, and today I notice that an hon. member is blaming me for speaking a little too much about the system or about different systems. I shall point out to him, and this is very important, that the stupid formalities we are discussing derive from a foolish system that the hon. member is supporting. That is the reason!

I do not think I am straying from the subject matter because I think those formalities would not be necessary if we had a logical system. It is because we have a confusing system that we have confusing formalities and we try by all kinds of means to set things straight. Each year, reforms are made about these forms; it is such a complicated matter that taxpayers are forced to spend hundreds of dollars in accountant offices to have these famous forms filled, forms which are created by the foolish system the hon. member is supporting. This is the reality and I am glad to have the opportunity to say it in the House this afternoon.

An hon. Member: What is your system?

Mr. Dionne: What? Our system? We have a system of common sense. It recommends a distribution of goods based on an orderly financial system and not a financial system which has to admit—I said it earlier—that as long as the country can administer himself by paying the interest on its debt, it can consider itself as being well administered. Have you ever seen such a concept of administration? Would an industrial, a farmer or anybody else who would administer his budget in Canada simply by being satisfied with paying the interest on his debts be considered an able administrator? A foolish system brings the formalities we have. Then we try to bring about improvements in the formalities of application, not only in the area of income tax, but in lots of other areas. There are administrative procedures which are almost inapplicable. I could cite lots of examples that demonstrate it very clearly, but the Income Tax Act is probably the most eloquent.

So I continue my comments, for I think they are quite timely and yet some of them were not in my text.

Mr. Turner (Ottawa-Carleton): You had better stick to your text.

Mr. Dionne: I understand that in the system there can be major reasons to levy a tax. When it comes to providing a service requested by the community and there is no way to provide it without depriving some members of that community, this can be understood, but if there is a way to provide that service without depriving anyone, it is not fair to deprive citizens of what they own.

If I take my neighbour's money, this is a theft. When the government takes the taxpayers' money, what is it called? An individual is not allowed to take another individual's property. And the government could do it. Taxes can, besides, reach so high a level, so heavily burden farmers or manufacturers that they discourage personal initiative.

This is verified. Any legislation whose objective is to tax contains sections to tax capital gains and other gains. However, I have not found in all the tax laws, even in the heavy Bill C-259 which contains 740 pages, a single section providing for a compensation for those who would experience losses instead of profits. Everything is organized to

protect the financial system and nothing is provided to compensate the victims.

I do not think that changing the forms would bring much relief; it is mainly the system that needs to be changed.

Taxes do not disturb only those they hit, they disturb the whole community because they sabotage production, just as the whole system does.

There is another way of getting money. It would be to simply take back the manufacturing power presently in the hands of chartered banks. But we really have to want it though.

Who must be in charge of creating money and distributing it where it is needed if not the sovereign government which should be the only one so authorized? A government not doing so deserves to be called "the servant of private interests", and you know where I read that expression.

Instead of adopting a tax method which produces provoking and complicated forms, if the government were to use its sovereign power to restore order in the monetary system, it would be possible to balance the incomes of people instead of taking away from them the gains they have made. And there would be no need for forms because the worker would keep the money he earned.

Those who always come up with the word "inflation" would already be anxious to know how long a government could do that. I would say without hesitation: as long as that brings good without evil. There is no doubt that it could follow that method for as long as certain means of production are unutilized.

Presently, production is far from being what it should be in Canada. There are a lot of unemployed—

[*English*]

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him has expired. The hon. Minister of National Revenue.

• (1630)

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, the lot of the tax collector is not a happy one. It never has been and is not likely to be. Paying taxes and completing the various forms required to do so are not the most enjoyable responsibilities of citizenship. Especially at this time of year, taxpayers are seldom moved to thoughts or words of fulsome praise and thanksgiving for the tax collector as he goes about his appointed task. Therefore, we were not surprised to hear that this subject was to be the basis of the opposition motion today, particularly in view of the time spent recently on this subject by opposition spokesmen—who have not always spoken with the greatest accuracy, I must say.

I enjoyed, as I always do, listening to my hon. friend from York-Simcoe (Mr. Stevens). Knowing him as I do, I found many echoes in his speech of his career as a reporter, lawyer, farmer and financeer. He knows the value of publicity and how to get it. He knows the value of a picture like the one which appeared in the press not long ago showing him draped in forms, schedules and tables, all taped together. He knows full well that not even he, nor any one of his constituents, would have to use all of them. Actually, when I first saw the picture of the hon. member in the newspaper with these forms, I thought he was displaying a collection of old stock certificates.

He supported his motion with "lawyerly" logic, demonstrating that legal training has equipped him to make much of little. In what he has produced here today, he has rivalled the sheep that roam on and enrich the fields of his country estate. His sheep, however, would know better than to produce that in the House of Commons.

Mr. Turner (Ottawa-Carleton): It was a very woolly speech.

Mr. Stanbury: It was not a serious speech and this is not a serious motion, Mr. Speaker. This motion has been thrown in while the Tories play for time, trying their best to brew up a motion for tomorrow which will not veer too far from any principles they have left and will appeal at the same time sufficiently to socialists and those with Social Credit tastes. They are trying to devise the means, not to improve any law or any program, but simply to destroy this government and this parliament. They are doing this to satisfy their hunger for power. So, today they are taking up the valuable time of parliament playing with form, and with forms, instead of contributing to the constructive improvement of the substance of our laws and programs.

This is political gamesmanship of an old and stale style. It is being played at the expense of ordinary taxpayers, giving them a false impression that may inhibit their taking advantage of tax benefits available to them.

That is not just my opinion, Mr. Speaker. Ralph Errington, reporting on Radio Station CFRB and other stations a week or so ago, said:

> Conservative MP's, and to a lesser degree some New Democrats, have been waging a steady campaign to convince the public that the new tax forms are so complicated that it would take a team of chartered accountants to complete the returns. So it was with some misgivings that this reporter decided, as usual, to do my own accounting, and file my tax return without any outside help. Ninety minutes later, my calculations were completed and rechecked, the tax form typed out and stuffed in an envelope ready for mailing. Needless to say, this haste is due to the fact that I've got some money coming back. If anything, the new tax forms were easier to complete than previous ones, with assistance from an easy-to-follow instruction booklet. Granted, anyone with investment income, capital gains to report or working on a self-employed or commission basis no doubt would need the help of an accountant. But these people would seek professional help anyway. To those politicians who say the average salaried taxpayer can't complete his own tax return, I say: 'Rubbish!' As Fred Davis says in the Revenue Department ads: 'It's easier than it looks.'

That is the opinion of an independent and respected journalist of the parliamentary press gallery.

Giving me a hard time as the minister is "fair ball". I expected it when I took this job. However, I appeal to the members of the Official Opposition not to hurt the little people, the low and middle income earners, the average citizens. I say to those members through you, Mr. Speaker, restrain your ambitions; do not try to climb to power on the backs of our average citizens by stampeding them into fear of our tax forms, into fear of taking advantage of

benefits and, perhaps, undermining the self-assessment approach on which our income tax system is based.

We should remind ourselves that our Canadian system of self-assessment is by far the most democratic, the most efficient and the most economical means of collecting taxes. If I had enough time at my disposal I could refer to the views of tax authorities in other jurisdictions to the effect that the administration of our system, as it has evolved over the years under several administrations, is a model of fairness and efficiency. As other ministers responsible for my portfolio before me have done, I conceive it as my responsibility to maintain and improve our self-assessment system. If we are to maintain and improve it, we must administer tax legislation fairly, uniformly and impartially as well as with efficiency and courtesy.

Self-assessment is the exercise of a fundamental relationship between the citizens and their government. The declaration of income, the claiming of deductions, the calculation of tax and the use of an accessible and objective appeal process are all acts of civil participation second only in importance, I suggest, to the exercise of the electoral franchise. But, Mr. Speaker, rights involve obligations. The fulfilment of obligations can be inconvenient. I do not derive any pleasure from assembling records and filling out an income tax form. The keeping of records, the calculation of deductions and, generally, the completion of returns are an inconvenience, and I will not disagree if anyone suggests that is an understatement.

For my part, I know that the taxation component of my department makes every effort to minimize the task it imposes on taxpayers through forms and procedural requirements. It is simply common sense that we do that. Apart from our concern for the taxpayer, the difficulties he or she encounters and the errors he or she makes in the return are time consuming and costly for the department. So, Mr. Speaker, it alarms me when certain interests and certain individuals, in pursuit of personal gain or for other selfish reasons, prey on the natural apprehension of taxpayers at a time of change, caring not for the interests of the individual taxpayer nor for the integrity of our self-assessment system. Also, it disturbs me that the Official Opposition would dignify some of these views and claims that are misleading and even false, certainly not motivated by concern for taxpayers at large or the maintenance of our system of taxation.

Mr. Turner (Ottawa-Carleton): They display political cynicism.

Mr. Stanbury: May I quote the words of another respected commentator, Mr. Speaker? Writing in the Calgary *Herald*, Ken Hull said of the current tax form: "smart money would bet that any puppy could lick it to death". He went on to say:

> Anyone who mastered last year's tax form will find it a pushover—assuming he or she hasn't had a 1,400 per cent salary increase; bought or sold half of Saskatchewan; become the major shareholder of Imperial Oil, or sold part of his Rolls Royce fleet.

Because of the many reckless statements about the complexity of the paper work that were voiced by certain persons even before they had actually seen the revised form, we suggested to taxpayers that they should not prejudge the forms and the new guide before they had an opportunity to read them. We tried to acquaint taxpayers with the expanded and improved services available to them in our 28 district taxation offices.

• (1640)

Some have attacked our efforts to inform and encourage citizens in this essential process of democracy, although I might express my appreciation for the fact the right hon. member for Prince Albert (Mr. Diefenbaker) wants our information program extended. The cost of this program is approximately 4.5 cents per capita, but there is accumulating evidence that it is paying off for the taxpayers. Citizens who have been turned off, so to speak, by ill-informed and irresponsible criticism have been reassured and have found that it is no more difficult for most people to cope with the new return than with previous ones. That is all we have claimed, Mr. Speaker. Not that it is not complicated or difficult, as I suppose all tax forms are, but that it is easier than it looks. Joe McClelland wrote in the London *Free Press*, and I quote:

> For the past year we've been assailed from all quarters with dire and gloomy declarations that the umpteen pages of the new tax return are incontestably beyond the capacity of any ordinary mortal to fathom.

Later in his column he concluded:

> —this one is the easiest return I've grappled with in 15 years or more.

Some hon. Members: Hear, hear!

Mr. Stanbury: Why do those independent observers say this? This year we had one tax form for every taxpayer. It is a four-page tax form, not what some of the critics would like it to be. In the envelope also is a guide which gives simple step-by-step instructions for completing the return. Also included are tax tables to assist in calculation and a set of schedules, some of which some taxpayers require in support of their return.

The page size of this year's return is smaller. It is the equivalent of one page shorter than last year's T1 General form and one and one-half pages longer than last year's T1 Short. If those taxpayers who formerly filed on a T1 Short ignore those areas of the form devoted to self-employed earnings, as they are asked to do, their form this year is only slightly longer than last year, the difference being almost entirely due to the addition of unemployment insurance premiums as a deduction, and a more open layout in the identification and tax calculation areas on page one, which makes it easier for taxpayers to complete that page.

There has been so much misrepresentation that I want to go into some detail. The tax tables this year have been expanded to serve those with taxable incomes up to $12,000, the cut-off formerly being $8,000. This expansion greatly reduces the number of taxpayers having to complete the detailed tax calculation schedule, which is even more apparent when one takes into account the increase in taxable income due to larger exemptions.

There are eight schedules other than the detailed tax calculation schedule. Of these, four are virtually identical to those which accompanied last year's T1 General form and will be used by the same people who would have used them last year. Of the remaining four, one is simply a printed schedule for use by those who would have had to

create their own in previous years. Another removes from the tax form a little-used section for additional personal exemption. The remaining two schedules concerning capital dispositions and child care expenses are new. In addition, for residents of Ontario and Manitoba, there are forms on which they may apply for a credit against their municipal property taxes. I sometimes agree with the hon. member for Timiskaming (Mr. Peters) that it might have been easier if we had not served as the mailman for these provincial governments.

Some hon. Members: Hear, hear!

Mr. Stanbury: We estimate that approximately five million taxpayers will not have to use any schedules at all. It is expected that for approximately 80 per cent of the taxpayers, the only major new forms requirement is the small section on unemployment insurance premiums.

Why does everyone receive the same tax form? The spokesman for the Progressive Conservative party said that his party would not have shown this kind of consideration to the Canadian people. We could have decided not to send anybody any schedules, but rather send them scurrying out to the post offices to try to find the ones they need. Taxpayers could have been spared the sight of all that paper, but a substantial number who required one or more schedules would have been put to the inconvenience of applying to a taxation office or a post office for those they needed. Why were the Short and General forms combined this year? The use of two forms presumed a considerable difference in the requirements of the groups receiving each form, and that it was possible to get the right form to the right people.

It was felt that neither of these presumptions were strongly enough indicated to warrant separate forms this year. Equity also entered the picture, since experience in other countries as well as in Canada suggested that abbreviated forms lead to taxpayers overlooking or ignoring possible exemptions and benefits to which they are entitled. We do not want them to miss any of those, Mr. Speaker. It may be of interest to hon. members that before making the decision to use one form we consulted our Tax Advisory Committee which is made up of knowledgeable tax experts from across the country who volunteer their services and meet periodically with my officials to discuss departmental policies and procedures. That committee fully approved the change.

There has been a major effort, quite unjustified, to condemn the forms and guide in a way that might cause some taxpayers to throw up their hands and spend money unnecessarily for professional assistance. I do not have anything against professional help. That is a decision for any taxpayer. However, I must protest the innuendoes that our forms and guides are forcing taxpayers to engage outside help when they were able to cope with the filing requirements the past few years.

Tax reform was the subject of public discussion for almost 10 years. There was a good deal of controversy up to and since the parliamentary passage of Bill C-259 in December 1971. We were well aware that many taxpayers would be apprehensive in approaching their first tax reform return. We understood that and were prepared for it.

However, there have been a number of other circumstances that have exacerbated the normal apprehension. There have been some who did not agree with certain tax reform changes who have been using the tax form as an object of a rearguard action. Of course, they have a right to disagree, but I deplore the fact that they have tried, unsuccessfully, I believe, to undermine our self-assessment system.

While the administration of the Income Tax Act is often construed to mean collecting every cent the law permits, my department is equally concerned with collecting not one cent more than the law requires. We try to protect the taxpayers' interest in this regard in two basic ways: by correcting any errors or omissions we can in the assessment of returns, and by informing the taxpayers of provisions of the law that can work to their advantage.

Hon. members will be interested to know, I am sure, that in routine assessing action on last year's returns, we decreased the tax payable for more than 1,400,000 taxpayers by a total amount of more than $75 million. These decreases were effected unilaterally as a result of painstaking scrutiny and computer calculation in the Department of National Revenue.

In addition to protecting taxpayers from their own errors, considerable effort has been made to inform people of the benefits the law holds for taxpayers, and to help them avoid time consuming errors. As you may be aware, following the passage of tax reform legislation my department issued a series of explanatory pamphlets on various aspects of the new laws. More than 25 million copies of these pamphlets are in the hands of Canadians. Also, a comprehensive series of videotaped training courses were made available to tax practitioners and professionals. Almost 10,000 have taken advantage of these courses since May, 1972.

• (1650)

To handle the complex questions which arose for individuals contemplating transactions under the new tax laws, my department instituted an informal consultation service last year as a complement to the advance ruling service which had been available previously. More than 45,000 queries were handled by this service, 3,000 of which involved situations sufficiently complex as to require clearance through head office on special direct lines installed for that very purpose.

To handle inquiries from taxpayers now completing the tax returns, we have taken several fundamental steps. The first of these was to submit our staff to special training courses to enable them to anticipate and solve quickly and courteously any taxpayer problems brought to their attention. Second, we drastically increased the number of staff and requisite facilities for dealing with taxpayer inquiries. Third, and perhaps most important of all, we have put the expertise of the tax department at the disposal of every Canadian, no matter where he lives, by virtue of the new ZENITH 0-4000 telephone number.

Mr. Turner (Ottawa-Carleton): That's a constructive way to handle it.

Mr. Stanbury: To assist taxpayers who cannot call during normal working hours, we have extended tele-

phone inquiry service Monday and Tuesday evenings until 8 p.m. In all these actions, we have anticipated, and are prepared to handle efficiently, almost a 100 per cent increase in the normal taxpayer inquiries we receive during the filing season.

I have already touched on our information program which includes, besides advertising, various projects involving the print, radio and television media, speeches, tax education materials, special programs for groups such as older people, and so forth. Not all the programs of taxpayer assistance have originated from my department. I am particularly pleased to see the amount and quality of support which is coming from outside groups—newspapers, accountants and other professionals, senior citizens associations, neighbourhood action committees, service clubs and a host of other organizations have pitched in to inform and offer free services to taxpayers during this transitional period. I want to compliment them and congratulate them on behalf of the government. They have demonstrated that there are many people in Canada who do not expect the government to do everything for them. I expect that applies to most people.

Some hon. Members: Hear, hear!

Mr. Stanbury: Such has been the quality of this much-appreciated assistance, along with the efforts of my department, that I feel quite secure in asserting that never before has a legislative act of this House been the subject of such massive public study and public information.

All these efforts have been appreciated. I know, because I have heard from a large number of people to that effect.

Some hon. Members: Hear, hear!

Mr. Stanbury: Mr. Speaker, if taxpayers are as confused and so harassed, as the opposition claims today, one would expect a substantial increase in taxpayer errors in the filing of returns. While we have only just passed the deadline for employers to distribute T4 slips to their employees, and though the bulk of returns will be filed in future weeks, I can report to the House that errors in early returns up to last week were approximately 3 per cent less than at the comparable time last year.

Some hon. Members: Hear, hear!

Mr. Stanbury: I can also tell the House that a check of our district offices last week indicated that the vast majority of questions by taxpayers were in no way related to the alleged complexity of the form. Some 90 per cent of the telephone calls in one Ontario city for five days last week concerned the province's property tax credit, and nearly 50 per cent of the calls in all our Ontario and Manitoba offices during that period were inquiries about the property tax credit programs of the provinces.

Some hon. Members: Hear, hear!

Mr. Stanbury: During last weekend, when I heard of the intention of the opposition to move this motion, I just happened to read the lead editorial in the current issue of the *Financial Post,* the "bible" so often quoted by the opposition.

Mr. Bell: What?

[Mr. Stanbury.]

Mr. Stanbury: I do not have time to quote it all, but I should at least quote the first paragraph because it is extremely relevant to the motion before us. It reads:

> Much emotional and irresponsible rhetoric has poured forth about the new income tax return. The fact is, the return is not all that complicated and the Department of National Revenue may be right that it's going to be easier than you think.

The newspaper went on to quote a prominent Toronto accountant as saying:

> The form is not complicated. Furthermore, the guide which accompanies it is a masterpiece. It's the best guide I've seen anywhere.

Some hon. Members: Hear, hear!

Mr. Stanbury: I do not want to go on at great length. I do, however, want to tell hon. members that this year, as in past years, I am sure, the prime aim of the Minister of National Revenue and his department is not simply to collect the revenues which are necessary to carry out the program of the government—or which would be necessary to carry out the program of any government under a democratic system. Our first and foremost aim is to see that the people of Canada are well served by their income tax system; that every taxpayer makes the most of tax reform and the benefits arising from Liberal budgets in the past few years. We want the people of Canada to take every advantage to which they are entitled under the law. Citizens of Canada can depend on us to see that the law is administered in the most sensitive way and that some 7,700,000 Canadians who will be entitled to refunds this year get them as rapidly as this House permits by the passage of legislation.

Mr. Beattie (Hamilton Mountain): I was wondering whether the minister would allow me to ask a question and, if so, whether he could give me an answer. I have asked him a couple of questions during the question period and he has been unable or unwilling to answer.

Some hon. Members: Order!

Mr. Beattie (Hamilton Mountain): When he did not answer one of my questions he did send me a letter—

Mr. Cafik: Ask your question.

Mr. Beattie (Hamilton Mountain): —asking me whether I had any further ideas on his crystal clear income tax guide and whether I would submit them to him.

Some hon. Members: Order!

Mr. Beattie (Hamilton Mountain): I am wondering whether it is the policy of the government to ask us for our ideas.

Mr. Stanbury: I am very glad the hon. member asked about this. There was another member who the other day, asked a question in a rather sarcastic way. He wanted to know why I should be asking hon. members in the opposition for suggestions. I think this reaction demonstrates better than anything how a Conservative government would operate. They are so arrogant they do not care anything about anyone else's ideas.

Some hon. Members: Hear, hear!

Mr. Stanbury: I have heard a great deal in this House over the last few months about how perfidious this form is, but I have not received one constructive suggestion from hon. members opposite. And I do not expect to get one.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I wonder whether, before he sits down, the minister would comment on the assertion in the motion before us today, an assertion which has been repeated by at least one speaker, that the 1972 income tax forms which Canadians are now filling in are illegal. I believe there were references to the fact that there were certain points on which the income tax form differed from the Income Tax Act, and that we would not want people to fill out the form feeling that there was going to be a comeback because the law does not yet conform with the income tax form. I believe there is something about the authority that the minister has to prescribe such forms, but would he comment on the matter so that the confusion on this point will be cleared up?

• (1700)

Mr. Stanbury: Yes, Mr. Speaker. The tax forms are prescribed by the minister under section 150(1) and section 248(1) of the Income Tax Act. There is no question of their legality.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Does that mean, for example, that where the form says that persons over 65 can deduct $1,000 rather than the $650 provided by the act, that is perfectly legal?

Mr. Deputy Speaker: Order. I really do not think it is in order for an hon. member to ask for what seems to me to be a legal opinion of the ministry. Is the hon. member rising on a question of privilege?

Mr. Stevens: Yes, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The hon. member for Winnipeg North Centre on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if it is not proper for the minister to comment on legal questions, is it proper for us to be debating a motion which indicates there is something before us that is illegal?

Mr. Deputy Speaker: I was hoping that the minister would seize the nettle himself. Perhaps he could be permitted to reply, since there are several million Canadians no doubt waiting upon his answer.

Mr. Stanbury: I had better not attempt a legal opinion for the hon. member, Mr. Speaker, but may I say that persons are being asked to fill out forms that are authorized by law. There are certain aspects of the budget of last May that the Minister of Finance has indicated he would like the House to deal with at an early date. There is no difficulty about having people complete forms according to the form prescribed by the Minister of National Revenue, and they are proceeding to do this. I suppose about one million Canadians have already submitted their returns, and many of these have received a refund. Those who would qualify for a higher refund or a refund resulting from the budget measures of May 8 will, I hope, not have much longer to wait than the others.

Mr. Deputy Speaker: Is the hon. member rising on a question of privilege?

Mr. Stevens: That is right, Mr. Speaker. The Minister of National Revenue has indicated that he had not had one single thought or idea to help him from the members on this side.

Mr. Deputy Speaker: Order. I think that is a matter for debate, not a question of privilege.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Peel South (Mr. Blenkarn)—Airports—Intention respecting extension of runways at Malton; the hon. member for Sault Ste. Marie (Mr. Symes)—Youth—Opportunities for Youth program—Request for statement on grant distribution among income classes—Consultation on weekly pay rate with provinces; the hon. member for Richmond (Mr. Beaudoin)—Agriculture—Feed grains—Measures to curb price increase.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—INCOME TAX—SUGGESTED EXTENSION OF TIME FOR FILING FORMS AND LEGALIZATION OF 1972 STRUCTURE AND FORMS

The House resumed consideration of the motion of Mr. Stevens that:

This House, noting that the Government's income tax return forms are both confusing and illegal, calls upon the Government to give financial aid and an extension of time to harassed taxpayers, to expedite payment of tax refunds to more than six million taxpayers, and to take immediate steps to legalize both the 1972 tax structure and the forms.

Mr. Don Blenkarn (Peel South): Mr. Speaker, I was most interested in the opening remarks of the minister concerning the hon. member for York-Simcoe (Mr. Stevens) and what he described as sheep. We are more concerned about

the fleecing of the people of Canada by the minister than we are about sheep. Apparently the minister is full of wool, or has that in mind. We are not just playing with forms in this debate but talking about equity. We are talking about the people of Canada receiving equity in taxation, the equity that the so-called tax reform legislation was supposed to give them. Now, with this conglomeration of blue, white and in some cases mauve pieces of paper, the taxpayers are not being given equity but a monstrous headache. This headache, together with the accounting cost Canadians have to bear and the problems confronting Canadian business, wipe out any attempt the act makes to treat Canadians equitably, and indeed creates more problems than the equity the act is supposed to give.

Before I reach the main remarks I have to make, let me tell the minister that a great many constituents have telephoned me and talked about the problems they have had with the act and the forms they are required by the minister to complete. Finally, in desperation I have said many times to these people: "Well, if you cannot make it out, do not worry about it. Sign your name to it, put the stuff in an envelope and address it to the minister at the House of Commons—no postage required—because the minister tells me it is pretty simple. So let him look after it".

I am going to address my remarks today to the problems experienced by small businesses with regard to the Income Tax Act and the ancillary forms that must be completed in order to do business in this country in accordance with the act. Small business is pretty important to this country. In the yellow pages of my telephone book, which covers Port Credit, Clarkson and Mississauga, there are pages and pages filled with the addresses of small businesses. Ninety per cent of the ads in these yellow pages are placed by small businesses. Small business represents a tremendous portion of the business activity of the nation.

When the act was first introduced, Mr. Benson introduced what he claimed was the greatest tax system that the world had ever seen. When he announced the tax changes applying to small business, he prefaced them with the following remarks:

> This government supports the view that entrepreneurial initiative should be encouraged through the tax system. The Canadian economy depends upon the creative business activity of small, growing businesses.

Well, Mr. Speaker, what have we got? We had a system that was relatively simple: small businesses with earnings under $35,000 paid 20 per cent or 21 per cent corporate tax. We now have a system that is all enmeshed in corporate tax forms, and where at the lower level you pay 25 per cent corporate tax up to the first $50,000 of earnings, providing the cumulative effect of the $50,000 earnings does not exceed $400,000. That is simply to encourage entrepreneurial talent and make you run a small business.

At one time intercorporate dividends were non-taxable. In other words, a dividend paid by a syndicate or by a businessman to the prime company did not carry tax. Under the present system, if this businessman totally controls the subsidiary business, the dividend does not bear tax; but if he does not control it or has a minority interest in the business, say 49 per cent, that is just tough: the act forces him to take the dividend into the prime company, and it is then passed on either to himself as a shareholder in the prime company or to his family. The complications are totally unreal because companies do have year ends and the dividends must be passed on before the next year end. This is the kind of thing this minister authorizes and this is the kind of problem the businessman faces.

• (1710)

Then, of course, we have the problem of surpluses. We have pre-1972 surpluses, post-1972 surpluses and capital surpluses, and the poor guy in the small business has to figure out when he takes a remittance from his company in the form of a dividend whether he is taking it out of pre-1972 earnings, which he can take out on a flat 15 per cent tax rate, whether it is a regular dividend, or how he can get it out as capital surplus which is not even subject to tax at all. These are the problems to which we must address ourselves.

These are not the only problems. A small businessman is forced to look after a tremendous amount of bookkeeping for this government. These T4 forms are marvelous forms for the average wage earner, but they have to be filled out by every employer. Of course, there are multi-carbons; carbon after carbon. They have to go through the Canada Pension Plan and make sure they have deducted, filed and filled in correctly the Canada Pension Plan deductions for their employees. Then, go on in the income tax form to the unemployment insurance portion for their employees, the hospital insurance and other deductions. This does not just involve T4's; it involves T5's, T4A's, T2's and others. These multi-carbon forms have to be filed with the minister, the recipient of income tax, or whoever, before February 28 under penalty, and these forms go on ad nauseam. It is no wonder that businessman after businessman has said to me: Look, if I had to get into it again I would not bother. There is no question about it, businessman after businessman has said this to me and other members, and I bet to the minister himself. They have said they work one-third, one-quarter or half their time looking after the problems of the Minister of National Revenue for free.

Mr. Benson said they were encouraging entrepreneurial talents and initiative through the tax system, but what encouragement is there? Let me talk about the great lie, that situation where we have dividend income and the grossing-up theory. To start off, we have the kind of dividend from the limited company to the individual, and that is all right. However, at the end of the year the corporation which paid the dividend has to produce a T5 slip. On that slip they do not declare what was paid to the individual but one-third more than was paid. Immediately the office is besieged with telephone calls from the shareholders wanting to know what the corporation is trying to do to them. They say they did not receive the money but have received T5 slips indicating a higher dividend. This is the kind of tax problem and form problem this minister has authorized.

The minister said he wanted suggestions. I hope he will sit down, put on his earphone and listen to some suggestions.

Mr. Stanbury: I don't need an earphone; I can hear you.

Mr. Blenkarn: As long as you do not need an earphone I will give you more suggestions as I go along, but I want to confine this suggestion to business problems.

Mr. Stanbury: That is, unless you are going to break into French.

Mr. Blenkarn: Let me return to this whole question of dividends. Under the old system you declared to the recipient the dividend he in fact got. He entered it and took a 20 per cent tax credit. Now, when we have this idea of equity, we gross up and then we take a dividend tax credit. The result to the recipient of the dividend may be that the dividend is tax free in the sense that under the system he gets up to 22 per cent or 23 per cent tax credit, or he may get 17 per cent. The difference is not very much, but most recipients of dividends do not receive that much, yet this whole grossing up and grossing down system is so confusing that the present system is not equity at all. This system authorized by the minister does not represent equity at all, but rather confusion, complexity and ridiculous expense.

Let us now turn to the question of the 25 per cent tax on small business corporations. It used to be about 21 per cent under the old act. The concept of this particular dividend credit system was that a dividend coming from a small business would not be doubly taxed. The effect of the system is to increase that tax to nearly 10 per cent over and above the corporate tax when dividends are taken into account. The complications are even greater when it comes to the situation where a small business, a small company or a proprietor is involved with two or three syndicates or businesses in which he has an interest.

I spoke earlier about passing dividends from one company to another. Small businessmen in particular are forced, because of the nature of the small amount of capital, to go into syndicates or partnerships with other businessmen. Part of the problem created in the act was solved, the Minister of Finance suggested, by his budget. He said that the provisions involving the use of surplus for investment would be allowed, but the minister has not solved this problem of passing on dividends from one company to another. What we must have from the minister is an amendment to the act to allow these changes.

I want now to refer to questions of capital gains as these apply to business in respect of real property, particularly manufacturing, office-oriented or store businesses. Large businesses are usually able to expand because they have the ability to go to the capital market and can work out something in respect of the sale or disposition of property, or the re-use of property for another feature of their activity. The small businessman is not in that fortunate position. If he expands and has to sell his office building, his store or his small factory, he must have the total proceeds of that sale in order to buy his next business, finance his next activity or to complete his expansion. Unfortunately, here the capital gains tax legislation comes into effect because the moment he sells his existing plant and uses the money from that sale to buy another plant he is required to pay a capital gains tax on the first sale.

• (1720)

The problem was apparent in respect of houses of ordinary individuals when the bill was passed and that was taken into account. However, in respect of small businesses the problem remains. The act must be changed so that small business will be allowed to expand by selling one property and using the proceeds to immediately purchase another property without a capital gains tax being imposed on the purchase. No one has a capital gain if he must replace the capital asset instantly for the expansion or continuation of his purposes. No capital gain is made until death do us part. In this respect, small business is seriously penalized in this act and in this form where it is forced to declare the asset, the holdings, the sale of that asset and the tax payable on that asset. The effect on the small business is that its expansion activities are seriously limited.

One of the main problems in connection with this act is the additional accounting costs. My activities prior to coming here were in advising small business firms concerning their taxes and corporate and business problems. I can say that from my personal experience since this act was passed almost every small businessman has faced nearly a 100 per cent increase in his accounting costs. The matter was brought to the attention of small businessmen by A. J. Little, President of the Canadian Institute of Chartered Accountants when he spoke last December in Dartmouth. He said that it would take about two or three times longer for the small businessman to prepare his 1972 income tax return. He said the tax return for small businesses would be vastly more complicated than for the large corporation. He also stated:

"In this respect, we have an upside-down system where the burden of compliance will fall more heavily on individuals and corporations with lower incomes and lower capacity to pay."

I wish now to speak for a moment about a matter which does not appear in the forms except in the corporate sense. This is in connection with the write-off or the depletion or depreciation allowances to be granted to manufacturing companies for equipment bought during 1972, and the confusion that these fast write-off provisions are causing small business. A great number of small businessmen get up in the morning and go out to sell. In the afternoon they are supervising their plant. Many of their employees are both salesmen and machine operators. Some of their employees may be involved in manufacturing today and assembling tomorrow. Many of them are involved in shipping part-time or in delivering something another part of the time. A great deal of their activities involve manufacturing one or two components and importing or buying two or three other components and putting them together. When we come to a separate rate of corporate tax for manufacturing companies, these small corporations who operate in this fashion receive little if any benefit. Indeed, the whole system becomes a tax jungle and an accounting nightmare.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Ross Whicher (Bruce): Mr. Speaker, one really appreciates how concerned the members of the Conserva-

tive party are in respect of the motion presented this afternoon when one sees the attendance in the House. One might think that this motion was put forward today so that the big guns of the party could hold a little caucus this afternoon to see what kind of a serious motion they might come up with tomorrow in order to attempt to seize that power they desire so greatly.

I listened very attentively to what the last speaker had to say. I appreciate his seriousness. The only problem is that it is too bad he was not here in the 28th parliament because that was the time his speech should have been given. For a long time this afternoon he spoke about the illegality of the new tax form, the fact that the grossing up of dividends, for example, is illegal and that it is very difficult for the person making out the form to do so. I should like to tell him in all seriousness this afternoon that perhaps he was right in his speech, but in the last parliament there was not one single Conservative member who spoke about the grossing up of dividends. Therefore, in his speech this afternoon the hon. member really is not merely condemning the government, which it is his duty to do in a constructive manner, but is condemning his own party which did not once, either in the Senate or in the House of Commons, condemn the grossing up of dividends.

Mr. Blenkarn: I believe you passed this act with closure, did you not?

Mr. Whicher: I will tell you about that. When the bill finally passed parliament in 1972 there had been a total of 50 sitting days or about one third the normal time of the session provided for all the legislative steps in respect of this particular bill, so if my friend suggests there was an act of closure I suggest to him he does not know what he is talking about. That is the only really weak remark I have heard him make this afternoon.

I had the privilege to be a member of the opposition in the Ontario legislature for many years. I realize how difficult it is to be a member of an opposition party. I know that sometimes the bottom of the barrel is scraped in order to find criticisms in respect of government policy. This afternoon, however, I really think the great Progressive Conservative party made a very serious error in introducing this matter, because up until now members of that party had the whole country terrified about these tax forms. This afternoon we have found they are really not that bad and that the new tax forms contain some redeeming qualities which are acceptable to my friends in the opposition party.

Perhaps I might read from a little pamphlet which, many years ago, was written by a member of this House. Indeed it was written so long ago that perhaps he has forgotten about it. It is entitled "The Role of the Opposition." I remember being handed the pamphlet when I was in Toronto. It says that the opposition of course has a duty to oppose, but it is a duty to oppose constructively, to bring in sound advice for the government. Whether the government accepts that advice is another matter. Probably it will not accept advice from the opposition, but at least the opposition would have done its duty by bringing to the attention of parliament, the government and the people of Canada what it thinks should be done under certain circumstances.

• (1730)

The income tax forms had to be changed because new tax law was passed by parliament last session. I might remind hon. members that that was not done on the spur of the moment. There are many people in Canada who say tax reform should have taken place years ago, instead of ten years being spent discussing change. Even after the government issued its tax reform paper there was further extensive study for two years. During that time every Canadian had an opportunity to make a contribution to tax reform. Indeed, my hon. friends in the Conservative party who were members of the House of Commons finance committee participated in its deliberations every day and gave their criticism, most of it constructive I thought. To say that they did not have sufficient time and that closure took place is absolutely farcical. Never in our history has more time been devoted, inside or outside parliament, to any legislative matter.

In 1970 the Department of National Revenue taxation branch established its own tax reform task force to engage in basic research so that it would be prepared, as well as possible, to administer the new law. The work of this task force involved development of new systems, technique and procedures, retraining of staff and the creation of a program of assistance to taxpayers. All possible steps were taken to achieve as smooth a transition as possible from the old to the new taxation system. There was neither undue haste in constructing the law nor in its administration. In any jurisdiction where there are such comprehensive changes in the tax law, two or three years are required to iron out all wrinkles, to build up sufficient jurisprudence, etc. There is every indication that the advance planning of the department is resulting in an orderly transition to the new system.

For days, Mr. Speaker, we heard questions put by the hon. member who initiated this debate, complaining that the new tax form is complicated. Quite frankly, just from listening to the Official Opposition, I thought the new tax form was a terrible thing until I studied it over the weekend. The fact is that there are many responsible people in Canada who say it is a very fine form. One can give quotation after quotation from responsible financial people, from television and radio stations and from newspaper people, all to this effect. I give one example. In an editorial on this subject in the *Financial Post* of March 3, the following appeared:

> Speaking at *Financial Post's* tax strategy conference for the owner/manager, Lyman MacInnis, a Toronto partner of McDonald, Currie and Co. said:
>
> "The form is not complicated. Furthermore the guide that accompanies it is a masterpiece. It's the best guide I've seen anywhere."

I note, Mr. Speaker, that the hon. member who moved the motion initiating this debate has left the chamber. This demonstrates his interest in the debate. I say to him and to my hon. friends in the Conservative party that surely they should be able to bring forward a more serious motion, rather than trying to get the people of Canada all worked up and worried about the new tax form. This shows lack of responsibility on their part. They are trying

to instil in the people of Canada a lack of confidence in their ability to make out their own tax forms.

The 1972 tax guide consists basically of two parts. The first part is in the colour of the Progressive Conservative party, blue. Maybe that is a mistake. It is the only thing the Conservatives have not criticized. That part is a step by step instruction in completing the form.

Mr. Fairweather: It is like the speech they prepared for you.

Mr. Whicher: My hon. friend, I don't have to have my speeches prepared. If I have any talent at all, it is that I can talk for the next ten or 15 minutes without any notes; but I prefer to be accurate. And I suggest to my hon. friend that when he makes his speech on this topic he should be more accurate than some hon. members on that side of the House.

This blue part is the only section that most taxpayers have to use. The second part contains more detailed information. There has been criticism that too often the guide does not explain fully but refers the taxpayer to his nearest district office. That is done only when a full explanation would require knowledge of the taxpayer's personal situation or when it would be lengthy and complex and of interest to comparatively few people.

I have used these tax offices myself on numerous occasions over the years and I urge people to take advantage of them. The officials are there to help the ordinary taxpayers of Canada. I have had nothing but the greatest courtesy from them; they will bend over backwards to help. The hon. member who moved the motion said that the number of people in the Toronto office had been increased only by 30 to 60. He suggested this meant that one official would have to look after 25,000 inquiries. He should know perfectly well that he was grossly exaggerating beyond even parliamentary bounds. Not all taxpayers go to tax offices. The 60 people in Toronto and the officials in Ottawa, Hamilton and elsewhere do help the taxpayers.

The 1972 guide is new both in design and in substance. Any information required by the majority of taxpayers is in it. The Department of National Revenue taxation branch has been commended by tax authorities in other countries, as well as in Canada, for the simplicity of the guide and its easy to follow instructions. You do not have to take my word for this, Mr. Speaker; just read the newspapers and the editorials. People are beginning to catch on to the fact that even though the form is new, and even though they do not like paying taxes, the Department of National Revenue has done a remarkable job in its first year of dealing with the new form.

When some critics talk about the complexity of the 1972 tax return they are seldom specific about what they mean. Presumably they refer to the guide as well as to the form. I doubt they can offer any evidence that the guide is anything but the best one we have ever had. Most taxpayers will experience no more difficulty in completing the form than they have in recent years.

It would be very nice if the tax form could be as simple as A, B, C. An across the board percentage of all income for tax purposes would require only a few simple forms, but such a system would be inequitable. Forms are a reflection of the law and of the efforts of the lawmakers to provide an equitable system of taxation. Let us be fair, Mr. Speaker; the tax form is not as complex as many of the critics make it out to be.

This afternoon the mover of the motion gave six reasons why he was introducing his motion. First he said the form was confusing and he gave his opinion on that. This afternoon the minister quoted from speeches and editorials of various people across Canada to show that it is not confusing. It may be confusing in the mind of the hon. member and he is attempting to spread that confusion, for political purposes, all across the country. That is not fair to the people of Canada. Secondly, Mr. Speaker, he said that the grossing up of dividends was illegal and if people had to sign the bottom of these forms it would make them crooks. This suggestion came from the other side of the House even before today.

• (1740)

As I said, Mr. Speaker, not one Progressive Conservative spoke in the last parliament against the grossing up of dividends. Let us suppose for a moment that there might be some substance to the suggestion that the grossing up of dividends is illegal and that the taxpayer did not get the amount that he put down as gross income. Surely it would be equally unbiased to suggest that a person should put in only his net pay instead of his gross pay; in other words, only his take-home pay. Some things have been taken off, such as Canada Pension Plan contributions, income tax deductions, unemployment insurance and hospitalization. In the instance we are discussing, something was taken off as well—the dividend. If the company concerned had not paid corporation taxes there would obviously have been a bigger dividend. For this reason I suggest that if it is right and honest to put down the gross pay, it is also right and honest to put down what the gross dividends would have been had the company concerned not been paying taxes.

There are other provisions in the tax form which my hon. friend suggests are illegal. Three provisions which are reflected in the 1972 tax return but which have not been passed by parliament are the increase from $650 to $1,000 in the old age exemption, the increase from $650 to $1,000 in the disability exemption which is still in existence, and the introduction of the education deduction of $50 a month for full-time attendance at qualifying post-secondary institutions.

Ordinarily, and this was done by the Department of National Revenue, the tax department immediately begins to prepare for tax changes announced in budgets pending parliamentary enactment of legislation; otherwise there would be lengthy delays in their implementation. Enabling legislation is ordinarily passed relatively soon after the budget. In this instance, the government introduced legislation, Bill C-222, to implement the budget provisions but a general election intervened before full consideration and passage of the bill and it died on the order paper in 1972. The Minister of Finance has clearly indicated that he will introduce legislation as soon as possible in the current session to achieve the same purpose as Bill C-222.

Because of time required for design and printing of tax forms, the department was faced with the decision last autumn to include or exclude the aforementioned three items. The decision was taken to include them. Not to include them would have meant that when and if they become law many taxpayers would be forced to file a second return for reassessment. Returns now being filed which are claiming under any of the three provisions are processed to the stage immediately prior to assessment; then they are set aside pending passage of the legislation. When parliament passes the legislation, completion of the assessment can be done quickly and refunds, where they apply, will be mailed with a minimum of delay. Relatively few such returns have been identified so far. Few, if any, taxpayers will suffer any inconvenience if the House deals in the relatively early future with the enabling legislation.

Mr. Speaker, it was with some regret that I saw this motion put before us this afternoon. I must say that I regard it as a strictly political motion. It has done nothing but cause some consternation in the minds of the public. It has not always been my practice to congratulate ministers, but in this instance I think the minister has done an outstanding job.

Some hon. Members: Hear, hear!

Mr. Whicher: Let us not forget that this is a new form.

An hon. Member: It is a real mess, isn't it?

Mr. Whicher: It is not a real mess at all. I could take the next five minutes to quote endorsements by responsible financial people in Canada who say that this is the best form we have ever had—and not only in Canada but it is the best guide in the whole world.

Some hon. Members: Hear, hear!

Mr. Whicher: I say, Mr. Speaker, that the once great Progressive Conservative party is doing nothing but causing some consternation in the ordinary taxpayer's mind in bringing such a motion before us this afternoon. I would remind my hon. friend who introduced the motion, but unfortunately he is not here, that there is nothing in the rules of parliament that would prevent his withdrawing it. Surely that would be the sensible thing to do.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, of course, if there had not been the resolution we would not have been treated to the speech by the hon. member for Bruce (Mr. Whicher). I am glad he likes the blue forms. If they are so simple, I wonder why the government has seen fit to spend such an inordinate amount of money on the Fred Davis advertisements. One of my constituents was so upset by the "world's best income tax forms" that she bundled them all up and sent them to Fred Davis because she was sure he would fix them up for her. I am informed that Fred Davis himself gave up attempts to deal with his income tax returns and sent the forms to his accountant.

I want to take the few minutes that are allocated to me, Mr. Speaker, to discuss one aspect of income tax, that is, the right of our citizens to privacy. I think perhaps this aspect has been overlooked by all but a couple of editorialists. I do not purport to have a series of endorsations of my position that will take up the rest of my time, but I do seriously think that matters of privacy and mutual trust are questions that this parliament should be concerned about.

The whole structure of income tax collection in Canada has been based on mutual trust. The Department of National Revenue relies on the taxpayer to make an honest statement of his income, and the taxpayer relies on the department to keep secret the information about his affairs except in tax evasion proceedings. To the question, "Will the tax man tell?" the answer seems to be that he will, depending on who asks and for what purpose. There is a frighteningly long list of officials, authorized persons and others who have some claim to the production of income tax data. I think this is an area that should be of general concern to parliament and to the taxpayers of this country.

Some hon. Members: Hear, hear!

Mr. Fairweather: Although officials or authorized persons may not intentionally communicate income tax information to anybody except those persons specified by law in prescribed circumstances, the list of persons to whom communication of some kind is permitted turns out to be fairly long. For instance, there are "other officials and authorized persons", there are "provincial governments", there are "persons otherwise legally entitled", which I suggest might include the chief statistician of Canada, certain foreign governments, the trustee in bankruptcy, the liquidator, the courts in certain circumstances, royal commissions investigating tax matters, the attorney general, the taxpayer who provided the information in the first place and his legal agent or representative.

An official or authorized person can be compelled to reveal income tax information in criminal proceedings under any federal law, not only in tax fraud cases. I think this is a matter of some surprise to people. We usually think of income tax forms as being sacrosanct. The law uses the expression "may", but I suggest that anybody who can show that he is entitled to income tax information under the loose wording of the act can probably compel disclosure.

• (1750)

The definition of "official" is particularly broad. The Income Tax Act provides that an official is any person employed in, or occupying a position of responsibility in the service of Her Majesty, or any person formerly so employed or formerly occupying a position therein. That definition seems to include all ministers, deputy ministers and senior civil servants and does not even exclude former ministers or former civil servants.

An official in the course of his duties investigating the affairs of a taxpayer would not be contravening section 241(1), the basic secrecy section, if he communicated information to a former high civil servant currently in the business world. It may be that I am drawing a wide bow here; I am doing this to emphasize the dangers. According to the present act, it is possible for a former official to be in possession of information regarding a taxpayer under investigation.

When an income tax return is produced in open court, there is nothing in the act to prevent the judge quoting from the form in full, not only facts about income but all the details of dependents, medical expenses and charitable donations. There is nothing to prevent the party to the legal dispute who has obtained the income tax return from communicating its contents in full to anybody he chooses. There is not even anything to prevent persons who happen to wander into the courtroom that day from finding out every detail contained in the tax return and communicating that information to others; yet the person whose income tax return is so disclosed might very well be acquitted.

Canadians, I think, have been led to believe that their income tax returns are as secret as their census returns or their ballots. Yet I suggest very seriously that recent events cast doubt on this assumption. A recent case has shaken that sssumption and revealed that legal protection for the confidentiality of tax returns is far from complete.

Richard Green, LL.M., of Queen's University, who now is a research associate at the Canadian Tax Foundation in Toronto, published a study in the January issue of the Canadian Tax Journal in which he concludes that the present legal position of income tax returns is "illogical and can lead to injustice." Mr. Green points specifically to the wording of the Income Tax Act which according to him shows a bias in favour of the taxpayer's privacy, but once legal proceedings begin, the returns and the documents from which they are compiled can be introduced in evidence. The balance swings from the privacy of the individual to the administration of justice. Mr. Green's summary of the present legal position regarding income tax confidentiality indicates that the effect of wording which sounds as if it is providing broad protection of privacy is considerably whittled away by the exceptions contained in section 241(8) (9) and (10) and by court proceedings.

As it is nearly six o'clock, I should like to make one or two suggestions. One of them would interest the hon. member for Bruce, that hon. member who is so upset about attendance but who has left the chamber. The first suggestion comes from Mr. I. H. Asper, a Winnipeg lawyer and leader of the Manitoba Liberal party. Understandably, he finds the form not to his liking. Mr. Asper feels that the commitment of the government to protect the secrecy of taxpayers should be maintained. He wants to make sure that that principle will not be breached. Mr. Asper feels that an assurance to this effect ought to be repeated. I am sure he hopes that the assurance will come from the Minister of National Revenue (Mr. Stanbury).

The former minister of national revenue has said only that the policy of the Department of National Revenue is to do only what is permitted under section 241 of the Income Tax Act. Regrettably, that section in its wording is almost as vague as the minister was, enough so to make one wonder if Canada's entire system of income tax is indeed in peril. If Canada's system of self-reporting income tax is to be regarded as a mutual trust, it should be publicly declared as such by the government.

Second, I do not think there is room for a nebulous category of persons "otherwise legally entitled". The taxpayer should know precisely who has access to his income tax return and in what situations. Third, only the relevant part of an income tax return, if produced in court, should become part of the public record. One of the reasons for the present legal situation is the breakdown of Crown privilege in relation to income tax returns as a class of documents. If I may interpolate, the doctrine of Crown privilege is a legal doctrine which gives a minister of the Crown the right to withhold documents on the ground that their publication would be contrary to the public interest. The courts have generally refused to accept the idea that all income tax returns are in a class of documents of this kind. Judges have asserted their right to examine the individual tax returns involved to see whether the revenue minister is right in claiming that the public interest would be damaged by their publication.

Lastly, the assistant deputy attorney general said that the justice department is entitled to use information given to the income tax department in cases in which the good of public administration and the administration of justice are concerned. I suggest, with respect, that as matters stand, the information provided on our income tax forms could wind up being widely discussed. I conclude by reading an excerpt from an editorial that appeared in the *Financial Times* on January 15 of this year. It reads in part:

> What is needed is a simple prohibition preventing the use of income tax information for anything but the collection of the tax itself and the prosecution of the taxpayer for having falsified his return.

I suggest that what the public expects is a statement to the effect that that is the law. I would be obliged if, during the course of this debate, someone speaking on behalf of the Minister of National Revenue would clarify the record and make that assertion in parliament.

An hon. Member: Six o'clock.

The Acting Speaker (Mr. Laniel): Order, please. It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I wish to say a few words on the motion before the House to try to explain as simply as I can the method of determining the amount of deduction from tax in respect of dividends, referred to as the dividend tax credit. This method for 1972 requires that an individual include in income an amount that is in addition to the amount of dividends he actually receives, but it should be noted that the individual may then deduct from his federal tax, not from his income, an amount equal to 20 per cent of the total amount he has added to his income on account of the dividends. Thus, the fact that an amount in addition to the dividend must be included in income increases the amount that may be deducted from an individual's tax.

Income Tax

The effect of the dividend tax credit is to substantially lower the amount of tax payable on a dividend. For example, if an individual had $7,000 of taxable income before counting his dividend, and he received a dividend of $300, the federal tax on the dividend, if there were no dividend tax credit, would be 25 per cent of $300 which is $75. Under the tax credit arrangement in effect for 1972 he would include $400 in income on account of the dividend. The tax on this would be 25 per cent, which is $100, but his dividend tax credit deductible from tax would be 20 per cent of $400, which is $80, and this would wipe out a large part of the tax payable in respect of his dividend.

Some taxpayers express concern that the additional amount that must be included in income in respect of a dividend will place them in a higher tax bracket. This is a misunderstanding. A progressive income tax system, such as that in Canada, uses a graduated rate schedule which imposes an increased rate of tax upon each additional bracket of income. As a result of this system, the additional amount included in income in respect of a dividend may, in some cases, fall into a higher bracket and be subject to a higher marginal or top rate than the dollars received before including this income, but additional income does not affect the rate of tax on all the income of a taxpayer. To illustrate, if a taxpayer had exactly $2,000 of taxable income, which means income after all exemptions and deductions, the rate schedule for 1972 would impose a federal tax of $365 on that amount. This is about 18 per cent of $2,000. Each additional dollar of income over the $2,000, up to $3,000, would be taxed at 20 per cent. This is a higher rate than the tax on the first $2,000, but these additional dollars of taxable income would not affect the amount of tax on the $2,000. As explained before, the additional amount added to income in respect of the dividend increases the amount of the dividend tax credit which is a deduction from tax.

Most Canadians agree that it is desirable that Canadians be encouraged to invest in shares of Canadian companies. This is one of the main reasons why the tax law provides a credit against tax in respect of dividends from Canadian corporations. The change in the method of computing this credit introduced for 1972 made the credit more valuable to those with low incomes than to those with high incomes.

Some taxpayers have asked why a change was made from the previous method of computing the dividend tax credit and why it should be necessary to increase the actual dividend by one-third to arrive at the figure shown in box B on the T-5 slips, called "Taxable amount". This procedure, sometimes called grossing up, has two effects. First, by increasing the amount of the dividend, thereby increasing the shareholder's income and the size of his credit, the situation that would have existed had not the corporate profits been taxed in the hands of the corporations is more closely approximated. Second, the grossing-up of the dividend is equivalent to providing a larger credit and making the amount of the credit taxable. As a result, the dividend tax credit tends to be more beneficial to the lower income taxpayers than to those with higher incomes.

[Mr. Comtois.]

This may be a brief explanation, Mr. Speaker, but it shows that this method of calculating the credit is fair and, I think, practical in this situation.

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, it is indeed a pleasure to rise in this House to discuss such a troublesome matter to the people of Canada as the new tax forms with which a great many Canadians will have to cope this year. They are confusing. No amount of public relations or speech-making in this House will resolve that confusion. I can sympathize with the people who prepared the forms, the schedules and the brochure because obviously one of the basic reasons the form is confusing is that the law which was established in this House is indeed complicated. It makes it very difficult to prepare a form which is easy to follow when the law is obtuse and pretty well concealed from even the bulk of the tax authorities in this country.

The form is mammoth compared with last year's form. This was demonstrated by one of my friends on this side of the House in the photograph referred to earlier by the minister. The guide, perhaps somewhat more psychedelic than it was before, does not have the appearance of any confusion. In fact, it appears quite orderly on the surface. Indeed, some aspects of it are very easy to understand. I wish to read into the record one or two excerpts which I think are meritorious on the part of the people who drafted the guide. One of the most striking is the first paragraph in this booklet:

> Stripped of all its mystery, a tax form is simply a piece of paper on which you do four basic things:
>
> (1) identify yourself.
>
> (2) lsit your income.
>
> (3) reduce your income by subtracting allowable deductions.
>
> (4) calculate your tax.

That is a masterful touch on the part of the draftsman. Indeed, if that were all there were to preparing the income tax return which this year the government has placed before the people of Canada, there would be no trouble at all in preparing it. What else do we find in the little book? The answer is the blue pages. These are prepared, it says, for almost all taxpayers. But if we follow the blue pages carefully, we find there is no mention anywhere of listed property. It would seem that the great mass of the taxpayers who are expected to fill out these forms do not possess any property which falls into this category. The taxpayer who this year will be able to follow these blue pages is the taxpayer who last year used the simple T-1 form, the taxpayer who has no income other than his earnings from employment, the taxpayer who has no savings, the taxpayer who owns no chattels worth any significant amount of money—or, if he does, he is not dealing in them because certainly values do not need to be very extraordinary before the blue pages no longer apply.

• (2010)

I have now found the quotation I was looking for in this section. It reads:

> While this section will probably not be needed by most people—

The reference is to income from other sources. Mr. Speaker, there are few people who do not derive income from some other sources. This, it seems to me, portrays

the attitude of the government, one which will come to fruition in the future when most people will not even be able to invest in a Canada savings bond by way of saving for their old age. Obviously, if they have such an investment they will not be able to fill out the form on the basis of this section. This form is designed for the Canadian taxpayer of the future. It is designed for the poor taxpayer of the future, perhaps even in 1973 when the citizen cannot save sufficient money from which to make investments, buy a cottage for which he might incur a tax liability or acquire a work of art worth more than $1,000.

Then we turn to the aspect of the guide dealing with capital gains. A capital gains tax is one which the great majority of Canadians consider to be applicable only to the wealthy, to those born with a silver spoon in their mouth. But one need not read for very long in the guide before determining that there are not many Canadians who will escape the penalties contained in these provisions affecting capital gains. I want to read one excerpt from that section in the guide which has gone to the other extreme. The compiler of this guide started out in good faith, but by page 27 he is bogging down a bit. It reads:

To compute a capital gain or loss on an asset acquired before 1972, three figures are required:

—the actual cost
—the valuation day value
—the proceeds of disposition as described above.
(Note that adjustments to the cost base may change the proceeds of disposition for this purpose.)

The median of these three figures—

I always understood that the median was half way between two points, and thus one could not have a median somewhere between three figures. It may be I am lacking in appreciation of the niceties of the language and do not understand what it means, but I suggest there are a great many taxpayers who will not be able to understand this, either. It continues:

—that is, the figure which is neither the highest nor the lowest, is the base upon which the capital gain or loss is computed, subject to the election explained below. Where two or more of these three figures are in the same amount, that amount will be the median. This median figure is deemed to be the adjusted cost of the asset and is the amount to be entered in column 2 of schedule 2, provided that there are no adjustments as outlined in item 58. If there are adjustments, contact your district taxation office.

Some hon. Members: Oh, oh!

Mr. Haliburton: At about the time I got to that line I had already decided I would rush to my accountant as soon as I had dug up all the information necessary to determine exactly what had to be done.

Item 68 in the guide talks about valuation day. Valuation day is a concept which will soon come home to Canadian taxpayers. I suggest that the item in the guide constitutes a trap, especially for the taxpayer who does not take the precaution to consult someone who is knowledgeable about the provisions of the new act.

Today we have heard members on the other side encouraging taxpayers to file tax returns this year without consulting anyone with special knowledge of the tax situation. This might be because there are so few people who thoroughly understand the legislation: witness the statement by Mr. Thorson, as I understand it, that there were only half a dozen such people in the world, of whom he was one and the other five were in his department. How is a person to get fair treatment when it comes to the disposal of his assets if he starts off without receiving proper advice from a tax expert on whether to make an election to use valuation day values or values on acquisition?

Many taxpayers will make a mistake; they will do the wrong thing, and in years to come they will incur a severe penalty. It may be said that the tax law applies to everyone else in the same way it applies to them, but the initial error might have been made simply because they were not accustomed to receiving expert advice when preparing their tax forms. This in itself is a good reason for allowing an extension of time during which taxpayers would have an opportunity to receive professional advice.

• (2020)

Another curious thing about this tax form is that there is no provision for deducting losses in most cases of change in capital value. The only thing the government seems to be concerned with are capital gains. Those who lose go pretty much unrewarded or without much of a deduction.

The detailed information that is required to complete the income tax return is, I suggest to the House, a most serious invasion of privacy. The information that is required in terms of filing valuation day reports calls for the most soul searching determination of every asset that a family owns that might possibly have some value, particularly those that might have a value of over $1,000 in terms of 1972 dollars, which will be worth heaven knows what in ten years' time.

Eventually this will surely mean the declaration of every piece of jewellery and every jewel that is an heirloom in the family, every jewel of value that is passed from mother to daughter. Antique furniture that may have acquired value over the years is another item. It is easy to cite examples of furnishings that will be worth over $1,000 and which have been passed down from generation to generation. Perhaps paintings are an even better example. I suggest this constitutes a very substantial tax by virtue of the continuing inflation that this country has experienced during the past few years. At the current rate, I suggest that when we are compiling an inventory of our personal assets we might be very wise to keep the receipts for underwear that we have bought; with inflation going the way it is, that might end up worth over $1,000 too.

I want to consider for a moment the impact that these forms, and perhaps the forms that will be incorporating the provisions of the 1972 budget resolutions, will have on manufacturing industries. Again the taxpayer, particularly the small businessman, is going to be faced with a substantial tax, not just because of the inflationary aspect of capital gains that I mentioned a moment ago but because small businesses will be required to retain tax consultants to an extent they never have before. In a lot of cases, instead of a business having a part-time accountant or accounts kept by the proprietor himself, a full-time

accountant will be needed to keep track of all capital transactions, as well as revenue and expenditure incurred in the normal course of business. This will mean an additional tax in the form of money expended on appraisal fees to defend the company against any tax levy that the department may seek to impose upon them in the future.

Furthermore, there is the uncertainty of never knowing whether a valuation day report will be acceptable to the department. If it is overruled, a businessman may then require legal advice, again involving him in further expense which could be considered akin to a legal fees tax. Legal experts would need to be employed to argue a case before the Tax Appeal Board. Then, again, any attempt to pass on a business that is not a family farm to members of one's family faces another tax.

All these things result from the effect of this legislation upon small business. By "small business" I speak of the businessman who does business in my constituency of South Western Nova where there are many fish plants, fishermen who own their own boats, and lumber mills. These people do a volume of business of perhaps $250,000 a year and employ 15 to 20 persons. What will be the impact upon those persons when they attempt to determine the income they derive from manufacturing and processing and other facets of their business? For example, take the case of the owner of a fish plant who may also be a boat owner, a fish buyer who may be in the business of filleting fresh fish and shipping them to market as they are, a man who is in the business of freezing and packaging, or a person who is in the business of fish sales and brokerage. Freezing and packaging apparently come under the manufacturing or processing provisions of the legislation. This kind of businessman will not reap any of the benefits of the legislation; rather, it will be a liability to him.

As I say, I represent a rural riding, one with many small businesses and old people. My riding has perhaps a higher percentage of older people than other ridings in Canada, and some aspects of these new forms are particularly troublesome to the elderly. The advertising program that was instituted by the government to familiarize Canadians with the forms and to convince them that it was easy to fill them out did not really cover local areas where the great proportion of the population do not take the large dailies but read the weeklies. The government did not see fit, at least initially, to advertise in the weeklies; as a result, people in the rural areas were not made aware of how "easy to understand" these forms are. As a result, they were a month or two behind, psychologically speaking, in preparing themselves for the insurmountable task of filing their 1972 income tax return.

Most federal and private tax consulting offices, as I understand it, have been forced to extend their office hours in order to cope with the increased demands that are being made upon them. I understand a great many of them are keeping their offices open until nine o'clock and that the government has experienced a similar phenomenon as far as their own information facilities for taxpayers are concerned. At the same time, tax consultants and accountants have naturally found it necessary to increase their fees since the time consumed in preparing these returns has increased. Thus, the cost of retaining an accountant has increased this year.

As I mentioned earlier, when the associate deputy minister of justice was asked about this Income Tax Act while speaking to the Tax Foundation, he stated that only six people fully understood the act; they were himself and five of his employees.

Mr. Stanbury: A point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The Minister of National Revenue (Mr. Stanbury) is rising on a point of order.

Mr. Stanbury: Since the former associate deputy minister of justice is not in the House and able to answer for himself, I think the hon. gentleman would want to check the authority for that reference. The last member who used those words in this House received a correction from the associate deputy minister of justice to the effect that he had said no such thing.

Mr. Haliburton: Mr. Speaker, I hope I have not misled the House, and I am grateful for any rectification. I was relying on the report in *Hansard*.

Mr. Stanbury: You were quoting another Conservative member.

Mr. Haliburton: The mathematical calculations required to complete a return are complex and confusing.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but the time allotted to him has expired.

• (2030)

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I just want to bring a few things to the attention of the minister and the House. I wrote to the minister some time ago because of a problem which had been brought to my attention by an accountant in my area. The minister was good enough to reply. In addition, he sent me a short note on February 26 in which he said that during the tax return filing period, if I had developed some ideas or had received opinions from constituents about tax forms, and so on, I might be kind enough to bring them forward. This evening I should like to bring to the attention of the minister and the House several matters that have been brought to my attention. He may agree that some of them require correction or he may say that there really is not a problem. All I can do is bring these problems to the attention of the minister.

I have an accountant friend who does what I need to be done in filing a return. He said to me as far back as last fall that accountants were going to have difficulty with the new provisions. Some of the things which have come to my attention indicate that these difficulties have occurred. I would refer to a letter I received from an accountant. I sent this to the minister and asked for a reply and he was good enough to provide one. This accountant pointed out that there was real confusion in regard to capital gains tax as it applied to farmers claiming under part 11 as against part 17. Under part 11, the recovery provisions provided prior to 1972 would work

out all right but under part 17 they would not. The accountant who wrote to me detailed this at some length.

The minister replied that this would be corrected to some extent, or perhaps altogether, by the ways and means motions that might come in February, 1973. This may be so, and probably is. But what puzzles me is why on earth the taxation proposal for the farm business did not simply leave things on a straight cash reporting basis in simple and easy terms, so returns could be filed by farmers and the people who often do filing in rural communities and prepare estimates of farmers' income returns. If this is a provision in respect of which a chartered accountant finds it necessary to point out the difficulties which exist, and asks me to do what I can to have them clarified, then those who drafted these provisions in the first place did not do their job. Indeed, there are a number of areas in which these gentlemen did not do their job.

Let me point out one area in respect of cattle herds and the farmer and rancher who make their living, or part of it, from raising cattle. When this legislation was going through the House we on this side pleaded with the government to leave the basic herd concept alone, but they would not do that. They wiped out the basic herd concept and had to come back with another proposal in this budget which I understand, and I can be corrected, means that the farmer can take a build-up into inventory at some point of time and spread it over a period of years. Why adopt this involved method of doing things as against a simple concept which existed and worked? I do not know the answer.

Anyone who has anything to do with income tax knows that if you are going to dispose of a cattle herd, take it into inventory and spread it over a number of years, thereby saving yourself income tax in one particular year, you must plan to do that some time ahead. If a farmer has not received the advice of an income tax consultant that he is able to do this and save himself money, he will not know this provision is available to him and will not take advantage of it. He will end up paying more taxes than he should.

There were two courses open to the government, either to retain the basic herd concept or adopt another simple method to allow a farmer or a rancher to set up his cattle herd as a depreciable asset, just as you might with machine tools in a factory or, indeed, machinery on the farm.

An hon. Member: Why not give him a write-off?

Mr. Gleave: Someone suggests we should give the farmer a write-off. I suggest if this government stays in power long enough and fiddles with taxes, it will have to give everybody a write-off and perhaps write the farmer right out of the picture. I am pleading with the people across the way for some ordinary common sense in tackling these problems. This is one situation which could make a great difference to the farmers of this country.

Let me deal briefly with the capital gains proposal, that is, to set aside the tax in the case where a farm stays in the family on the death of the father. Why was this provision restricted to the time of death? Most people are aware that many farms are transferred during the lifetime of the farmer. Why not make this applicable during his lifetime, particularly if the objective is to facilitate the transfer without hardship to the family and to maintain a farm within the family? In this way you could maintain a viable structure. If this was the objective, then why not include transfers during a farmer's lifetime? Indeed, it is the concern of government to maintain land for farming, and maintain it within the family farm structure. That is the objective of the land bank program in Saskatchewan; that is the concern of British Columbia in its approach to land.

Mr. Horner (Crowfoot): What about estate taxes? Do they help the farmer?

Mr. Gleave: Don't worry about Alberta, because you haven't got a plan there. When you people to my right have a program of any kind, then you can start to work. But you don't have one yet. This is a matter which concerns a number of provincial governments. Therefore I ask, why wasn't this provision designed to cover the whole area? Why was it not thought through so that it would cover the family farm corporation? I do not know whether anyone called it to the attention of the minister or his assistants. However, so far as I know it does not apply to the family farm corporation. If, as I say, the stated objective is to keep the farm operation intact, then this situation should be corrected very quickly so that these transfers can be made easier. I wonder whether those people who did the planning thoroughly thought it through or whether this was just a hastily thought up idea that was thrown in. We are very concerned about this.

• (2040)

We have some problems. A farmer wrote to me concerning his situation. The Department of National Revenue had decided that the expenses he had incurred in renovating his farm were not expenses for the current year, could not be classified as repairs and therefore they represented an addition to his capital investment. They decided to capitalize his invertment on that particular building. Since this farmer had written to me, I wrote to the department to see what could be done about the situation. I am not an income tax consultant by any means. The answers I received were the soul of brevity. The first answer was that they had decided to do it in that way. When I wrote back and asked why they did not notify the person and why they did not do this or that, they replied that they had notified him and he had three weeks in which to answer. Acting on this man's behalf, I do not know any more now than I did before I took the trouble to write two letters to the department concerned.

Mr. Stanbury: You should have written to me.

Mr. Gleave: I appreciate the minister saying that, because he is courteous and has replied to me on occasion. I will do so. Thank you.

Mr. Stanbury: Everybody else does.

Mr. Gleave: I do not expect the people in the department to really break their necks for a Member of Parliament, but if I take the trouble to write on behalf of someone, surely they would know we are concerned and would try to give us some of the facts to work with. I think

what is needed here as much as anything is real contact with the man who is paying the taxes, who is carrying the load and who is trying to meet the circumstances under which he operates.

In my experience, most people are quite prepared to pay the tax that is due whether they be salaried, wage earners or businessmen. I think under the circumstances every effort ought to be made to co-operate in making these provisions as clear and as uncomplicated as possible. I think this is the essence of the matter. That is why I say in relation to the basic herd that it was a good concept and if that method is not to be used, then the cattle herd should be made an appreciable asset subject to depreciation. I hope these few thoughts that I am throwing out are of some help and that we might soon be able to simplify the forms and procedures for the benefit of the ordinary taxpayer.

I do not particularly wish again this evening to go into the provisions of the budget and what they do or do not do for the taxpayer about whom we are talking. This matter has been gone through and I suppose it will be raised again. My main concern is to put forward some ideas which might be of help in these circumstances. I believe some of these problems apply to small business as well as farms because the farmer and the small businessmen operate very similar concerns. I hope those in the department will attempt to simplify the procedure because if they do, time and money will be saved for all concerned.

[*Translation*]

Mr. Fernand-E. Leblanc (Laurier): Mr. Speaker, having examined the first motion which the opposition had the opportunity to introduce, I am surprised to see that they had nothing to find fault with, except the income tax forms which apparently are complex and illegal. Evidently, I cannot discuss whether they are illegal or not because I do not think that I have the necessary qualifications to do so since I am not a lawyer. However, I am quite surprised that they lay no other blame upon the government.

We are told that the income tax forms are confusing and that we must speed up the payment of income tax refunds to over 6 million taxpayers. Therefore, I am pleased to note that the opposition has nothing else to hold against us.

As for this year's income tax returns, I think they can be explained easily. People with lesser education than the hon. member for York Simcoe (Mr. Stevens) or others can complete the form themselves without being helped by an accountant or a lawyer. I was able to experience it myself for people asked me how was the form as compared with last year's and they realized that it is much simpler because in 1971 and before, income tax returns varied with income. There were then the T-1 Short, and the T-1 General for those in business or whose income was over a specified maximum.

• (2050)

And if my memory serves me right, the maximum was then $8,000. As for the 1971 guide, I suggest that it was much more complicated than that for the present year, all the more so since it only applied to those who had to fill a T1 short form.

Moreover, it has to be said that the tax table for 1971 and the previous years was made for incomes up to $8,000, which means that many taxpayers whose income was over $8,000 necessarily had to make what was called a detailed tax calculation on a form which was attached to the T-1 General Form. As far as the T-1 short from is concerned, this calculation could not be done because this form only applied to people whose income was $8,000 or less.

This year, the 1972 tax table enables those who have an income of $12,000 to know what amount of tax they have to pay without making a detailed calculation, and I suggest that this is a definite improvement.

I would like to refer as well to an article published in *Le Soleil* of February 3, 1973, and written by Monique Payeur. I quote:

In order to have a more equitable tax system,—

And I believe that our tax system is more equitable than it has ever been, after ten years of study.

—the federal government has made a complete review of its top legislation and introduces for 1972 a standard tax form for everybody—

In 1972, for instance, the federal government published eleven small booklets in the series "Tax Reform", dealing with specific points of the new tax policy, like child care expenses, travel expenses, capital gains, basic herds, etc.

Therefore, the people who must pay taxes have already received from the Department of National Revenue booklets explaining how to make this calculation, since this is a new act developped as a result of studies carried out by the House. We received the Carter report and, later on, we studied the white paper on the tax reform for a year and a half to two years. This was followed by the introduction of a bill which represented a rather drastic tax reform, needless to say, to help more those who earned less because they are overtaxed compared with other taxpayers.

When the tax reform was studied by this House, several arguments were invoked, for an against, of course, but it was passed and later on, as I have already mentioned, the Department of National Revenue sent out brochures to the people explaining the new deductions to which they were entitled and also the whys and wherefores of those deductions.

I fail to see any problem, all the more so considering the fact that an income tax act, in as complex a business world as ours, cannot be simple. To my mind, the department managed to produce a fairly simple form, in view of course of the complexity of the act.

This act was not necessarily prepared by the Liberal party; it was prepared while the Liberal party was in power, as it has been for many years, and will be for many years to come. The Liberal party called on specialists. Indeed, within the Department of National Revenue, there is an advisory committee made up of legal advisers, specialists in the field of taxation and accountants. These people got together and assisted department officials in preparing the simplest form possible.

And the one that we are considering and for whose defects we are condemned by its opponents is not merely

a product of members of the Liberal party or officials of the Income tax Division, but also that of people from the private sector, specialists in this field, who have worked hard trying to draft a personal income tax form which would make it easier for the individual to complete his income tax return and which would at the same time comply with the provisions of the new Income Tax Act which, obviously, is rather complex because in a modern and complex world it is very hard to draft a very simple law.

However, they did achieve something quite simple to prepare, covering a maximum of four pages. First of all, identification of the individual involved, which poses no problems. For those who have incomes other than remuneration for their employment, something very useful has been prepared, the appendixes.

Formerly, there were no schedules. What happened was that people had to prepare their own for submission to the tax bureau. Now, these schedules are supplied.

Schedule 1 includes detailed calculation of taxes applying only to those having incomes of $12,000 and over, thus probably eliminating at least half of taxpayers who do not have to do anything about schedule I.

Schedule 2 concerns statement of capital dispositions. Of course, formerly when sales of capital goods had been carried out, an accountant had to be hired to make out such a document for the civil servant checking this formula, with details of the sale compared with the cost, and so on.

What has been added is the provision concerning capital gains and losses. Now, one of those who spoke before me suggested that the guide contained nothing about capital losses. Well I found out that it does contain something. The government cannot collect from Canadian taxpayers more than they must pay, but really what all Canadians must pay according to the law.

And I am surprised that the hon. member for York-Simcoe, who submitted that motion, has not shown more interest in it; because after he had presented it this afternoon, he disappeared and has not been seen since.

This simply proves the weakness of the Progressive Conservatives' motion. In my opinion, that motion does not make any sense.

Furthermore, schedule 3 deals with medical expenses and charitable donations. But it's not everyone who has to report any for deduction purposes, and the government has added a schedule for them to give the details of the receipts they have in their possession, so that they can claim that deduction.

The income tax return contains a section to make a statement of investment income. Now, in the 1971 form, the reporting of investment income was mentioned, but very briefly, so that many people complained that there was not enough space to report that income properly. Of course for those who make investments, a schedule has been added this year. Once again, I fail to see the difficulty in referring to this annex.

• (2100)

Schedule 5 deals with child care expenses. Of course we had to include child care expenses in the 1972 returns, because they are something new. They were brought in by the Liberal party and the taxpayers have welcomed them. If they were to profit from their deductions, we obviously had to include an annex for people to note the details of their expenditure in this field.

Schedule 6 deals with additional personal exemptions. Those who have difficulties with their married persons' exemptions and wish to be taxed otherwise than as persons married to a legitimate spouse, will require a special form for additional information so that they can qualify for married status.

Schedule 7 deals with real estate rentals. A good many Canadians are now property owners, we are pleased to see, and receive a small income from this. Rather than force them to consult an accountant and spend money to have a statement of their real estate income and expenditure drawn up, we printed an annex, which will obviously be of help to them.

For those who receive other income, such as sales commission, we added another annex, 9, which is a statement of income and expenses. Here again, this spares the taxpayers the expense of professional advice in making out his return.

A look at the guide, about which a member was making such a fuss just now, shows that it is very clear. It sets up six steps in making out one's return. The first is explained under the heading of "Getting ready", and is obviously that of getting together the papers needed to make out the return. I do think that there are no special difficulties on that.

Step two under the heading "Identifying yourself" is to say who you are. There is no problem on that either, I believe.

Step three, under the heading "Listing your income" is to indicate the income and then some information is given on taxable and non taxable income. A little further, the guide lists especially the income that does not necessarily need to be declared.

Step four, under the heading "Claiming your deductions", deals with allowable deductions. It is quite clear: there are the "Canada Pension Plan contributions." There is no problem on that either. As for contributions to a "Registered Pension Plan", people were previously entitled to only $1,500; the Liberal party, in its tax reform, has granted them an exemption of $2,500. In my opinion, all Canadians are very pleased about it.

Mr. Corbin: The Progressive Conservatives are not.

Mr. Leblanc (Laurier): Of course the Progressive Conservatives do not like that because they did not introduce it. Besides, they will never do it because they never will take over the government. We have seen it since the beginning of January because they have tried very hard to take over the government. Unfortunately for them, they have been frustrated and helpless. We are convinced that when election time comes in the near future, we will have a much higher majority because the Progressive Conservatives are only politicking in the House instead of legislating and this is often the case in committees.

However, this does not apply to the committee I have the honour to chair because the Progressive Conservative members of this committee are most kind toward their chairman and they behave very well. I wish to take this opportunity to thank them for their co-operation even though we sometimes have misunderstandings and lack of co-operation.

Then, Mr. Speaker, the income tax return—

[*English*]

Mr. Alexander: Mr. Speaker, I wonder if the hon. member would allow me one short question. I know that in his charitable manner he might, because he is referring to members of the miscellaneous estimates committee and the co-operation he encounters there in an effort to do things of benefit to Canada and Canadians. I wonder if the hon. member was amongst those fortunate people who received a letter from the Minister of National Revenue (Mr. Stanbury) requesting their help because of the complexity of the forms, to try to make them more acceptable. Apparently we were expected to send it to lawyers and accountants in our constituencies. In view of the fact that the hon. member makes it sound so simple, and he knows that the hon. Minister of National Revenue sent such a letter—

Mr. Stanbury: He did not want to, but he did. He would like to have your ideas, if you have any.

Mr. Speaker: Order, please. The hon. member, of course, can ask a question if the hon. member who has the floor agrees. However, I think I should warn the hon. member for Laurier (Mr. Leblanc) that he is fast coming to the end of the time allotted to him under Standing Orders.

[*Translation*]

Mr. Leblanc (Laurier): Mr. Speaker, I thank very much my hon. friend from Hamilton West (Mr. Alexander) for giving me the opportunity to discuss the letter the hon. Minister of National Revenue (Mr. Stanbury) has sent to hon. members.

I also received this letter but I do not think there is any difficulty. What he is asking the hon. members—unfortunately I have not the letter before me—is this: Would you have any suggestions to make in an effort to improve the form? Thus there is no problem. It is democratic participation—as the Liberal party has always advocated—of all the hon. members in order to produce the best possible form, for the good of the people and I think the request of the hon. Minister of National Revenue is quite justified. I think that it is quite appreciable, because the minister could have sent that letter to the Liberal members only, but he sent it to all hon. members, in order to obtain their co-operation.

If instead of saying that the income tax return is confusing, constructive solutions were suggested to the Minister of National Revenue, the government would take such requests in consideration. Now, the only thing deemed useful is a motion to the effect that the form is confusing. Indeed, many things can be confusing, but if they really want to co-operate to improve the lot of the Canadian people, they should suggest solutions, which, I am sure, would be heartily welcomed and taken into consideration by the Minister of National Revenue.

Now, in the motion—

Mr. Olivier: It is the Progressive Conservatives who are confused.

• (2110)

[*English*]

Mr. Alexander: My point is that there is something wrong with it.

[*Translation*]

Mr. Leblanc (Laurier): Mr. Speaker, I shall always be pleased to meet my hon. friend and discuss this with him. If he has questions to put, he can always do so. If he has trouble completing his income tax return, he may consult me any time and I shall be pleased to help him. This is the co-operation—

Mr. Speaker: Order. It is with deep regret that I must advise the hon. member for Laurier that the time allotted to him has expired. He may only continue with the unanimous consent of the House. Is there unanimous agreement?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Apparently, there is not.

[*English*]

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I am pleased this evening to have the opportunity to speak on this matter. I come from an area in the province of Saskatchewan which is either agricultural or dependent upon agriculture. Over the past 20 years I have had occasion to gain considerable experience in the preparation of income tax returns, both the T-1 short form for the wage earner and the T-1 general for the farmer.

In the early fifties the preparation of these tax returns was a relatively simple matter; however, as years went by it became more and more complicated. Ministerial decisions, regulations and amendments to the act—

An hon. Member: And Liberal red tape.

Mr. Neil: That's right. These tended to confuse and alarm the taxpayer to the extent that he was concerned about making an error in the calculations and incurring the wrath of the departmental inspectors and officials. The result was that more and more taxpayers became dependent upon professional help to prepare their returns. The Hon. Edgar Benson then arrived on the scene to hold a dialogue with the people and develop a completely new concept of taxation.

An hon. Member: He got a good job out of it.

Mr. Neil: The public, the accountants and the tax lawyers were flattered. At long last, here was a man who was going to make sense out of our tax system. We all waited with anticipation. Here was a man who was going to give us a new Income Tax Act, one that could be understood

and one that would replace the antiquated patchwork act passed, I believe, in 1918 or 1919. Hon. Edgar Benson listened in two official languages but he answered us in a language more incomprehensible than that which might have been used by a visitor from outer space.

I had occasion in November, 1971, to attend the Canadian Tax Foundation seminar in Vancouver. In attendance at that meeting were leading tax experts from all over Canada, men who specialize in income tax, men who had spent upwards of nine months studying the then proposed tax act which was subsequently passed, of course, in December of that year. These men were united in stating that a great many of the sections of the act were completely unintelligible to most experts unless they could understand the operation of a computer and calculate algebraic formulas backwards. This is the act upon which our income tax return is now based, Mr. Speaker, an act that has required the department to spend, I do not know how many hundreds of thousands of dollars on explanatory booklets and interpretation bulletins some of which themselves require interpretation.

The Minister of National Revenue (Mr. Stanbury) indicated that the new income tax form is not complicated. He even hired a well known television personality to advertise the fact that the return, close up, is easier than it looks. Obviously, hon. members on the other side of the House who have spoken, including the hon. member who spoke prior to me, should themselves appear on television instead of spending money on a television personality. We should put those tax experts on the air and save hundreds of thousands of dollars. I think the hon. member for Laurier (Mr. Leblanc) hit the nail on the head when he said that the tax form is simple in relation to the complexity of the legislation. I think that is absolutely correct. The legislation is complicated, and the tax return must be complicated.

It may be that the physical act of completing the return is not difficult once the information has been gathered together, but it is essential that the taxpayer compile the necessary information. In order to do so, he must have knowledge of the act and of the law. It must not just be cursory, otherwise he will find himself in difficulties with the assessor and the department and subject to penalties which in some cases are much more severe than penalties imposed under the Criminal Code. But at least under the Criminal Code one can get a conditional discharge.

Should a taxpayer be required to spend hours, or even days studying interpretation bulletins and tax guides in order to complete a tax return or, alternatively, should he have to spend money to retain the services of a tax expert or accountant in order to complete a return? The majority of taxpayers just cannot afford the luxury. They require those dollars to help them cope with the spiralling cost of living which continues to plague us. It may be suggested by the government that if a taxpayer reads and studies "Your Guide to the 1972 Income Tax Return" and/or the "1972 Farmers' and Fishermen's Tax Guide", the taxpayer can complete his own return. That may be so if the taxpayer is a scholarly type, has a basic understanding of the law and has spent weeks or even months studying it: under those conditions, perhaps he can fill out the return. However, I suggest, Mr. Speaker, that unless a farmer taxpayer who is preparing his own T1 general form has a good understanding of capital cost allowances and has read the "1972 Farmers' and Fishermen's Tax Guide" with a good deal of care, he could easily come to the conclusion that he must depreciate all assets under part II of the regulations rather than under part 17, regardless of when he acquired them. Once he converted, the decision would be irreversible.

What about capital gains? The hon. member for Laurier looked over the income tax return and made light of the difficulties. He suggested that there is no problem in filling it out. The income tax return, if the taxpayer disposes of some capital assets, requires an election to be made. I ask, how can an individual taxpayer make an election under section 26(7) of the Income Tax Application Rules, 1971, unless he knows what the ramifications are? Once he makes that election which is set out at the bottom of the second page of the return, he is bound by it for the rest of his life, and his estate after him is bound by that election.

There is a very important principle which says that no man should have to pay a tax which he cannot reasonably be expected to understand. The government seems to have forgotten that principle, Mr. Speaker. There are new complications to do with partnerships. Professional people who are on a cash basis, or were on a cash basis previously, will encounter many problems. The matter of professional partnerships is especially complicated.

As there are a large number of uncertainties regarding the law of partnership and as much complexity is involved in the calculations, much additional time will be required to be spent by accountants in preparing returns. I am advised by chartered accountants and by tax consultants in my constituency that all returns this year will require a much longer time for completion than previous returns did, partly because of the queries raised by taxpayers and partly because the election I mentioned must be considered and studied where capital gains are involved. I do not envy the chartered accountant who is called on for advice with respect to an election to do with capital gains. In many cases he might be just as well off if he were to make his decision after gazing into a crystal ball.

I am also advised that many accountants feel that because of the additional time required to complete returns they will encounter difficulty in meeting the April 30 deadline. For that reason they are accepting very few new clients. An extension of one month in the filing date is essential if taxpayers are to be given the opportunity of obtaining professional advice and services. I believe, Mr. Speaker, although I have been unable to substantiate my assertion, that an extension of time was granted to farmers in 1950 for the filing of 1949 returns. I would urge the minister to give serious consideration to an extension this year.

Finally, Mr. Speaker, let me say that a tax system which is so complicated that it cannot be understood by the individual taxpayer without professional advice, and which requires a taxpayer to pay a government department a fee in order that he may obtain a decision regarding the interpretation of the act, is totally unacceptable.

Income Tax

• (2120)

Mr. Jim Fleming (York West): Mr. Speaker, the comments I have to make will not take a great deal of time and will allow time for other hon. members to speak.

Some hon. Members: Hear, hear!

Mr. Fleming: It pleases me to hear that appreciation from the opposition, because in rising to speak on this issue I want to make the point that I appreciate their respect for the House and their attention to what I have to say, or at least some quietness so I may continue.

I hope that the members of the press who attended this afternoon's session and the night guard tonight will register the fact that when we discuss this particular issue today, the first opportunity for that party which says it should in fact be governing the country—almost has the right to govern, and at one point said it had the right to govern—the major issue it brings before this nation, the major point of confrontation, the public should realize, that is most important in their minds is the income tax form.

Some hon. Members: Hear, hear!

Mr. Fleming: Having decided that, with the overwhelming unanimity we know their caucus has, they managed through the afternoon to have about 10 per cent of their caucus here on the first day to discuss this, their most important issue. It is not much better tonight, with 15 per cent to 20 per cent. I hope that when the day comes when this House will go back to the people, we on this side and in other parts of the House will remember what they did. This is their first day to register a most important concern—and how many of them are here to discuss it?

Some hon. Members: Hear, hear!

Mr. Fleming: I wish to refer to a couple of points made this afternoon by the hon. member for York-Simcoe (Mr. Stevens). As an example of the obvious concern the government had, the hon. member for York-Simcoe said that this new form was increasingly difficult and therefore the government must take measures to accommodate that problem. He made the point that the clerical staff in the Toronto area had been increased from 30 to 60. That is one for each group of 25,000 people. I am sure the complaint would have been greater if it had been one in 50,000. That was his point: we must be concerned because the staff has been doubled.

His next point in introducing this motion on behalf of the official opposition was that his secretary had called 25 times over this wonderful phone service and could not get an answer. Two facts were pointed out: one, it is income tax time and the phones are busy; also, it is frustrating. Why do you think the staff was increased? It is easy to twist one fact, be blind to the next one and present the reverse argument. That is typical of what that party is doing. They have been carrying on in this way ever since this session began two months ago.

Some hon. Members: Hear, hear!

[Mr. Neil.]

Mr. Fleming: The hon. member for York-Simcoe is an economist of sorts. He certainly has banking in mind from time to time. He is a lawyer of great skill. This afternoon he made much of the fact that in the past five years income tax for the average Canadian taxpayer had increased some 50 per cent. He started out by saying the actual amount had increased for the so-called average taxpayer. To be entirely frank and honest, he then broke it down into constant dollars and it came to 50 per cent. It is that statistical game that has the public bewildered as to what politics is and who is trying to help the country.

What the hon. member for York-Simcoe did not mention is how much the net income and gross income of the average taxpayer has increased. Over the past five years it has increased by at least 50 per cent. He has a great deal more money to spend, and a great deal more government services are available to those who need them, as a result of the actions of this government.

Some hon. Members: Hear, hear!

Mr. Fleming: Time is taken up during the question period with the politics of the question rather than honestly trying to get some answers and being a strong, firm and honest opposition. It is great politics to say how nonsensical these new forms are: that makes a great picture. The fact of the matter remains that many of the criticisms are from people who have not looked at the form. A great number of people in the media, economists and tax experts—I think the minister quoted an editorial from the *Financial Post*—say this form is extremely good; that it is one of the best forms we have had in years.

Some hon. Members: Oh, oh!

Mr. Fleming: This has been going on for the past two months, Mr. Speaker. With all due respect, whenever anyone on this side rises to speak, we hear only catcalls and interruptions. You do not see the same kind of nonsense when someone on that side rises to speak. That is the kind of government they want to carry on, government by catcall.

Some hon. Members: Hear, hear!

Mr. Fleming: If I can get on with my speech, you can take together all these forms and make easy political hay and a little picture. The exercise of paying taxes and being a participant in democracy is not a pleasant experience. It goes on year after year. This has been mentioned before today. It is very important. Anyone would have to be terribly naïve or misleading to suggest that our government, our system of economics and our country is not becoming more complex every year. People are bewildered about who is responsible for what. They have to put up with these kinds of "inspiring" tactics from the opposition when, in fact, responsible citizens in the media and economists are repeatedly saying that these are improved forms, they are good forms; stop and look at them.

Some hon. Members: Hear, hear!

Mr. Alexander: Mr. Speaker, I wonder if the hon. member would allow me to ask a question on behalf of the senior citizens of this country.

Some hon. Members: Sit down.

Mr. Fleming: Mr. Speaker, I will do my best to entertain questions from the hon. member at the completion of my speech. It is terribly important in this House for the government to present a policy. If the opposition does not like it, they should criticize; they should make suggestions as to how improvements can be made. I agree with that. However, all this criticism during question periods, and bringing in this matter as their most important issue on their first opposition day, makes one wonder. They have not suggested what they would do to improve it. How would they do it? They have researchers who give them papers which are fanned out at their caucus to be used every day during the question period. Where are the researchers on this, their first opposition day?

Some hon. Members: Hear, hear!

Mr. Fleming: From the party that a few months ago was defeated by a hair's breadth and which claims that it is on the brink of taking power, all we are getting are spitballs and half-baked dreams. That is all they have been involved in for the past few months. If that party has any suggestions on how to improve the forms, let's hear about them. We have not heard anything yet. Surely we are here to talk positively about what we think is best, whether it is our idea or theirs. I did not hear too many suggestions laid down, only "last minutism." They finally got the guts to come out with a suggestion with regard to wage and price controls. That is easy when you are in opposition. They make deficit spending proposals which their backbenchers would not agree to if they were in power and, I understand, almost did not agree to when they were not. The only thing they talk about is stretching and shaving our policy. They have a hard time formulating policies of their own.

In referring to this motion, may I say that a summary of what has happened as far as the role of the official opposition in presenting legislative proposals and alternatives to our policy in the past two months is concerned is that there has been day-dreaming game-playing, hallucinations and misleading facts. There has been the cheap politics of putting fear into the public. May I complete my remarks by saying that if nothing else has happened, two things have happened today. The motion which has been presented today gives us a chance to explain and prove that there has been a real improvement in the current tax form. It has been set out in this form to help the Canadian public.

• (2130)

The second point is this. They have given us the chance to show the public, via the media, that the most important thing the opposition can talk about on its first opposition day is a subject such as the one before us. And then they demonstrate the overwhelming interest taken in their own ranks by attending in numbers fewer than we find on the government side, the subject of the attack. We are here in greater numbers than the opposition—and it is an opposition day!

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Laniel): Order, please. Does the hon. member for Hamilton West (Mr. Alexander) rise to ask a question?

Mr. Alexander: Yes, Mr. Speaker. The hon. member has given me that opportunity. I was very impressed by his oratorical brilliance which comes about from his having been a member of the news media.

Mr. Lundrigan: On a point of order, Mr. Speaker, I do not think my hon. friend from Hamilton West has the right to attack an unarmed man, and on this basis I suggest that perhaps he should not be heard at all.

Mr. Alexander: Mr. Speaker, I am usually prepared to listen to advice from my hon. friend from Gander-Twillingate, but I listened to the hon. member saying how simple the form was and how easy it was to complete and I recalled another letter which was sent out by the Minister of National Revenue (Mr. Stanbury).

Some hon. Members: Question.

Mr. Alexander: I recall another letter which was directed to members of this House by the Minister of National Revenue.

Some hon. Members: Order.

The Acting Speaker (Mr. Laniel): Order, please. Hon. members should give the hon. member for Hamilton West a chance to put his question.

Mr. Alexander: I know the question is going to be embarrassing, because this concerns our senior citizens.

An hon. Member: We adjourn in half an hour.

Mr. Alexander: Perhaps the hon. member can tell us whether he knew why the Minister of National Revenue had to send us a second letter in connection with this form with the object of alleviating the hardship our senior citizens would undergo as a result of this new, "easy" form. He indicated in this letter that it was possible for us—

Some hon. Members: Question.

Mr. Alexander: —to give some direction to senior citizens groups, that we who are in a position to assist senior citizens in completing this form having regard to its complexity. I ask the hon. member why this action was necessary if the form is as easy as he says it is. This is the letter which has gone out in the past week.

Mr. Fleming: Mr. Speaker, I do not think the procedure—and as a member of the government party I have great pride in the efforts they make to improve income tax forms—would ever be easy, but the fact is that any government which is willing to say, "We are doing our best, and if we can improve and it will help a certain sector, we are going to do that," is a government I am proud of; and surely that is what they are attempting.

Mr. Lundrigan: I told you he was unarmed, Mr. Speaker.

Mr. Stanbury: On a question of privilege, Mr. Speaker, the hon. member for Hamilton West (Mr. Alexander) referred to a letter of mine. I know he would not wish to leave a false impression.

Mr. Alexander: Never.

Mr. Stanbury: I did not communicate with hon. members to tell them how much difficulty senior citizens were having with federal tax forms. I communicated with them to let them know that senior citizens in large numbers, in Ontario particularly, were finding difficulty in understanding why they were receiving tax forms from the province of Ontario along with their federal tax forms.

I am happy we are co-operating with the province of Ontario in sending these out, but I suggested that hon. members might wish to help voluntary organizations or senior citizens who have not been obliged to fill out federal tax forms in the past and would not, in fact, have to do so this year were it not for the system adopted by the Ontario government which requires them to complete forms for the purpose of getting a property tax credit from Ontario.

Some hon. Members: Hear, hear!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, as I listened a few moments ago to the hon. member for York West (Mr. Fleming) and heard him say how short his speech was to be, I thought I would be able to compliment him on his part in the debate. I find now that I cannot compliment anyone who professed such blind loyalty to a dying government.

Some hon. Members: Hear, hear!

Mr. Baker: The hon. member for York West spoke about the two letters which had been sent out. After the explanation by the minister with respect to those letters, soothsaying at its best, I expect we shall be receiving a third letter, this one designated primarily for chartered accountants asking them for suggestions about a system which they are finding it difficult to understand, let alone the ordinary people.

Mr. Stanbury: Who do you think wrote it?

Mr. Baker: The hon. member for York West asked why this motion was chosen by the official opposition on the first of two opposition days. I will tell him why. The reason is that the one thing people meet day after day and year after year is the obligation to pay income tax, associated with the form which they must make out. This is sometimes their only contact with government. There is a duty incumbent upon the government to make that form and that income tax law understandable. Any government which fails to do so for the benefit of the ordinary people is failing the ordinary people. And this government has failed the ordinary taxpayer.

Some hon. Members: Hear, hear!

Mr. Baker: I listened with great interest to the hon. member for Moose Jaw (Mr. Neil). He said he would rather see the minister on the air and in the newspapers than Fred Davis and Pierre Paquette explaining the tax laws to the people of Canada. I would like to see him there, too. I don't like to see the Minister of National Revenue (Mr. Stanbury) hiding behind those radio and television personalities because this monstrosity which, albeit, he inherited, he adopts now like a child; he holds it to his bosom and defends it.

Some hon. Members: Hear, hear!

Mr. Baker: Mr. Speaker, the government spent half a million dollars on this advertising program. Now I know why the minister did not go on television and I know why his words did not appear in the newspaper columns. It is because it is not possible to sell commercial time, with the minister—and the newspapers would not risk it—appearing in the ad. I, for one, would like to find out whether Pierre Paquette and Fred Davis found out enough about this income tax return system to make out their own income tax returns, or whether they, too, had to go to a confused accountant like so many of us have had to do.

Mr. Alexander: Or H. & R. Block.

Mr. Baker: Yes, or H. & R. Block, as the hon. member for Hamilton West (Mr. Alexander) says. We talk about chartered accountants in this House. Chartered accountants are the servants of lawyers, the servants of industrialists and the servants of businessmen. They are the servants of people who are privileged. But, Mr. Speaker, the fact of the matter is that many people who are confused in this country cannot afford this kind of service and they must go to the kind of tax services mentioned by the hon. member for Hamilton West, and similar services. These charges are bound to go up because the tax service people also find the forms complicated. I think it is incumbent upon the government to recognize the folly of this system in a small, tangible way. In other words, to adopt a suggestion that came from this side of the House and make a certain percentage of the fee paid to a chartered accountant or a tax consultant deductible as an expense against income.

• (2140)

It has been suggested in the House that the time for filing ought to be set back one month, and I ask, why not? The public is confused. This is why the government owes it to the people of Canada to give them sufficient time to work themselves out of the confused state in which this government, with this greatest of all tax bills, has placed them, this greatest of all tax bills that is supported by the most confusing of all confusing tax forms!

The record of the government has shown that if there is a complicated way of doing something and an uncomplicated way to do the same thing, the government will invariably choose the complicated way. If there is a way of fostering a lack of understanding in Canada as opposed to fostering understanding, the government chooses the former as opposed to the latter.

The fact of the matter is that this government is without imagination. As I have said, they have taken unto their bosom a tax system. Last year they implemented a capital gains tax, and this year they broke it down, and I think broke it down quite properly, in the case of farms. They talked about the corporate rip-off, and this year in his

budget speech the Minister of Finance (Mr. Turner) has backed down in deferring to the party to my left. The government has now clasped this tax system to its bosom, and it is now beginning to disown the child. But it is not disowning it honestly. The government should level with the Canadian people and admit there is a confusing mess of taxation laws in this country. The government should admit that the average person cannot understand them and should employ an accountant. That being the case, the taxpayer should be compensated. As I say, it is the duty of the government to go that one extra mile.

I have known the Minister of National Revenue (Mr. Stanbury) for a good many years, Mr. Speaker. He and I attended law school together, though he was one year ahead of me. He has always been approachable and I hope he will exhibit that same approachability this evening and announce that he is putting back the date for filing income tax returns, at least for those who must file this most confusing form that has been the subject of the debate today.

There are no two ways about it, Mr. Speaker—the income tax laws of this country as well as the income tax form itself are much like the magistrate in the judicial system. It is the one place where almost every citizen in the community comes in contact with the government. Similarly, this is the one area where I think it is the compelling duty of the government to make sure a person understands the relationship that exists between the citizen and his government.

The hon. member for Laurier (Mr. Leblanc) told us that he had not received any complaints about this form. I do not know whether the hon. member gets any mail, and if he does perhaps he does not read it, but I have had a lot of complaints from my constituents who have asked me very intelligent questions. However, they are very confused by this form and its complexities.

I think others would like to speak in this debate, so I shall not take up any further time of the House.

Some hon. Members: Hear, hear!

Mr. Baker: Mr. Speaker, I am always appreciative when I receive a bit of desk thumping from the seals on the other side of the House. I want to close by making this plea to the Minister of National Revenue. I would ask the minister to consider this suggestion seriously and in a compassionate way. I ask him—indeed, I challenge him and the government with whom he sits—to put back the date for filing the returns by one month. I ask the government to promulgate a regulation between now and the end of that month permitting taxpayers to deduct a reasonable amount for the cost of filing a personal income tax return if a person feels it is incumbent upon him to hire an accountant or engage the service of a tax consultant.

If the minister does that, he will have done a service to the citizens of this country, especially the citizens in my constituency whom I have the honour to represent and who write to me every day and cause me to write to the minister. I have decided that I will not write to anybody but the minister. I have known him a long time and he is reasonably prompt in returning letters, though his answers are confusing. When he deals with the matter of the tax credit, I hope he will not do what he did when I made representations on behalf of a dear lady on Beaver Ridge Avenue, namely, send me some remarks attributed to the parliamentary secretary to the Minister of Finance (Mr. Comtois). That only compounded the confusion that already existed.

Seriously, Mr. Speaker, I ask the minister to take into account the position of individual taxpayers and to announce, if not tonight then within the next few days, that he is prepared to move the date back one month for filing income tax returns this year, as well as allow as a deductible business expense the cost of seeking professional help in preparing the income tax return.

Mr. Stanbury: Mr. Speaker, would the hon. member be prepared to answer a simple, sincere question?

Mr. Speaker: Order. The hon. member who had the floor can answer a question if he will allow the minister to ask one.

Mr. Baker: Mr. Speaker, the hon. member for Grenville-Carleton is exhausted from his efforts.

Some hon. Members: Oh, oh!

Mr. Baker: On a point of order, Mr. Speaker, if the question is to ask me whether or not I approve of a month's delay or the deduction of fees, I will be prepared to answer. Short of that, I would not concern myself with any questions from the minister.

Mr. Speaker: Order. I think this might become a little complicated. Perhaps we should go to the next question. Is the hon. member for Ontario (Mr. Cafik) seeking the floor on a question of privilege?

Mr. Cafik: No, Mr. Speaker. I realize the hon. member for Ottawa-Carleton did not permit a question from the minister, but would he permit one from myself which I think is quite relevant to a point he made?

Mr. Speaker: Order. It is suggested that although the hon. member would not accept a question from the minister, he would accept one from the parliamentary secretary.

Mr. Cafik: I appreciate that the hon. member for Ottawa-Carleton—I mean Grenville-Carleton—has been courteous enough—

Mr. Baker: Mr. Speaker, on a point of order, my constituency is Grenville-Carleton, not Ottawa-Carleton.

Mr. Cafik: Yes, Mr. Speaker, and I corrected myself. I made the slip because the hon. member has not been here for that long and I am not really familiar with him. My question is related to the comment that he made, that if there was a complex or complicated way in which to do something, this government would choose it as opposed to a simple way. My question is this. During the last election campaign, if I understand it correctly, the Conservative party put forward a very complicated formula for what they called a constant dollar policy in regard to adjusting the amount of tax to be paid according to the increase in the cost of living. This government has come forward with

what I believe to be a very simple formula whereby an adjustment is made in the amount of—

Some hon. Members: Question.

Mr. Speaker: Order. I think the hon. member's time has expired.

Mr. Cafik: Mr. Speaker, we have adopted a much simpler formula which is comprehensible. I wonder whether he would care to comment on that, because it appears that the Conservatives adopted a complex way of achieving the very simple objective we achieved in the recent budget.

• (2150)

Mr. Baker: Would the hon. member, if he can, repeat the question?

Mr. Speaker: Order, please. We are running short of time as it is just a few minutes before ten.

Mr. Cafik: I would like to repeat the question, Mr. Speaker.

Mr. Speaker: Order, please. The suggestion has been made to me that the hon. member should place the question on the order paper.

Mr. Baker: On a point of order, Mr. Speaker, if the hon. member would put the question on the order paper I would be prepared to answer it in due course.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, others in this debate have dealt with confusion, the risk to privacy, with the non-value added dividend notion and other aspects of the income tax form. Some have even offered apologia for these forms. I propose in my remarks to deal with some of the illegalities of the budget, income tax duality and the disrespect that this implies for parliament.

Before doing so, however, and since we have been talking about how simple are these forms which are seven feet long, I thought the House would like to see the form adopted by our friends to the south. If your income, aside from salary and wages, is less than $200 and you are a citizen of that country to the south, you have a form which you have to fill in that has two sides to it. It is not as simple as one side would suggest, but it is 5½ inches by 8 inches, with two sides. That is what I consider to be a simple form.

Mr. Stanbury: Would the hon. member permit a question?

Mr. Bell: He just got started.

Mr. Munro (Esquimalt-Saanich): When I finish my remarks, Mr. Speaker, I will accept the question, if I may. There are a few remarks I wish to make. To set my remarks in perspective, may I be permitted to outline the chronology which led to our present incredible situation. We taxpayers are being required to sign income tax returns which are to include particulars of income and exemptions that as yet have no basis in law. There is a dilemma for you.

As to the chronology, the budget address of May, 1972, contained tax cuts and other exemptions for many classes of Canadian taxpayers. However, before these provisions could be considered by parliament, the government adjourned the House on July 7. Then the House next sat in special session on August 31 and September 1 to deal with the B.C. longshoremen's strike. After that the House was dissolved for the general election of October 30, with the budget proposals still not discussed.

The House did not meet again until January 4. As a result, due to the government's inaction, millions of taxpayers have been placed in a state of confusion and uncertainty, not to mention—as matters stand at this moment—if they are filling in their income tax forms, in illegality. To backtrack a bit, following the presentation of May, 1972, the Liberals refrained from introducing their budget bills for 34 sitting days after the budget address. It was not until June 26, 1972, in fact that the finance minister tabled bills to amend the Income Tax Act, the Excise Tax Act and the Customs Tariff. The Canadian public, therefore, had some cause to wonder why that delay was necessary in tabling these bills. Whatever the reasons, and these we can only suspect, the upshot was that there was not time to debate these bills before parliament was adjourned, eight sitting days later. With no move made to debate these bills during the emergency session, the bills lapsed.

The government could have remedied the situation by calling parliament shortly after the election, but for reasons of its own it did not. The fact that no action was taken on these bills meant that measures of assistance to both individual and corporate taxpayers were not acted upon. There is no excuse that I can see for the government having deferred implementation of these budget proposals in this manner. The necessary bills could have been introduced, as is normally the case, immediately after the budget speech. Parliament need not have been dissolved before they were acted upon or, at the very least, the government could have called the session before the new year to deal with them.

Instead, the government chose to ignore the bills and to introduce another budget in which some of the more controversial measures of the May 8 budget were omitted, for overt reasons of political expediency. The only part of the budget to be enacted were non-budgetary items referring to old age security pensions, exemptions and veterans benefits—what can be called the vote catching items: the nitty-gritty's and the difficult bits were put aside.

Are we going to be faced with deadlines as we so often have in the past, hours of time requiring measures to be passed so that the government can get these returns in on April 30 as required? Would it not have been possible to begin the first session of the twenty-ninth parliament in December, breaking for the Christmas recess, rather than waiting until January? This obviously reveals the government's set of priorities, where political concerns rate higher than do human considerations.

What is the outcome of these tactics? As of now we are faced with a series of illegalities. The government's handling of the whole income tax issue does not conform with law, nor even with the words of the Minister of National Revenue (Mr. Stanbury). The Income Tax Act provides, in

section 220, that the Minister of National Revenue shall administer and enforce this act. Section 150 provides that a return of the income for each taxation year in the case of a corporation, or for each taxation year for which taxes are payable in the case of an individual, shall be filed without notice or demand with the minister in the prescribed form, containing the prescribed information. Certain legal requirements follow from these provisions.

[*Translation*]

The Acting Speaker (Mr. Laniel): It being ten o'clock, it is my duty to inform the House that pursuant to Standing Order 58(11), proceedings on the motion are now completed.

[*English*]

In accordance with Standing Order 40, a motion to adjourn the House is deemed to have been made at this time. Therefore, the question is that this House do now adjourn.

PROCEEDINGS ON ADJOURNMENT MOTION

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

AIRPORTS—INTENTION RESPECTING EXTENSION OF RUNWAYS AT MALTON

Mr. Don Blenkarn (Peel South): Mr. Speaker, on June 30 last the Minister of Transport (Mr. Marchand) made an announcement in connection with airports in the Toronto region. We have received a lot of gobbledygook from the government in connection with airports in the Toronto region and it was for that reason I tried to get from the minister a specific answer in connection with the extension of runway facilities at the Toronto international airport at Malton.

• (2200)

The minister's answer was to the effect that the government at that time was not prepared to give any answers. That is the reason I have raised this matter in the adjournment debate tonight. Early in January of this year the Swackhamer report in connection with the Pickering airport hearings which were held last fall was tabled in this House. The evidence in the Swackhamer report in connection with the Pickering airport is that facilities at Malton could easily be extended to look after the anticipated air traffic growth in the Toronto area until the year 2000. Shortly after that report was filed, the Minister of Transport was good enough to entertain some members from this side of the House with members from the ministry who were involved in the Pickering matter and, indeed, in air transport throughout that portion of Ontario served by the Toronto international airport, the Hamilton airport and other places.

At that time members of the minister's staff indicated to myself and to others that in their opinion the expansion of

Malton was virtually an impossibility. In 1968 the whole question of expansion of Malton airport was brought to public meetings in the town of Mississagua, and at that time it was clearly demonstrated that if further north-south runways were created, at least 100,000 people would be severely affected. At that time the decision seemed to have been made by the minister that there would be no expansion at Malton.

Further, we hear after the notice in respect of the Pickering site that the minister now intends to conduct an inquiry, not an inquiry after the expropriation but none the less an inquiry as to the need for an airport at Pickering and, indeed, an inquiry into the whole airport need at Toronto. So the people who live in the town of Mississagua are confused in not knowing, on the one hand, the extent to which Malton can be expanded and whether Pickering is absolutely necessary and no expansion can take place at all. On the other hand, they know that there is to be an inquiry to see whether Pickering is necessary.

The whole situation leaves everyone in a flux. People who own houses do not know, people who have businesses do not know, people who are taxpayers do not know, and the municipality which is required to service the area does not know. The simple question is a question of the runway. Can this ministry or the government assure this town that a runway or further runways, particularly north-south runways at the Malton site are needed, or whether they will be installed? The ministry has told me and others that a further runway built, say, 1,000 feet west of the existing north-south runway would be only 20 per cent effective. The ministry has said that runways need to be at least 5,000 feet apart. If this is so, and if there is no more land for such a runway, it should be no problem for the minister to flatly declare it is not the intention of the government to increase runway facilities at the Malton airport. But the answer given is that it is not the intention of the government to do so. This is the reason for this debate. This is the reason why I again ask the government to come clean and to say what it intends to do with respect to Malton.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Minister of Transport (Mr. Marchand) has already answered this question very clearly. However, I will repeat that it is not the intention of the government to extend runway facilities at Malton airport.

YOUTH—OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST FOR STATEMENT ON GRANT DISTRIBUTION AMONG INCOME CLASSES—CONSULTATION ON WEEKLY PAY RATE WITH PROVINCES

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise tonight to pursue a question which I raised in the House back in January on the Opportunities for Youth program. I had hoped that this issue might be debated earlier than this since the deadline for Opportunities for Youth applications was March 1. Nevertheless, I would like to pursue the point on the questions I raised because I do not believe the minister gave a full and adequate reply. The concern that I raised earlier was: What guarantee is there

that an equitable proportion of OFY grants go to the youth of various income classes, especially to young people of low income families?

The problem, as I see it, is that we have a government designed and implemented program which is called Opportunities for Youth, but in reality it has become a program of opportunities for students and mostly students in the middle and upper income groups. If we look at some figures for 1971—I am sorry that I do not have the more recent, 1972 figures, if indeed they have been tabulated—we see that the percentage of young people unemployed ran at 15 per cent for post-secondary students and at 20 per cent for non-students.

In the same year we find that 62 per cent of the applicants for Opportunities for Youth grants were post-secondary students and only 26 per cent were non-student applicants. Of the post-secondary applicants, 68 per cent were successful in their applications, but of the non-students only 17 per cent were successful in receiving grants. Therefore we see that students have a greater acceptance rate than non-students. This is readily understandable. The students are more articulate; they can formulate their briefs much better than the non-students and hence enhance their chances of being selected.

We have a problem of goals. A program that began as Opportunities for Youth, in practice has become opportunities for students. I want to know, is this official government thinking? We have hints that it may be. In the 1971 task force report at page 29 we read:

> The first objective of the program was to provide employment for students . . . the priorities among this target group were post-secondary school students—

If this is what Opportunities for Youth has become, let the government admit it openly, but then let it be fair enough to design another program for the non-student young people, thousands of whom are unemployed, frustrated and angry. The second question I raised earlier asked, did the government consult the provincial ministries of education to determine whether the funds needed for the average student to see him through the year in university were comparable to what OFY was providing? The answer of the minister was no. This soon becomes evident. We see that the average earnings of post-secondary OFY participants in 1972 was $1,000 or $1,200 with an average saving of somewhere between $400 and $600. Mr. Speaker, such earnings cannot possibly cover tuition and living costs for today's university students. The government has set a maximum earning of $90 a week for OFY applicants, so even the OFY—or should I say the opportunities for students program—is not meeting the needs of the students.

• (2210)

In conclusion, Mr. Speaker, I want to know, first, if the Opportunities for Youth program is now providing primarily opportunities for students. If it is not, what guarantees for equitable distribution of grants to youth of all income and occupational groups is there in the program? I want to know, secondly, if the minister will raise the pay allotted for the applicant so that what he earns can realistically meet the cost of a university education today. Likewise for the non-student, will the government consider giving him an adequate wage so that he can live decently in today's society?

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): Mr. Speaker, in reply to the first question as to whether the Opportunities for Youth program has been successful among under-privileged youth with low incomes, I might say that the Opportunities for Youth program has been very successful over the last two years. The funds that were granted to under-privileged youth show the government's concern for this particular group of people. The Opportunities for Youth Program came to grips with the problem of regional, ethnic, economic and social disparities, by granting the major part of the available funds to the young people who were having a hard time finding a summer job and who urgently needed financial assistance.

In 1972, most of the participants, that is 57 per cent, came from rural areas, which somewhat offsets the non-availability of summer employment in those areas. The male representation that was dominant on projects in 1971 was reduced in 1972, and we managed to establish a ratio of 55 to 44 per cent. Although 65 per cent of Canadian students at the post-secondary level came from families with a gross income under $11,000, over 70 per cent of the participants at the post-secondary level came from families in that income bracket. Over 50 per cent of the students at the secondary level participating in the Opportunities for Youth program came from families with a gross income under $8,000.

As regards the second question, in respect of salaries, we admit that there were no formal consultations between the federal government and the provincial government. However, I should like to remind my honourable friend that the Opportunities for Youth program is not meant to settle all the employment problems of young people. However, the amount of $90 is a sizeable amount, nevertheless, and we think it was preferable, with a $40 million budget, $6 million more than last year, to try to reach a larger number of young people by paying them a weekly salary that is not the perfect solution but which can partly meet their needs.

And my honourable friend should not forget that only 15 per cent of the summer jobs were filled under the Opportunities for Youth program. Most of them, that is 85 per cent, happened to be filled by the private sector.

In closing, I would say to my hon. friend that young people must not consider the Opportunity for Youth program simply in terms of income but avail themselves of the opportunity to fulfil their personal ideas, to get involved positively in social achievement and to get ready for the tasks of tomorrow.

AGRICULTURE—FEED GRAINS—MEASURES TO STOP PRICE INCREASE

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, on January 31 last, I directed a question to the Minister of Agriculture (Mr. Whelan) concerning the excessive price increases of feed grains and proteins in eastern Canada.

My question was the following:

Can the minister tell us, after having met with the representatives of the Canadian Feed Manufacturers Association and the persons directly concerned with the matter in eastern Canada, what he intends to do to improve conditions concerning the price of feed grains?

The minister answered as follows:

—as I said before, the main cost is the high cost of proteins. There is a world shortage. I think the latest figures given to me show an increase of 140 per cent to farmers for these protein supplements. We will be making a decision next week as to how we will aid farmers caught in this cost-price squeeze.

Mr. Speaker, the present situation of farmers in eastern Canada, and particularly in the riding of Richmond which I represent, is very difficult. Many factors have caused this price increase in feed grains in the last few years, an increase which I consider as very difficult for producers, particularly milk producers. Canadian farmers have suffered a lot from the administration of the Liberal majority government between 1968 and 1972. Farmers, perhaps more than any other class of Canadians, have suffered during those four long years from the incoherence of the federal government in the field of agriculture.

During the years 1969-1970, the government paid the farmers of western Canada not to produce. They paid western grain producers to keep a large part of their prairies unploughed because according to them there were enormous surpluses of grains in the west and exports were in difficulty while the price of milk remained stationary.

Mr. Speaker, farmers from eastern Canada then had pay more for feed grain than what the Canadian government was getting for it in other countries.

Mr. Speaker, the Minister of Agriculture told me that such a situation was due to a world shortage of proteins. I can understand that if other countries, just as Canada, have paid grain producers not to produce which, as I said a while ago, has caused scarcity of grain on markets and has contributed to raise its price spectacularly. At home, for instance, in supermarkets around Sherbrooke and the Richmond constituency oats was selling at $2.23 per 100 lbs. in January 1971 and $4.10 in January 1973.

What did the Liberal government do to help farmers face this increase of close to 100 per cent?

The price of barley, of wheat, in short of all feed grains has more than doubled.

Soya, for instance, was the most affected. It was selling at $127 a ton in April 1972 whereas today it is selling at $260 per ton. And executives of the farmers co-operative in Sherbrooke told me today that they were expecting it to reach $300 a ton in June.

The UPA says that raising a hog in eastern Canada costs $4.36 more than in western Canada. I believe new measures involving feed grains should strive for parity between prices in the east and in the west of Canada. The UPA submitted to us a brief suggesting among other things that the Wheat Board should be the marketing body for feed grains on the domestic market outside the designated zone, that the grants for feed grains transportation should be an integral part of the marketing system of feed grains in Canada, that the initial prices—state-guaranteed maximum prices—for wheat, barley and oats should reflect production costs, that any policy aimed at improving grain prices in a reasonable way in the Prairie provinces should be accepted by Quebec provided milk producers always get equal treatment, that the right to deliver feed grains import licenses should be taken from the Wheat Board and given to the Department of Industry, Trade and Commerce.

In the last Speech from the Throne, the government committed itself to introducing a bill to establish price parity for feed grains throughout Canada. So, in my opinion, the government is aware of this problem and particularly of the fact that it was mistaken during the years 1969-70-71. Mr. Speaker, we are impatiently awaiting this new bill.

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, on February 13 last the hon. member for Annapolis Valley (Mr. Nolan) proposed a debate on the same question.

I answered that, in my opinion, his question was essentially the same as the one asked by the hon. member sitting to my right. I also said that my answer would be the same in both cases.

Instead of referring the hon. member for Richmond (Mr. Beaudoin) to my previous answer, I am going to repeat it to him.

It can be found at page 6 of *Hansard* of January 4, in connection with the government's undertaking in the Speech from the Throne. I quote:

The Government supports the principle of an equitable relationship of prices of feed grain to livestock feeders in various areas of Canada.

Before the next crop year, the government intends to take steps to ensure maximum progress in the production of feed grains and stock breeding in Canada; I am convinced it will respect that commitment. We are now having important discussions with various groups of producers, to make sure they will be heard and their opinions will be taken into consideration in finding a solution. I know hon. members would not want decisions to be taken without consultation.

Mr. Speaker, the increase in farm production costs worries me and the fact that this increase stems from a world shortage of feed grains and proteins is of little comfort.

However, I am happy that this time, at least, the price feed grain consumers are getting for their production has also gone up. Let us hope that the rise in stock breeding production costs will also be reflected in better prices for the producer of feed grains and proteins, which will help him to stabilize his income while ensuring that he can produce even more feed grains next year.

In conclusion, Mr. Speaker, I will say that everyone is aware of the seriousness of the situation, and I know a practical solution will soon be found.

Motion agreed to and the House adjourned at 10.24 p.m.

APPENDIX

Act of the International Conference on Viet Nam

The government of Canada;

The government of the People's Republic of China;

The government of the United States of America;

The government of the French Republic;

The provisional revolutionary government of the Republic of South Viet Nam;

The government of the Hungarian People's Republic;

The government of the Republic of Indonesia;

The government of the People's Republic of Poland;

The government of the Democratic Republic of Viet Nam;

The government of the United Kingdom of Great Britain and Northern Ireland;

The government of the Republic of Viet Nam; and

The government of the Union of Soviet Socialist Republics;

in the presence of the Secretary General of the United Nations;

with a view to acknowledging the signed agreements;

guaranteeing the ending of the war, the maintenance of peace in Viet Nam, the respect of the Vietnamese people's fundamental national rights, and the South Vietnamese people's right to self-determination;

and contribution to and guaranteeing peace in Indochina;

have agreed on the following provisions, and undertake to respect and implement them;

Article 1

The parties to this Act solemnly acknowledge, express their approval of, and support the Paris Agreement on Ending the War and Restoring Peace in Viet Nam signed in Paris on January 27, 1973, and the four Protocols to the Agreement signed on the same date (hereinafter referred to respectively as the Agreement and the Protocols).

Article 2

The Agreement responds to the aspirations and fundamental national rights of the Vietnamese people, i.e., the independence, sovereignty, unity and territorial integrity of Viet Nam, to the right of the South Vietnamese people to self-determination, and to the earnest desire for peace shared by all countries in the world. The Agreement constitutes a major contribution to peace, self-determination, national independence, and the improvement of relations among countries. The Agreement and the Protocols should be strictly respected and scrupulously implemented.

Article 3

The parties to this Act solemnly acknowledge the commitments by the parties to the Agreement and the Protocols to strictly respect and scrupulously implement the Agreement and the Protocols.

Article 4

The parties to this Act solemnly recognize and strictly respect the fundamental national rights of the Vietnamese people, i.e., the independence, sovereignty, unity, and territorial integrity of Viet Nam, as well as the right of the South Vietnamese people to self-determination. The parties to this Act shall strictly respect the Agreement and the Protocols by refraining from any action at variance with their provisions.

Article 5

For the sake of a durable peace in Viet Nam, the parties to this Act call on all countries to strictly respect the fundamental national rights of the Vietnamese people, i.e. the independence, sovereignty, unity and territorial integrity of Viet Nam and the right of the South Vietnamese people to self-determination and to strictly respect the Agreement and the Protocols by refraining from any action at variance with their provisions.

Article 6

(a) The four parties to the Agreement or the two South Vietnamese parties may, either individually or through joint action, inform the other parties to this Act about the implementation of the Agreement and the Protocols. Since the reports and views submitted by the International Commission of Control and Supervision concerning the control and supervision of the implementation of those provisions of the Agreement and the Protocols which are within the tasks of the commission will be sent to either the four parties signatory to the Agreement or to the two South Vietnamese parties, those parties shall be responsible, either individually or through joint action, for forwarding them promptly to the other parties to this Act.

(b) The four parties to the Agreement or the two South Vietnamese parties shall also, either individually or through joint action, forward this information and these reports and views to the other participant in the International Conference on Viet Nam for his information.

Article 7

(a) In the event of a violation of the Agreement or the Protocols which threatens the peace, the independence, sovereignty, unity or territorial integrity of Viet Nam, or the right of the South Vietnamese people to self-determination, the parties signatory to the Agreement and the Protocols shall, either individually or jointly, consult with the other parties to this Act with a view to determining necessary remedial measures.

(b) The International Conference on Viet Nam shall be reconvened upon a joint request by the Government of the United States of America and Government of the Democratic Republic of Viet Nam on behalf of the parties signatory to the Agreement or upon a request by six or more of the parties to this Act.

Article 8

With a view to contribution to and guaranteeing peace in Indochina, the parties to this Act acknowledge the commitment of the parties to the Agreement to respect the independence, sovereignty, unity, territorial integrity, and neutrality of Cambodia and Laos as stipulated in the Agreement, agree also to respect them and to refrain from any action at variance with them, and call on other countries to do the same.

Article 9

This Act shall enter into force upon signature by plenipotentiary representatives of all 12 parties and shall be strictly implemented by all the parties. Signature of this Act does not constitute recognition of any party in any case in which it has not previously been accorded.

Done in 12 copies in Paris this second day of March, one thousand nine hundred and seventy three, in English, Vietnamese, Chinese, French, and Russian. All texts are equally authentic.

Statement by the
Secretary of State for External Affairs,
The Honourable Mitchell Sharp,
to the Opening Session of the
International Conference on Viet Nam,
Paris, February 26, 1973

Mr. Chairman,

The first words of any representative of Canada to an international conference on the subject of Viet Nam must be to congratulate the authors of the Agreement signed in this same building a month ago. All the parties deserve the gratitude not only of their own peoples but of all those states which have come to regard the war in Viet Nam as affecting their own national aspirations and interests. My government is firmly of the opinion that the Agreement signed here last month represents a magnificent and hard-earned opportunity which must not be lost. This agreement, indeed, doesn't solve all the problems, neither does it meet all of our hopes; but it's very existence is far more desirable than the absurdity of the armed conflict itself.

Although Canada's agreement to participate in the International Commission of Control and Supervision was conditional, the Canadian Delegation in Saigon has taken a leading part in getting not only the International Commission of Control and Supervision teams in place as required by the agreement, but also in facilitating the other organizations established under it to begin to exercise their functions. The Canadian Delegation from the beginning has been motivated by a desire to make the agreement work if this was at all possible. This will continue to be our attitude in Viet Nam for as long as we are there. It will also be the attitude of the Canadian Delagation here in Paris. I am sure that all other delegations at this conference are equally conscious of the importance of the part this conference has to play in transforming the present precarious ceasefire into a lasting peace in which the South Vietnamese people and only the South Vietnamese people will determine their future. Even though the Lao and Khmer peoples are not represented at this conference, their futures too are bound up in peace in Viet Nam. They too are entitled to the right to determine their own futures for themselves without any foreign intervention.

The fact that there is yet another international conference being held on Viet Nam is in some respects sad inasmuch as it reflects on the rights of the Indochinese peoples to determine their own futures for themselves. But the fact remains that the struggle in Indochina has become an international struggle involving not only the nations of that peninsula but countries far removed from it. From the point of view of my government, the object of the Paris Agreement is not to perpetuate an international presence in Viet Nam but to eliminate it and on conditions that will ensure again a fresh internationalization. This conference should be able to provide for some of those conditions.

Canada has had the educative experience of having served 19 years on the international commissions in Indochina and from that experience we have come to a number of conclusions. If these conclusions seem to imply criticism of the existing agreement of Viet Nam, I hasten to assure you that this is not my intention. My primary purpose is to prevent my country from being once more involved in an intractable situation and an open-ended commitment. At the same time we are deeply conscious that Canada has a history of concern for and participation in international peacekeeping and is very jealous of its reputation in this area.

Canada sees itself, in its membership in the International Commission of Control and Supervision, not as the spokesman of any one point of view and certainly not as serving any direct national policy of its own, but as a representative of the International Community and invited by all the parties concerned to act as such. We therefore feel that we have an obligation not only to the parties to the agreement and indeed to this conference if it should decide to maintain an active interest in this agreement, but to the International Community as a whole.

We would obviously prefer to see all peace supervisory operations conducted under the auspices of the United Nations in accordance with the charter. The fact that this has not been possible in the case of Indo-China reinforces, in our view, the obligation of the International Commission of Control and Supervision to act as if it were representing the world community. If this were not so it would be merely a quadripartite group with no claim to the description international in its title. Canada would have preferred greater Asian participation not only in the International Commission but also in this International Conference which is to discuss matters of vital concern to the future peace and stability of the Asian region. It is in the attempt to engage the International Community to the greatest extent possible that we have adopted the policy of giving full information on our International Commission of Control and Supervision participation. Apart from details of negotiations while they are still under way, we feel that the International Community has a right to know what is being done in its name in Viet Nam. For our part we propose to report regularly and publicly on this at least until other more satisfactory means are found for

transmitting information and points of view to all concerned in the International Community.

As I have already mentioned, our primary concern is to do what we can to make Canadian participation in the International Commission of Control and Supervision effective. We wish to continue to serve and we ask this conference to make it possible for us to do so. In this connection we have come here to seek your support in establishing an independent mechanism more representative of the International Community than the existing mechanism, through which the International Commission of Control and Supervision or any of its members could report and which would provide for some possibility of appropriate reaction to such reports.

But we also have another concern. I have no authority to speak for other member countries of the International Commission of Control and Supervision but my government, as the government of a responsible country, could not accept the onus of passing to the former belligerents in Indo-China reports that could conceivably result in a re-escalation of the war in Indo-China. At the same time, we are not prepared to suppress information once we are satisfied that it is soundly based. For this reason Canada has consistently stated a fundamental condition to its participation: that it would serve on the International Commission in Viet Nam only if among other things this conference produced some more broadly-based international authority which would accept the responsibility for evaluating and, if necessary, acting upon reports from the International Commission, or its members, dealing with the manner in which the agreement was being carried out. Ideally, as I have said before, the Security Council of the United Nations should be the body responsible for receiving reports from the International Commission of Control and Supervision or its members and determining what, if any, action is required. Reluctantly, we are prepared to acknowledge that this solution is not practicable in the present situation but we must have some acceptable substitute. In any event, Canada considers that the Secretary General of the United Nations who has been invited to this conference by the United States and the Democratic Republic of Viet Nam on behalf of the parties to the agreement would provide the most appropriate and effective channel for receiving and transmitting the views of the International Commission. He is present here not only as the principal public servant of the world, but as representative of the world's concern at the decades of warfare in Viet Nam. His obviously disinterested position fits him uniquely for this task. I should make it clear that I do not propose that the Secretary-General assume any responsibility either in this capacity or on behalf of the United Nations for action consequent upon his transmission of information received from the International Commission during the interim period of its involvement in Viet Nam. If however it is agreed that the membership of this conference constitutes the continuing political authority to which the International Commission of Control and Supervision should report, the Secretary-General should in our view also be vested with the task of reconvening the conference when requested to do so on whatever basis we may here decide. I would like to circulate and table a resolution which could cover the kind of arrangement I have in mind.

My government is well aware of the problems that a vacancy in the International Commission of Control and Supervision could create and would, in practice, do whatever it could to avoid that situation arising. But we should not be asked to watch in silence a resumption of hostilities nor to accept direct responsibility for all the consequences that could ensue if we felt duty-bound to report to the world that the agreement has been seriously breached.

We will work to find a solution that would meet our reasonable requirements. We are willing to examine any proposal that offers any chance of meeting our point. This is one of the reasons why, at the very beginning of the conference, I am putting forward a resolution that would best meet our requirements and we hope it will be given the most serious consideration. Although this is only one of a number of factors in our decision-making, we shall examine the results of this conference with the greatest care and in the light of the information we have received from our delegation in Viet Nam. Should we decide as a result of our study of the outcome of this conference and of our experience up to now, that we must terminate our membership on the International Commission of Control and Supervision, we would so inform all the interested parties that at the end of the 60 days for which we undertook to serve, that is, on March 30, Canada would cease to be a member of the International Commission of Control and Supervision. At the same time, however, we would declare our willingness, if all the parties signatory to the agreement so desired, to reamin in place and act as a member until April 30, 1973, or such earlier date as a new member could be agreed upon by the signatories and take our place.

Such a decision would be a very sad one for my government to have to make. All Canadians have taken justifiable pride in the manner in which the armed forces of Canada in particular have contributed to peacekeeping operations through out the world. It would be a bitter disappointment to them and to us to have to terminate our participation unilaterally. But I am satisfied that no Canadian would wish to see our representatives placed in the position of having to choose between suppressing relevant information or accepting full and direct national responsibility for the possible consequences of transmitting it under the existing arrangements. Even less would the Canadian people wish to see our delegation stand idly by, as Canadian delegations in Indo-China have had to do in the past, while agreements they are supposed to supervise are disregarded.

I am hopeful that the new agreement will succeed if there is a desire on the part of those present to help make it succeed and to involve themselves in the process. If I am wrong we shall have to arrange for the orderly transfer of our International Commission of Control and Supervision responsibilities to some other government. In doing so we would not be suggesting that our partners in the International Commission or a potential successor would be less sensitive or less alert to the problems that could arise than we were. We reached our own conclusions on peace-keeping in Viet Nam some years ago and

we have no reason to doubt their validity. On the other hand, we can readily understand that other countries differently situated from Canada could come to quite different conclusions. We respect their points of view and hope that they will understand ours.

Canada was invited to this conference as a member of the International Commission of Control and Supervision and its participation now and in any final act or declaration is linked to our continued participation in the International Commission of Control and Supervision. It follows, therefore, that a cessation of Canadian participation in the International Commission of Control and Supervision would also mean a termination of any other Canadian responsibilities that might arise out of either the agreement and protocols or any acts or declarations emanating from this conference.

I have asked the head of our delegation in Saigon, who happens like myself, to be chairman at the present time, to give me an interim report on the work of the International Commission of Control and Supervision and the state of affairs in respect to the implementation of the agreement and protocols.

The report that I received late last week from the head of the Canadian delegation made two points very clearly: first, the ceasefire has not been effective throughout South Viet Nam, and, second, the four-party joint military commission has not operated effectively. Both these factors have seriously impaired the Commission's ability to meet its obligations.

With respect to the ceasefire, it is evident from this report that the Vietnamese parties are still engaged in hostile activities related to efforts by one side or the other to enlarge its areas of control. The Commission has received numerous complaints from the four parties alleging violations of the ceasefire. In a number of cases investigations have been ordered but, at this early stage, we have been obliged to settle for investigations of a more limited scope than that envisaged in the agreement, debate within the commission over what the commission is empowered to investigate and at whose request, delays on the part of the four-party joint military commission in establishing itself in the field, and the conditions of insecurity prevailing in the countryside as a result of continued hostilities—all these have militated against the commission's ability to take decisive action in investigating most ceasefire violations. After receiving a series of general complaints alleging ceasefire violations, the commission issued a strong appeal to the parties to respect the ceasefire. This appeal on February 16 predated by one day an appeal by the four-party joint military commission to the same effect.

The delay in the four-party joint military commission in becoming fully effective has presented the International Commission with serious problems in meeting its obligations with respect to the deployment of teams in the field. The Commission's regional headquarters teams were deployed on February 5, several days after the deadline imposed upon us. On February 20, the commission decided to deploy its teams at the subregional level. In addition, the commission has decided to deploy its teams to points of entry into South Viet Nam to control the import of armaments and other military material, as well as four teams to observe the withdrawal of United States forces and other forces allied with the Republic of Viet Nam, from South Viet Nam. Every effort is being made by the Canadian delegation to ensure that teams in the regions and at points of entry are deployed within the deadline established by the agreement, that is to say, by February 27. Whether we succeed in meeting this deadline will depend, as everything will depend on the ability of the four parties to afford the necessary co-operation. We have however taken the position that the inability of the four party joint military commission to function smoothly should not necessarily be permitted to bring a halt to the attempts of the International Commission to meet its obligations.

We have been pleased to note the progress of the exchange of prisoners-of-war and foreign civilian personnel. This has been an operation in which the four parties, despite some initial difficulties, have exhibited an ability to cooperate and coordinate their activities. We can only hope that the cooperative spirit that has characterized this operation will be extended to the implementation of all other provisions of the agreement.

Simultaneously with its attempts to deal with substantive issues and to deploy its field machinery, the commission has been engaged in setting up its headquarters in Saigon, establishing its procedures, securing support facilities, and organizing a secretariat. This has been a complex and lengthy process which has not yet been completed, despite concentrated effort. Among the difficulties the commission has encountered in this area of its work is the fact that neither the agreement nor its protocols made provision for a secretariat, even though the necessity of establishing one was obvious. Personnel additional to the ceilings established in the protocol will be required if delegates are to be in a position to staff the secretariat adequately.

Fellow delegates, this, then, is the Canadian view of the status of the International Commission of Control and Supervision as of the last day or so. There are continuing problems of implementation and there remains the matter of a reporting authority for the Commission and its members. Implementation is the responsibility of the parties to the agreement assisted as best it can by the International Commission of Control and Supervision. However, the matter of providing an adequate international political authority as a basis for the operation and reporting of the International Commission of Control and Supervision and its members is clearly the main responsibility of this conference. My delegation will spare no effort in helping to achieve this objective on which we think so much depends. Thank you.

Statement by the
Secretary of state for External Affairs of Canada,
The Honourable Mitchell Sharp,
to The International Conference in Paris,
Plenary Session, March 1, 1973

Canada supports the spirit of the act of this Conference. We also wish to associate ourselves with the expressions of goodwill and co-operation reflected throughout this conference and underlined in the document before us. For these reasons, we are prepared to sign it. I wish to make it clear, however, that we will have to assess the provisions of Articles 6 and 7 in particular, as to whether they are sufficient to meet one of the major requirements we have consistently stated as being essential to the ultimate effectiveness of the International Commission of Control and Supervision, on the basis of our quarter century experience in international supervision in Viet Nam and elswhere throughout the world. In very general terms Articles 6 and 7 represent one approach; an effort has undoubtedly been made to meet our requirement but does it go far enough and will it work? Our concept of an independent continuing political authority is contained in the proposal tabled by me in my statement of February 26. The arrangements provided in Articles 6 and 7 will be reviewed carefully by the Canadian Government as it carries out its consideration of the extent to which the various conditions we have stated to be essential to our continued participation in the commission beyond the initial period of sixty days have been, or, are likely to be fulfilled.

I must add that in signing the act of this conference, I am not accepting any responsibilities on behalf of Canada that are not determined by our initial participation in the commission, nor by previously announced Canadian policy. Finally, Canada considers itself bound by the arrangements provided for in the Act only so long as it remains on the Commission and should Canada find it necessary to terminate its participation in the International Commission of Control and Supervision, it would no longer consider itself formally bound by the terms of the act of the conference. I can, nevertheless, assure this distinguished company that Canadians would, as a matter of policy and as a matter of principle, remain committed to the promotion of the achievement by the peoples of Indochina of a stable and peaceful situation, and our acts would reflect this commitment.

HOUSE OF COMMONS

Tuesday, March 6, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

SUPPLEMENTARY ESTIMATES (B), 1972-73

A message from His Excellency the Governor General transmitting Supplementary Estimates (B) for the financial year ending March 31, 1973, was presented by Hon. C. M. Drury (President of the Treasury Board) and read by Mr. Speaker to the House.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, by leave, I should like to table a copy of Supplementary Estimates (B) for the financial year ending March 31, 1973.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I wish to move the following motion pursuant to Standing Order 59:

That Supplementary Estimates (B), 1972-1973, tabled this day, be referred to the Standing Committee on Miscellaneous Estimates.

Motion agreed to.

Mr. Baldwin: On a point of order, Mr. Speaker, we have not objected to this procedure. Although we cannot debate the matter, I would suggest that in future, before we are required to give our assent and accept this procedure, that at least the supplementary estimates should be shown to members of the opposition parties.

* * *

HOUSING

RENT INCREASES AFFECTING OLD AGE PENSIONERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask the consent of the House to present a motion which I believe expresses a view held by every member of the House. I hope the House will see fit to agree to its being presented and passed, preferably without debate. Without further word, therefore, I move, seconded by the hon. member for Assiniboia (Mr. Knight):

That this House deplores the action of certain landlords and nursing homes in increasing rents and other charges against old age pensioners immediately following and since the announcement of pension increases made in the budget of February 19, 1973.

Mr. Speaker: This motion is submitted to the House under the terms of Standing Order 43. It requires the unanimous consent of the House before it can be put. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: There appears to be unanimous consent. The motion will therefore be put. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

• (1410)

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUIREMENT OF PROOF OF EFFORTS TO SECURE EMPLOYMENT—REQUESTS FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to Standing Order 43, I should like to propose a motion in a case of urgent and pressing necessity involving thousands of Canadians now unemployed.

Since many Unemployment Insurance Commission officials demand that applicants for benefits supply proof that they have effectively looked for a job, and since such a procedure is detrimental to the dignity of the individual and contrary to the provisions of the Unemployment Insurance Act, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That this House consider action to prevent abuse of prerogatives by civil servants and to make them discontinue demanding conditions not provided under the present act in order to obtain unemployment insurance benefits.

Mr. Speaker: The House has heard the motion brought forward by the hon. member for Richmond under Standing Order 43. It requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimity. The hon. member's motion therefore cannot be put.

Name Change, Waterloo Riding

FINANCE

MEASURES TO INCREASE BIRTH RATE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, under section 43 of Standing Orders, I ask for the unanimous consent of the House in order to move a motion relating to a matter requesting urgent attention.

The birth rate in Canada, and more particularly in the province of Quebec, is now at its lowest level. We live in one of the largest countries in the world that barely numbers 20 million inhabitants. If we want to ensure our country's future development, we must consider developing out human resources, that is increasing our population in order to populate our vast territories. The present government policy regarding the family has a negative effect and will discourage parents from raising children. The economic policy now in force will put a heavy load—

Mr. Speaker: Order, please. I must interrupt the hon. member for Rimouski, to remind him that it is out of order to make a speech in support of a motion put under Standing Order 43. The hon. member may not present arguments to support the motion that he wishes the House to consider. I therefore suggest that he state the motion he wishes to put to the House.

Mr. Allard: Mr. Speaker, I move, seconded by the hon. member for Villeneuve (Mr. Tétrault):

That this House study the various financial means that might be employed to lighten the burden of fathers of families and to enable them to bring up as many children as they wish, with a view not to removing financial limitations but to promoting the full development of the family and of the couple.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: As there does not seem to be unanimous consent, the hon. member's motion cannot be put.

* * *

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

CHANGE IN NAME OF CONSTITUENCY FROM WATERLOO TO WATERLOO-CAMBRIDGE

Mr. Max Saltsman (Waterloo) moved for leave to introduce Bill C-156, respecting the Electoral Boundaries Readjustment Act.

Some hon. Members: Explain.

Mr. Saltsman: Mr. Speaker, the purpose of this bill is to draw attention to the recent amalgamation and change of name of the historic Waterloo County city and towns of Galt, Preston and Hespeler. They have now become the new city of Cambridge.

[Mr. Speaker.]

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

ORAL QUESTION PERIOD

TRADE

REPORTED UNITED STATES INTENTION TO INCREASE RESTRICTIONS ON IMPORTS—REPRESENTATIONS BY CANADIAN GOVERNMENT

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce. In view of the numerous reports from Washington that the United States is seriously considering increasing trade restrictions against foreign imports, has the minister been in personal contact with the Secretary of Commerce of the United States to point out very strongly that Canada has not in any way been responsible for the United States imbalance and that there is no justification whatsoever for increasing restrictions against Canada?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, as I have said on previous occasions, the government's views with respect to restrictions on trade liberalization have been made known to the United States authorities.

Mr. Hellyer: While the minister is contemplating the desirability of personal diplomacy, would he advise the House, in light of the statements by a senior U.S. official that the intent of its trade legislation is to help the United States achieve a significant trade surplus in manufactured goods in order to offset increasing energy imports, whether the government is going to advise the United States that Canada is not prepared to accommodate growing United States energy problems by accepting further constraints on the potential of Canada to export manufactured goods?

Mr. Gillespie: Mr. Speaker, on a number of occasions I have made it quite clear that the Canadian government has stated that we are not contributing to the United States deficit on balance of payments. Indeed, because we are in a deficit position with the United States on a current account basis we are helping them solve their problem, not contributing to it.

GOVERNMENT INTENTION RESPECTING ASSOCIATION WITH EUROPEAN ECONOMIC COMMUNITY TO COUNTERACT UNITED STATES POLICIES

Hon. Paul Hellyer (Trinity): I have one further supplementary question, Mr. Speaker. Since United States administration officials have indicated that their new trade legislation is designed to remove all impediments to natural "market forces", for instance, the duty on U.S. cars sold in Canada, DREE and the screening legislation, is the government now going to join with the European

Economic Community to protest DISC and to work with the EEC to find multilateral responses to the present trend of the trade policies of the United States administration?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think there are many questions rather than one question in the hon. member's representations. Let me make it quite clear that reports coming out of Washington that would attack DREE, Canadian manufacturing industries and our ability to compete internationally are not positions that we are prepared to accept. Indeed, we have taken measures and are committed to a strong manufacturing industry in Canada, for example, such measures as the corporate tax reduction. Further, I think the hon. member mentioned the foreign investment review legislation which is of concern to certain quarters in Washington. This government believes it is important to ensure that foreign investment provides significant benefit to Canada through the proposed screening process.

Mr. Speaker: The hon. member for Oshawa-Whitby.

Mr. Hellyer: A further supplementary, Mr. Speaker.

Mr. Speaker: The Chair has recognized the hon. member for Oshawa-Whitby on a supplementary.

RESPONSE BY UNITED STATES TO PROTEST AGAINST COUNTERVAILING DUTY ON MICHELIN TIRES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in view of the strong opposition expressed by the minister to the delegates from the Canadian Labour Congress yesterday concerning any discriminatory trade measures that are taken by other countries against Canada, would the minister inform the House whether or not he has yet heard from the United States concerning our government's protest regarding their countervailing duty against Michelin tires?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): The answer is no, Mr. Speaker.

Mr. Broadbent: In view of the minister's equally strong assertion yesterday that our government would not sit back passively but would take some kind of retaliatory action against discriminatory measures, would the minister inform the House what the government plans to do if, as seems likely, the United States is not going to change its position on the duty levied against Michelin?

Mr. Gillespie: Mr. Speaker, if we are not able to settle the Michelin protest in a satisfactory manner we shall have recourse to the courts and take the issue to the courts in the United States.

HOUSING

REPORTED RENT INCREASES AFFECTING OLD AGE PENSIONERS FOLLOWING PENSION INCREASE ANNOUNCEMENT—REQUEST FOR INVESTIGATION

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. Is the minister aware of the increasing number of reports that pensioners are having their rents and fees increased by landlords and nursing homes following the announced increase in old age pensions, and has he asked Central Mortgage and Housing Corporation to set up some kind of mechanism to monitor the situation across the country and ascertain whether injustice is being done to our pensioners?

• (1420)

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I am aware of reports in the press and from other sources that some landlords have taken this action. I am not aware of any large number of complaints having been made to Central Mortgage and Housing Corporation. CMHC has set its rent policy for 1973, but as for trying to monitor privately-held property over which we have no mortgage or other control, any influence the corporation might have would be extremely limited.

Mr. Lewis: As every member of the House knows, there are bound to be some homes providing private accommodation to pensioners that are financed by mortgages under the National Housing Act. It is in this context that I ask the minister whether he will create some mechanism to examine what is happening, at least in the case of those properties that have been built through the assistance of CMHC?

Mr. Basford: Where the property is owned by CMHC, as is often the case, I have ordered that there be—

Mr. Lewis: If the minister would answer—

Mr. Basford: If the leader of the New Democratic Party would listen—

Some hon. Members: Watch it!

Mr. Basford: —he would find out what the government has done. I have ordered CMHC not to increase rents for this year where the corporation owns the property.

Some hon. Members: Hear, hear!

Mr. Basford: In the case of limited dividend projects where we are bound by contract to take into account increases in the owner's operating expenses, I have ordered CMHC to be extremely strict before allowing such increases. In cases in which we only hold a mortgage we only have the rights of a mortgagee, which are very limited indeed. I will review the terms of the mortgage documents, or of our practice, to ascertain whether there is anything we can do in these cases, but I think the hon. member is as aware of the terms of a mortgage as I am.

Mr. Lewis: Has the minister initiated discussions with his provincial counterparts and, if not, is he prepared to do so, to urge them to impose rent controls as far as

accommodation for pensioners is concerned, and only in this area? I would ask him to take some initiative there.

Mr. Basford: One province has already taken action in this regard. Others, as I understand the position, are contemplating the establishment of rent review boards. I think this is a matter purely within the jurisdiction of provincial ministers. I would be happy to see that the remarks of the hon. gentleman are brought to the attention of provincial governments, but he will recognize as well as I do that this is a matter within their sphere of jurisdiction.

REQUEST FOR MORATORIUM ON RENT INCREASES AND FORECLOSURES ON CERTAIN PROPERTIES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the minister a supplementary along the same lines. In light of the fact that the Canadian Labour Congress in its brief recommended that a moratorium should be placed not only on rents of properties under the jurisdiction or direct control of the CMHC, whether limited dividend projects or not, would the minister order a moratorium against (a) rent increases, and (b) foreclosures? I ask this question in light of the fact that in connection with limited dividend projects rents recently went up by 20 per cent, in spite of the hon. gentleman's words.

Hon. Ron Basford (Minister of State for Urban Affairs): I have already answered the question with respect to limited dividend projects. With regard to foreclosure action, I believe each case should be decided on its own merits. It is our policy when there is default on a mortgage to make every possible effort not to foreclose and to reach some financial arrangement with the owner of the property.

Mr. Woolliams: The minister said he has ordered CMHC to look into the circumstances strictly before allowing rent increases. Does he consider an increase in the rent charged to tenants of limited dividend projects amounting to 20 per cent as late as January, 1973, as evidence of any strictness in the policy he is setting out today?

Mr. Basford: It is a very large increase, obviously. It is, however, provided for in the contract governing the property. What I have said is that the corporation has been instructed to follow these agreements strictly in so far as any applications for increases are concerned.

ALLEGED INDICATION BY LANDLORDS THAT RENT INCREASES AUTHORIZED BY CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a supplementary question. May I ask the minister whether he is aware of the fact that in some cases landlords in giving rental increase notices to their tenants are saying in writing that the increases are with the authorization of Central Mortgage and Housing Corporation, and will he ask the corporation to review its policy in this matter?

[Mr. Lewis.]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I wish the hon. gentleman would give me the letter to which he is referring. I presume he is probably referring to the case of a limited dividend project, and I think it is a misnomer to say in such cases that a rent increase is authorized by the corporation. I think the letter is wrong in that sense and I wish the hon. member would give it to me.

* * *

[*Translation*]

ATOMIC ENERGY

RESEARCH TO INCREASE HEAVY WATER PRODUCTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the hon. Minister of Industry, Trade and Commerce.

Since the Gentilly nuclear plant which cost several million dollars is experiencing difficulties due to a scarcity of heavy water, could the Minister of Industry, Trade and Commerce inform the House if, during the past two years, the government has sponsored research for a larger production of heavy water in Canada in order to meet our needs?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have discussed with the Ontario and Quebec provincial governments the heavy water problem and the possibility of building another heavy water plant in one of those provinces. No decision has been reached yet on that matter but it is obvious that the success of the Canadian nuclear program will increase heavy water needs.

* * *

[*English*]

INFORMATION

STEPS TO IMPLEMENT RECOMMENDATIONS OF TASK FORCE ON PRIVACY AND COMPUTERS IN LIGHT OF INFRINGEMENT ON RIGHT TO PRIVACY

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Justice. In view of the concern expressed by the Canadian Labour Congress in its brief yesterday, and by the Consumers Association of Canada, regarding the increased use of data banks in Canada and the fact that these data banks violate and infringe upon the right of Canadians to privacy, I should like to ask what steps he proposes to take to implement the recommendations of the task force on privacy and computers, particularly in light of the fact that the legislation of last session was allowed to die on the order paper?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the two parts of this question are very different. We certainly intend to come back to the House with legislation dealing with electronic and other forms of surveillance, making that an offence. As far as the task force report is concerned, hon. members will have noted that the task force did not suggest we were in a crisis situation at the moment but what is required is action to avoid that happening. We

did begin work immediately within the government on the question of what we ought to do regarding our own informational data banks in order to ensure the individual's right to privacy.

The other matter in respect of data banks outside the government is rather more complicated, involving quite frequently areas within provincial jurisdiction as well, but we anticipate discussions with the provinces on that matter in the near future.

POSSIBILITY OF USE OF RETAIL CREDIT CORPORATION BY DEPARTMENTS TO OBTAIN INFORMATION

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my supplementary question is directed to the President of the Treasury Board. Will the minister advise whether any department of the federal government is a client of the Retail Credit Corporation or company, or of any other commercial reporting agency and, if so, does it use the information received for purposes other than as an employer?

Hon. C. M. Drury (President of the Treasury Board): I am sorry, Mr. Speaker, but I was not paying attention and I did not hear the question.

Mr. Atkey: I will repeat my question, Mr. Speaker. Would the minister advise whether any department of the federal government is a client of the Retail Credit Corporation or company, or of any other commercial reporting agency and, if so, does it use the information received for purposes other than as an employer?

Mr. Speaker: Order, please. I would respectfully suggest to the hon. member that this question should be placed on the order paper. If there is any urgency, it can be considered at the time of adjournment.

Mr. James McGrath (St. John's East): Mr. Speaker, may I direct a supplementary question to the Minister of Consumer and Corporate Affairs. In view of the fact this has been declared Consumer Week, and in view of the concern across the country about these data banks, will the minister make a statement in the House outlining the government's position on the right to privacy and what precisely the government intends to do about it to protect Canadians?

• (1430)

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, this is a matter about which I am very disturbed as Minister of Consumer and Corporate Affairs. I think, however, this is something that falls more directly within the jurisdiction of the Minister of Justice with regard to developing policy proposals for presentation to the House.

TRADE

IMPOSITION BY UNITED STATES OF COUNTERVAILING DUTY ON MICHELIN TIRES—POSSIBLE CANADIAN ACTION THROUGH U.S. COURTS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, this question is supplementary to the first questions which were asked earlier of the Minister of Industry, Trade and Commerce. He advanced a novel suggestion toward the end of his last answer that unless the United States did what Canada hoped and desisted from anything in the nature of discriminatory action the matter could be taken to the United States courts. That is a most novel suggestion. I would ask him to what courts the administration of the United States would be taken if it failed to do that which Canada desires?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, there is a provision under the Tariff Act of 1930, I believe, whereby aggrieved parties can take action in the United States customs courts. Those are the courts I was referring to.

Mr. Diefenbaker: Mr. Speaker, I am glad to see the minister going back to 1930, but we are now in 1973. I ask the minister what courts Canada can go to in order to punish, admonish or secure an injunction against the United States of America? That is the question.

Mr. Gillespie: Mr. Speaker, I believe it is the United States federal court system, and I do not think it is a question of securing an injunction so much as it is a question of securing a judgment.

Mr. Diefenbaker: Mr. Speaker, does the minister suggest that in order for Canada to get justice it would have to go to a United States court in any proceeding? That is one of the most nonsensical answers ever given.

* * *

AGRICULTURE

COMMUNITY PASTURES IN WESTERN CANADA—REQUEST FOR EXPLANATION OF FEE INCREASE FOR PATRONS

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion in his capacity as minister in charge of the prairie farm rehabilitation administration. In view of the fact that the fees for patrons of PFRA community pastures across the west have been increased by some 30 per cent at the same time that the main estimates show that the operating costs have not gone up in terms of what the government is putting in, can the minister inform the House why there has been this increase?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, the reason for the increase, as I believe was stated in the public announcement, is that there has been a substantial increase in the operating cost of these pastures and the two will just about even out under the new arrangement. I call the hon. member's attention to the representations he made to me earlier which were also acted on in that we have substantially

increased the amount of the benefit to the users of these and other pasture lands in terms of deep water wells, dams for cattle and so on.

Mr. Knight: Mr. Speaker, in view of the fact that the increase of expenditures in this area does not necessarily mean an expansion of community services to producers in terms of grazing land, can the minister outline any program under PFRA to increase community pastures in the west where those possibilities arise?

Mr. Jamieson: Mr. Speaker, in a very general way I might say that I have had consultations with one of the ministers of the government of Saskatchewan, and my officials have also discussed the same subject with officials of the government of Saskatchewan with a view to getting certain changes made in the ARDA agreement, but at the moment this has not been completed.

* * *

CAPE BRETON DEVELOPMENT CORPORATION

POSSIBLE SHUTDOWN OF PRINCESS COLLIERY FOR THREE MONTHS—REQUEST FOR INVESTIGATION AND REPORT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Regional Economic Expansion who is in charge of the Cape Breton Development Corporation. In view of the concern that has been expressed to me by the supervisory staff of the Cape Breton Development Corporation employed at Princess Colliery that there may be a shutdown of operations for a three-month period as a result of lack of proper development work underground and an apparent shortage of necessary equipment for a long time in the future at this coal mine, would the minister investigate the situation as soon as possible and provide a report?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I would be very pleased to do so.

* * *

[*Translation*]

SPORTS

SUGGESTION THAT FEDERAL GRANTS BE PAID DIRECTLY TO QUEBEC ATHLETES

Mr. Roland Godin (Portneuf): Mr. Speaker, I would like to put a question to the Secretary of State.

In view of the fact that, to safeguard its autonomy, the province of Quebec is refusing federal grants to amateur sports, would the minister tell the House whether he is studying the possibility of direct financial assistance to qualified athletes?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am going to answer this question as it is rather a matter under my department's jurisdiction. I am not aware of the facts mentioned by the hon. member. I am going to inquire about this and inform the House at a later date, if necessary. If the hon. member will call specific facts to my attention, I will gladly look into them.

* * *

[*English*]

FLOODS

HIGH WATER LEVEL IN LAKE ERIE—REQUEST THAT ARDA FUNDS BE PROVIDED IN CERTAIN AREAS SUFFERING EROSION

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, my question is directed to the Minister of the Environment. In view of the fact that $2.7 million remains available for flood control at the western end of Lake Erie under the ARDA program, will he indicate that the same assistance can be provided for other areas along Lake Erie which are suffering from erosion damage?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, this money was made available under the ARDA agreement which is for the protection of agricultural land and was made on the advice of the Ontario government. The federal government agreed to share 50-50 in that plan.

Mr. Knowles (Norfolk-Haldimand): Mr. Speaker, in view of the fact the minister and some of his colleagues are meeting with their counterparts from the provincial government of Ontario in the near future, will he put forward the suggestion that the federal government would be willing to use the ARDA program to compensate farmers for farmlands lost through erosion?

Mr. Davis: Yes, Mr. Speaker. That matter was discussed with ministers from Ontario who were here in Ottawa this morning, and that compensation was agreed upon.

* * *

POST OFFICE

SERVICE TO CANADIAN PERSONNEL ON VIET NAM SUPERVISORY COMMISSION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I should like to direct a question to the Postmaster General. In view of the growing complaints of failure by the government to establish a reliable postal service to and from Canadians serving in Viet Nam, will the hon. gentleman indicate what steps he is taking to remedy this situation?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, we are certainly doing what is needed to insure better service to Canadians in this country, and we are also taking all the necessary steps so that Canadians in Viet Nam will receive their mail regularly.

[*English*]

Mr. Dinsdale: Mr. Speaker, do I take it from the hon. gentleman's reply that in addition to the other problems facing Canadians serving in Viet Nam they are to be assured only of the same poor quality of service as Canadians everywhere receive?

Mr. Speaker: Order, please. That question would appear to be argumentative.

* * *

FISHERIES

REASON FOR BAN ON WHALING OFF ATLANTIC COAST IN LIGHT OF LEGAL CATCHING IN HUDSON BAY—POSSIBLE INTERNATIONAL MORATORIUM

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Fisheries. Now that the federal government has legalized as well as subsidized the catching of whales in Hudson Bay as an attraction for tourists, will he inform the House why he placed a ban on commercial whaling on the Atlantic coast and refused to take the scientists' recommendation of sustained yield quotas of sei and fin whales at Blandford, Nova Scotia?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the taking of Beluga whales in Hudson Bay this coming summer is under review.

Mr. Crouse: In view of the fact that the world's whaling nations are planning to catch 38,000 whales this year while Canada's quota is only 265 whales, has the minister received any indication from the International Whaling Commission that it is prepared to accept a ten year moratorium on the catching of whales?

Mr. Davis: Mr. Speaker, the world's whaling nations met in London last July and looked critically at the Canadian take of whales. It was partly because of criticism from other whaling nations that we stopped taking of whales off our coast.

INQUIRY AS TO STUDY ON CATCHING OF WHALES IN HUDSON BAY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of Fisheries. Did the Department of the Environment prepare an impact study on the effect of the program of the Department of Indian Affairs and Northern Development to help finance tourist interest in whale hunting in Hudson Bay and, if not, is such a study now being undertaken and when will it be made public?

Hon. Jack Davis (Minister of Fisheries): The answer basically is no. As I said before, we are reviewing the matter of whether or not we will grant licences this summer.

• (1440)

MANPOWER

LOCAL INITIATIVES PROGRAM—ANNOUNCEMENT BY DEFEATED LIBERAL CANDIDATE OF ACCEPTANCE OF PROJECTS—DEPARTMENTAL POLICY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Last Thursday in the House in answer to a question of mine he said that the officials of his department were not acting upon his instructions when former Liberal candidates notified local initiatives program applicants that their applications had been approved before they were notified by the department. If that is not the case, I should like to ask the minister upon whose instructions officials of his department are acting if not upon his?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am not even sure how the defeated candidate got the information, but I presume that the sponsor of the LIP project would be in communication with him and perhaps should have shared it with my hon. friend.

Mr. Nystrom: Since this has happened in many ridings and there are many such cases, would the minister undertake to investigate the matter and report to the House?

Mr. Speaker: The hon. member for Wellington-Grey-Dufferin-Waterloo.

Mr. Nystrom: Mr. Speaker—

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. Nystrom: I understand the minister wishes to answer my question. If he did not hear it, perhaps I could repeat it. Since this has happened in several ridings across the country and there are many cases, will the minister undertake to investigate the matter and report to the House?

Mr. Andras: It is an interesting suggestion and I will give it consideration.

* * *

FINANCE

BUDGET PROVISION FOR PASSING ON OF FARMS TO OTHER FAMILY MEMBERS WITHOUT CAPITAL GAINS TAX

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Minister of Finance arising from the recent budget. In light of the confusion that appears to exist with regard to the postponement of the capital gains tax on family farms, would the minister inform the House whether the policy of the government would allow a farmer upon his death to pass the farm on to more than one member of his family? For example, could a farmer upon his death leave the farmhouse to one member of the family and the land to another?

Mr. Speaker: The hon. member is asking the minister to give his interpretation of a statute. In that respect the question is not in order.

RESERVE FUND HOLDINGS OF UNITED STATES DOLLARS—POSSIBILITY OF GUARANTEED EXCHANGE RATE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is also directed to the Minister of Finance. In view of the renewed monetary crisis, has the government contacted the United States authorities with a view to obtaining exchange guarantees for our large and increasing holdings of U.S. dollars?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we have gone over this road before. I will be seeing the Secretary of the Treasury in Paris later this week and we will be talking about a number of things relating to reserves.

Mr. Nowlan: I have a short supplementary question for the minister, Mr. Speaker. When the minister goes to Paris will he take with him a very firm policy on what the position with regard to the value of the Canadian dollar will be in terms of other world currencies?

Mr. Turner (Ottawa-Carleton): I will take a very firm policy on the floating dollar, Mr. Speaker.

* * *

FLOODS

HIGH WATER LEVEL IN LAKE ONTARIO—RESULT OF MEETING WITH PROVINCIAL OFFICIALS

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I have a question for the Minister of the Environment. In view of the meeting today between the minister and the provincial minister responsible for resource development policy, would the minister indicate whether the provincial minister indicated what steps he would take, if any, respecting the high water levels in Lake Ontario?

Some hon. Members: Order!

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, the officials from Ontario did not come for the purpose of advancing any proposals. They did ask us what programs we had at the federal level either for building protective works or for providing funds for the compensation of those who suffered flood damage. We described those programs to them and they may take advantage of one or the other of those programs.

Mr. Cafik: Did the provincial minister indicate that they would be making any studies on an urgent basis to find out—

Mr. Nielsen: I rise on a point of order, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member is rising on a point of order.

[Mr. Beatty.]

Mr. Nielsen: I rise on the same point I have raised on two recent occasions. This is a flagrant abuse of the ordinary procedures in the House. These gentlemen get $4,000 a year extra for answering questions, not asking them.

Some hon. Members: Hear, hear!

Mr. Baldwin: He does not do either very well.

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. Cafik: I rise in defence of the fact that I put a question. It has been a longstanding tradition, at least during my membership in the House of Commons of over five years, that parliamentary secretaries have been recognized and I expect will continue to be recognized. In addition, the constituents whom I represent are entitled to have answers to these questions which seriously affect them.

Some hon. Members: Hear, hear!

An hon. Member: Resign!

An hon. Member: Go to your caucus!

Mr. Speaker: Order, please. We had a debate on this very interesting issue some time ago. I indicated that I was not prepared to make a distinction between backbenchers on the government side and members of other parties. I think there can be no question that they have the right at any time to ask questions the same as the frontbenchers or backbenchers of any other party do. I said at the time that I had some reservations—they were related perhaps more to propriety than to the procedural aspect of the problem—about parliamentary secretaries being placed in the position of both answering and asking questions to the extent where we might have a parliamentary secretary asking a question of another parliamentary secretary.

The difficulty, of course, is whether parliamentary secretaries are allowed at all to reply to questions on behalf of ministers. If we recognize that parliamentary secretaries have a right to reply to questions on behalf of ministers, I have wondered whether it was proper to allow them at the same time to ask questions. I felt that the problem was worthy of consideration.

The hon. member for Peace River suggested in order to be helpful, I believe, which he was, that this matter might be looked into along with many others that have been referred to the Standing Committee on Procedure and Organization. That committee will be meeting within the next few days and perhaps it could look into this situation.

[*Translation*]

I know the committee will want to look with interest into a problem of such burning actuality and examine the arguments which could be brought forth in support of the right or privilege of parliamentary secretaries to ask questions and answer those which could be raised by other members.

[*English*]

I think that the suggestion that the matter might be looked into by the committee is good. In the meantime, I felt that perhaps these hon. members should be allowed to ask questions. I must say in all objectivity that until now the right has not been abused by parliamentary secretaries.

Mr. Cafik: Mr. Speaker, if I may continue with the supplementary question that I was in the process of putting to the Minister of the Environment, would the minister indicate if the provincial minister in question indicated to him whether he would conduct urgent studies into the nature of the problem in order to come forward with recommendations?

Mr. Davis: Yes, they will conduct those studies, Mr. Speaker.

[*Later:*]

PORT HOPE, ONT.—ASSISTANCE TO THOSE WHO SUFFERED DAMAGE

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Minister of the Environment. Was the very serious flooding and damage at Port Hope, Ontario, last weekend brought to the minister's attention and, if so, is there any federal government program to assist those people who suffered damage?

Hon. Jack Davis (Minister of the Environment): Yes, Mr. Speaker. The prospective damage there has also been brought to our attention. As I said, we did describe the federal program which is in support of provincial programs to take care of damage of that kind.

* * *

FINANCE

REQUEST FOR BREAKDOWN OF ESTIMATED CASH REQUIREMENTS FOR FISCAL YEAR 1973-74

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance whether he would be prepared to give us at his very early convenience a breakdown of the estimated cash requirements of the government for the next fiscal year, a breakdown of the approximately $2 billion the minister has indicated he requires in cash in addition to the proposed budgetary deficit?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will take that under consideration.

• (1450)

GRAIN

WHEAT—DISPARITY BETWEEN COST OF HOPPER CARS PURCHASED BY GOVERNMENT AND THOSE BOUGHT BY UNITED STATES RAILWAY

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is directed to the minister in charge of the Wheat Board and concerns the hopper cars recently purchased by the federal government. In view of the fact an American railroad has purchased 1,000 hopper cars of the same size, 100 tons, and the same capacity, 3,300 bushels, for $18 million or $6,000 per car cheaper than the Canadian government paid, can the minister explain the discrepancy between the American and the Canadian prices for what appears to be the same kind of cars designed to carry the same product and the same load?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I noticed a reference to this matter on an earlier occasion and I have asked for a report on the exact nature of the cars involved in the order referred to. There is a good deal of room for difference in the engineering and make-up of cars, even though they are superficially the same size, with regard to braking systems and the existence or non-existence of bearings in the wheel system, and so on.

Mr. Murta: Twelve million dollars worth? Ten o'clock, Mr. Speaker.

* * *

AIR TRANSPORT

CHARTER REGULATIONS—ALLEGED DISCRIMINATION AGAINST PEOPLE LIVING IN AREAS REMOTE FROM MAJOR AIRPORTS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have a question for the Minister of Transport. In light of the fact the Canadian government has entered into an international agreement that regulates charter travel, is the minister aware that people living in areas remote from major international airports are being discriminated against by the air charter regulation amendments which allow only one point of origin on booked charter flights and which is obviously a misinterpretation of the international agreement on air charters?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I believe that chartered aircraft in Canada, particularly those from abroad, are subject to the same restrictions as those which apply to our own aircraft in foreign countries.

[*English*]

Mr. Oberle: The minister replies that we have special regulations for our own charters, but this is an international agreement and in the United States the airlines are not restricted by this kind of regulation.

Oral Questions

HOUSING

REASONS FOR INCREASE IN LUMBER PRICES

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. In view of the fact that lumber prices have risen very dramatically over the last year, in some cases as much as 100 per cent, and in view of the fact this is causing a rapid escalation in the price of new housing in Canada, can the minister indicate whether officials of his department are investigating this matter and can he inform the House what factors are causing it?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, that is really a question for the Minister of Finance, not for me. I understand that demand in the United States is reflected in large measure in the increased price in Canada. I would be happy to give the hon. member a fuller explanation later.

Mr. Andre: In view of the rapid escalation in the cost of housing, which I am informed is to a large degree attributable to the rapid use in the cost of lumber, can the minister indicate what steps he is contemplating or will recommend that the government initiate to keep the price of housing within reach of thousands and millions of Canadians who so far have been unable to afford a house of their own?

Mr. Speaker: Order, please. I would suggest that such information should be conveyed to the House by way of a statement on motions.

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CANADA PENSION PLAN

REQUEST FOR STATEMENT ON ACTION RESPECTING MEDICAL ADVISERS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the severe criticisms directed at the minister's department with regard to the Canada Pension Plan by the hon. member for Simcoe North and myself during the recent study of the department's supplementary estimates, is the minister in a position to tell the House now or at the first opportunity on motions whether he has conducted a review of his medical advisers under the Canada Pension Plan or any other action he has taken?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, about the issue raised by the hon. member and others on this side of the House, I can say that I am reviewing this question with the officers of my department; I hope to be able to announce certain developments concerning this within a few days, at most within a few weeks.

[Mr. Oberle.]

[*English*]

INDIAN AFFAIRS

UNITED STATES BAN ON IMPORTATION OF WHALE MEAT—EFFECT ON INDUSTRY AT CHURCHILL—REQUEST FOR REPRESENTATIONS

Mr. Keith Taylor (Churchill): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In view of the apparent change of policy by the United States government in imposing restrictions on the importation of whale meat into that country, would the minister investigate the effect of this regulation upon the whaling industry at the port of Churchill, and would he also make representations to that government in order to obtain exemption from such restrictions?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am very happy to see that the hon. member for Churchill approves the project we have undertaken for the Indians in the area and that he hopes the American government will not impose restrictions on whales caught by the Indians in that area. Consequently, I shall see whether or not representations to the American government are indicated in this regard.

* * *

[*English*]

CANADIAN CULTURE

MULTICULTURALISM—REQUEST FOR GRANT TO SASKATCHEWAN PROVINCIAL LIBRARY TO BUY BOOKS IN VARIOUS LANGUAGES

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, my question is directed to the minister responsible for multiculturalism. In view of the fact that for a number of years now the Saskatchewan provincial library has been buying books in the languages of the major ethnic groups in Saskatchewan, in view of the fact their budget is limited, and in view of the fact that last year when they attempted to get a grant from the Department of the Secretary of State they were refused because they were a provincial government agency, is the minister considering revising official government policy of last year in order to make it possible for the provincial library to extend its collection of books in French, German, Ukrainian, Polish, Hungarian, Dutch, Slovak—

Mr. Speaker: Order, please. The hon. member should ask the question as promptly as possible. I hope he does not propose to run through all languages, known and unknown.

Mr. Nesdoly: —and library books in other languages as well?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, in view of the scope of the question I should like to take it as notice.

INDIAN AFFAIRS

ABORIGINAL RIGHTS—REQUEST THAT YUKON RESIDENTS BE INCLUDED IN FEDERAL REPRESENTATION ON NEGOTIATING COMMITTEE

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. When he sets up the negotiating committee that the Prime Minister approved when the Yukon Native Brotherhood presented its brief, will he ensure that there are members on the federal side of the negotiating team selected from residents of the Yukon Territory, preferably through the Commissioner in Council?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have already considered that possibility. We have received requests to that effect from various people and organizations in the Yukon, and we intend to start consultations in concert with some Yukon residents.

* * *

[*English*]

AGRICULTURE

TAXATION OF MARKETING QUOTAS—POSSIBLE REVISION IN LIGHT OF REPRESENTATIONS BY FARM GROUPS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Agriculture. In light of the fact that the Canadian Federation of Agriculture and many other farm groups regard the budget provisions for taxation of farm marketing quotas as, to use their words, "thoroughly inequitable and hopelessly complex", what steps does the minister intend to take to correct this situation and, specifically, will he undertake that such quotas will have valuation day values as do all other capital assets?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, though not accepting the premise of the question, may I say I met with the Canadian Federation of Agriculture executive last week and we will be meeting and discussing these matters further. I am not of the opinion that they are that dissatisfied.

CONSULTATION WITH MINISTER ON TARIFF REDUCTIONS ON HORTICULTURAL PRODUCTS AND BEEF PRIOR TO BUDGET

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. Was the minister consulted about the changes that were to be made by the budget involving the reduction of tariffs on horticultural products and beef, and if he was consulted did he agree with them?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. member knows that this is a very consultative group on this side of the House and that we discuss many things. I think he understands also how the budget is prepared and that he has to wait as I do until it is presented to the House.

Mr. McKinley: Mr. Speaker, it seems to me that this is a poor way for any government to do business. I ask the minister, what reciprocal benefits will come to Canadian farmers by way of other countries lowering their tariffs?

Mr. Whelan: Again, Mr. Speaker, many of these matters are under discussion. As late as yesterday they were under discussion in Washington by myself and the Secretary of Agriculture of that country.

• (1500)

Mr. McKinley: Mr. Speaker, that is just another way of saying none.

Mr. Speaker: Order, please. Before calling orders of the day I will recognize the hon. member for St. Catharines.

* * *

FLOODS

HIGH WATER LEVELS IN GREAT LAKES—POSSIBILITY OF LOWERING BY DIVERSION INTO MISSISSIPPI RIVER SYSTEM

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, may I direct a supplementary question to the Minister of the Environment concerning water levels in the Great Lakes system. As the city of Chicago needs lots of water because of its pollution problems, have negotiations been carried on with the state of Illinois to lower the level of the water in the Great Lakes system by emptying it through Lake Michigan into the Mississippi Valley system, which is what Illinois and Chicago have wanted for a number of years?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, the position of the Canadian government over many years has been to resist any diversion through the Chicago drainage canal into the Mississippi River system. If an attempt were made in the next few weeks, for example, to remove water through the present canal, only a very small amount could be discharged into the Mississippi. This would have a marginal effect on Lake Michigan and none at all on Lake Erie and Lake Ontario.

Mr. Morgan: I agree with the minister that it would not help the condition this year. Does the minister not agree that an adequate treaty could be made between the government of Canada and the state of Illinois to regulate water levels properly so that an adequate system of controls could be effective throughout the Great Lakes system?

Mr. Davis: Mr. Speaker, we have a basic policy, that we are opposed to the export of water from the Great Lakes and from Canada.

Mr. Speaker: Orders of the day.

Mr. Harney: Mr. Speaker, I rise on a point of order relating to the answer given by the Minister of State for Urban Affairs to the hon. member for Winnipeg North Centre. The minister suggested that Central Mortgage and Housing Corporation has no direct involvement in authorizing rent increases in limited dividend housing projects. I

believe the minister has been misinformed or has never received information to the effect that most standard forms of lease used by owners of such limited dividend projects contain a clause which provides in part as follows:

The tenant agrees that should Central Mortgage and Housing Corporation approve a rental increase for the rented premises then, and in that event, the rental hereinbefore set forth shall be increased to the amount approved by the said Central Mortgage and Housing Corporation—

Mr. Speaker: Order, please. That is hardly a point of order. It is, rather, a point of debate between the minister and the hon. member. Perhaps the matter might be pursued tomorrow during the question period. Orders of the day.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

On the order:

Consideration of the Business of Supply—*The President of the Privy Council.*

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am not sure if it would be proper for me to raise a point of order at this time on the proposed motion. I should like to do so at the earliest appropriate moment.

Mr. Speaker: Order, please. Perhaps the Chair, without putting the motion formally, might at least read it so that it is on the record and so that hon. members who may have arguments to submit in respect of the motion might be given an opportunity to do so.

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—ALLEGED INADEQUACY OF 1972 BUDGET PROVISIONS FOR CORPORATIONS AND 1973 PROPOSALS TO MEET COUNTRY'S NEEDS

Mr. Speaker: The motion is as follows. The Leader of the Opposition (Mr. Stanfield) would move:

That this House expresses its lack of confidence that the combination of the corporate tax reductions and accelerated depreciation write-offs contained in the Budget of May, 1972 and proposals contained in the Budget of February, 1973 constitutes an adequate and equitable response to the needs of the country.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I regret the necessity of raising a point of order on this proposed motion. However, it seems to be so seriously deficient that one would be lacking in respect for the usages of parliament and the House of Commons if the opportunity were lost of pointing out the deficiencies in this particular motion, as proposed.

May I begin by referring Your Honour and hon. members of the House to *Votes and Proceedings* for Wednesday, February 22, 1973. On page 155 of *Votes and Proceedings* the following is recorded:

[Mr. Harney.]

The House resumed debate on the motion of Mr. Turner (Ottawa-Carleton), seconded by Mr. MacEachen,— That this House approves in general the budgetary policy of the Government.

The record goes on to state that at 5.45 o'clock p.m. Mr. Speaker interrupted the proceedings pursuant to Standing Order 60(8), and the question being put on the said motion, it was agreed to on the following division, 143 members supporting the motion approving the budgetary policy of the government and 102 members opposing the budgetary policy of the government. That is the basis upon which I have founded my point of order, as today the notice of motion that has been put before the House deals with that very question which has already been dealt with and decided upon in this House. The notice of motion reads:

That this House expresses its lack of confidence that the combination of the corporate tax reductions and accelerated depreciation write-offs contained in the Budget of May, 1972 and proposals contained in the Budget of February, 1973 constitutes an adequate and equitable response to the needs of the country.

The House has already declared itself upon the budgetary policy of the government, as contained in the budget of February, 1973. The House of Commons debated the matter for six days. When the budget was before the House there was an opportunity, as provided under the rules, for members to move an amendment and subamendment and, on the final day, for a vote to be taken disposing of the budgetary policy of the government, or disposing of the motion which read:

That this House approves in general the budgetary policy of the Government.

The motion presently proposed tries to revive the same subject. It tries to revive the matter of the budgetary policy of the government, a matter that has already been adopted, and it now asks the House to regard as inequitable and inadequate the budgetary policy which the House just last week approved in general.

My first submission is this: Standing Order 60 provides a method by which the House can come to grips with the budgetary policy which has been presented. The House can come to grips with this policy through a certain procedure, and having failed to win support on previous amendments, it is not now open for the leader of the official opposition to bring forward a third amendment to the budget.

In addition to that point, may I draw Your Honour's attention to Standing Order 35 which reads:

No member shall speak disrespectfully of Her Majesty, nor of any of the Royal Family, nor of His Excellency or the person administering the Government of Canada;—

I am not suggesting that the Leader of the Opposition (Mr. Stanfield) has done that. I shall continue reading:

—nor use offensive words against either House, or against any member thereof. No member may reflect upon any vote of the House, except for the purpose of moving that such vote be rescinded.

It seems to me crystal clear, if I may use a phrase frequently used by the hon. member for Winnipeg North Centre (Mr. Knowles) that the House in a formal vote has already approved the budgetary policy of the government. Today the House is asked to declare these policies as inequitable and inadequate. If that is not a reflection upon

the vote of the House of Commons made by the Leader of the Opposition (Mr. Stanfield) in the words put before the House in the motion, nothing is. I suggest that if this motion is put before the House it will certainly constitute a very direct reflection upon a vote already made by the House of Commons.

• (1510)

I will come to the final point of my argument. If the preceding two points have not been convincing to my hon. friends, perhaps the paragraph that I shall read from Beauchesne's Fourth Edition, citation 200(1), will have the desired effect. The citation reads as follows:

An old rule of Parliament reads: "That a question being once made and carried in the affirmative or negative, cannot be questioned again but must stand as the judgment of the House." Unless such a rule were in existence, the time of the House might be used in the discussion of motions of the same nature and contradictory decisions would be sometimes arrived at in the course of the same session.

The old rule of parliament is a very sound rule. In this session, just a week ago, the House of Commons approved the budgetary policies of the government. This motion asks the House this week to condemn as inequitable and inadequate the budgetary policies of the government. I suggest that one of the functions of the rules of parliament is to prevent the House from reaching contradictory conclusions, and one of the purposes of the rules of the House of Commons is to prevent members of the House from making fools of themselves to the people of Canada.

Some hon. Members: Hear, hear!

Mr. MacEachen: Presumably the hon. member who is proposing to move the motion is hoping desperately that the motion will carry. What would the situation be if it did carry, at least from a logical point of view aside from other consequences that my hon. friends may wish? The logical situation may be that last week the House of Commons approved the budget and this week it disapproves it.

Some hon. Members: Hear, hear!

Mr. G. W. Baldwin (Peace River): Mr. Speaker, before I commence, I wonder if the minister will file the power of attorney he exercised in this connection from his hon. friends to the left.

Some hon. Members: Hear, hear!

Mr. Baldwin: I looked at my friend, the hon. member for Winnipeg North Centre (Mr. Knowles). I was hoping he might intervene because I have here a list of the various statements made by his leader, passionate purpose prose in which the hon. member for York South (Mr. Lewis) disclosed his views about the issue of this subject matter. I expected the hon. member for Winnipeg North Centre to spring to the defence of his leader in an effort to have this matter ventilated and made the subject of discussion, but I see this is not to be the case.

Never have I heard such an effort made by a government to circumscribe opportunities for fair debate in this House—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Baldwin: —which have been slowly diminishing over the years. Since the 1968 election, the Prime Minister (Mr. Trudeau) and his friends have surely and inexorably attempted, and in many cases have succeeded, to take from this House opportunities to debate matters of consequence. My party and the people of this country take a serious view of this attempt to interfere with the traditional and historical rights of this House to challenge governments on the issue of supply.

Some hon. Members: Hear, hear!

Mr. Baldwin: In any discussion of this matter, Mr. Speaker, that is a principle which dare not be forgotten. I ask Your Honour to examine the terms of the motion which stands in the name of the Leader of the Opposition (Mr. Stanfield) as follows:

That this House expresses its lack of confidence that the combination of the corporate tax reductions and accelerated depreciation write-offs contained in the Budget of May, 1972 and proposals contained in the Budget of February, 1973 constitutes an adequate and equitable response to the needs of the country.

What is it that this House decided when the vote was taken last Wednesday with regard to the question raised by the government House leader? "That this House approves in general the budgetary policy of the government." What budgetary policy? I will not take the time, and I suppose I would be out of order if I did, to outline what I thought of the budgetary policy. That has been done most effectively. However, the budgetary policy is contained in the budgetary proposals introduced by the Minister of Finance (Mr. Turner) on February 19, and which are the subject of Ways and Means resolutions. There is no question at all that an examination of the minister's speech on that day refers to a number of items. The minister started off by addressing some preliminary remarks on this issue and then we find the heading "May, 1972, Budget Measures". Referring to the budget of February 19, 1973, the Minister of Finance said and I quote:

This budget reinforces and builds upon the budget which I put before the House last May.

Obviously, the Minister of Finance, this House and the people of this country made the clearest possible distinction between the budgetary proposals contained in the budget which the Minister of Finance placed before the House in 1972 and the measures which the Minister of Finance placed before the House on February 19, 1973. Here is the Budget Speech which was circulated in the country and to all members of the House. It differentiates in every way between the budgetary proposals of May, 1972 and February, 1973. At page nine, the minister recapitulates what was attempted in the budget of 1972 which was not passed. He is peering into the future, dealing with unemployment and inflation. Then he says: "I now turn to the budget measures themselves." What measures? The measures he is intending to bring forward, measures expressed in the ways and means resolutions which attach to the budget and which are restricted exclusively to the budget proposals of February, 1973.

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• (1520)

Mr. Speaker, I suggest to you that what the Leader of the Opposition has placed before the House amounts quite simply to a combination of two issues, the effect of the reductions to corporations and accelerated depreciation allowance write-offs contained in the budget of 1972, and the proposals contained in the budget of February, 1973. How could any reasonable person suggest that these could be compared in any way with the subject of the vote which was taken in this House last Wednesday?

I do not intend to stop at this point. I believe there is an issue here so fundamental and so important that the House should consider what is involved. The procedure under which we presently examine budgetary measures and supply measures was introduced following proposals which were considered in 1968 and 1969 after discussion by the Committee on Procedure and Organization. What has been the situation, traditionally? It has always been fundamental to the parliamentary system of government that supply cannot and should not be granted until there has been every opportunity to seek redress of grievances. This is a right which goes back to Cromwell and Charles I, and it has been embodied in our system of supply, in the way in which parliament deals with the voting of money to the government.

In the course of the debate which took place at the time the present rules were considered, some interesting comments were made. The Prime Minister (Mr. Trudeau) in one of his rare contributions to our debates, had this to say on December 10, 1968, as reported in *Hansard* at page 3784 of Volume IV, 1968-69:

> For purposes of supply business the Committee proposes that the annual session be divided into three periods. On five days between the opening of the session and December 10, the opposition would select the business of the House with complete freedom.

I underline the words "with complete freedom". A similar thought was expressed by Mr. Gordon Blair, then a Member of Parliament and chairman of the select committee:

> In connection with allotted opposition days I would emphasize that it is the recommendation of the Committee that the opposition would have complete freedom to choose whatever topic for debate it desires.

These are words which the Chair should bear in mind in reaching a decision on this particular proposal.

Then again, the report of the Committee on Procedure and Organization dated March 13, 1968 contains the following words with reference to a proposal to alter the manner of dealing with supply—there had been some discussion about British practice:

> The British practice, while it avoids discussion of the estimates items, has the great value that it permits the Opposition to explore whatever shortcomings, either small or great, it detects in the policies and conduct of the ministry before supply is voted.

These are very wide words and must be read in conjunction with the rule which is not being considered. The report continues:

> If our sessions were normally to begin in October it should be possible to complete the business of supply before the end of June. If the Opposition had entirely at its disposal a certain number of allotted days to be taken between the day on which the Address in Reply is adopted and the end of June, the Opposition would then have an adequate opportunity to publicize the shortcomings it sees in the ministry.

Following the debate on the tabling of this report and the adoption of the new rules, the new rules came into being. They replaced the practice of permitting the widest possible discussion on the motion to go into supply, at which time any matter, any issue, could be debated. This had been the practice for many years. It is the substitution for this practice which we are now considering.

I recognize that Your Honour's attention has been drawn to a precedent which appears in Beauchesne, paragraph 201, but it is surely incumbent upon the Chair to exercise the utmost vigilance in circumstances such as these. Even if this motion were closer to the line than it is, there would be a heavy responsibility upon the Chair to look very sharply indeed at any argument which sought to limit the opportunities available to the opposition to discuss shortcomings in the policies of the government before granting supply. This is the fundamental issue before us. Your Honour is, in effect, being urged to restrict the limited rights which this House presently enjoys to call attention to shortcoming, to bring forward grievances and to seek redress. This would be the result if the Chair were to give effect to what the government House leader is urging.

Some hon. Members: Hear, hear!

Mr. Baldwin: Througnout the session, questions addressed to the Minister of Finance have had the effect of making a clear distinction between the budget proposals in May, 1972 and the budget proposals of February 19, 1973. For example, as recorded at page 22 of *Hansard* of January 5, the Leader of the Opposition (Mr. Stanfield) asked the Minister of Finance the following question:

> In view of the indication that the bills left over from his old budget relating to income tax, corporation income tax and so on will be reintroduced, is it the intention of the minister that the House consider these bills immediately or that they should be considered at the time he presents his new budget in 1973?

The minister's answer made it quite plain that he recognized this distinction.

On February 6, as reported at pages 993 and 994, the hon. member for York South (Mr. Lewis) put this question to the Minister of Finance:

> May I ask the Minister of Finance one or two questions on the general subject which has been raised? May I ask whether, in view of the fact that the reduction in corporate taxes and the accelerated write-off in respect of certain machinery and equipment which he proposed last May were justified by him on the basis of the need to protect Canadian manufacturing against the Disc program in the United States, and in view of the fact that all information so far has shown that the effect of the Disc program has been minimal on Canadian manufacturing, he is now reconsidering the corporation rip-off which he proposed last May?

The Minister of Finance made it quite clear in his answer that he recognized this distinction clearly existed between what he intended to do in the budget to be brought in, and the budgetary proposals of May, 1972.

• (1530)

Again as reported in *Hansard* for February 13 at page 1225, the hon. member for York South, persisting in his interest in this matter, said:

Mr. Speaker, I have a question for the Minister of Finance on another topic. It arises out of the report of a survey of corporate profits for 1972. In view of the fact that this survey shows an increase in corporate profits of 20 per cent in 1972 over 1971 . . . is the minister reconsidering the additional concessions to what I have called the corporate welfare bums that he suggested last May?

On three other occasions this clear distinction was made, and it was repeated in the 1973 budget. I submit to the Chair it cannot be suggested that distinction is not to be made between the budgetary proposals of May 1972 and the budget of 1973. What we did in challenging the budgetary policy of 1972—not the policies but the budgetary policy—was to vote against the policy contained in that budget. If what the minister contends is given effect to, this would be the result. Once the motion has been passed there is a complete taboo. No hon. member would be able to discuss any of the areas relating to the budgetary proposals which are the subject of the motion. However, I will make this admission. If we had brought into this House a motion couched in identical terms as the motion with which we sought to amend the budget, then a very good case might well be made out for saying that citation 200 read by the government House leader, and by the hon. member for Winnipeg North Centre would apply. But that is not the case.

If you take the situation that would result from the application of the budgetary proposals of May 1972, and add to it the proposals contained in this 1973 budget, then by putting them together we can say that the combination is such that, in the terms of this motion, it does not constitute "an adequate and equitable response to the needs of the country". I submit to Your Honour that it would take a great stretching, a great torturing of those words to permit you to say to the Leader of the Opposition, in a matter as important as the granting of supply, an issue that traditionally and historically goes back so far it has become woven into the tapestry of our parliamentary structure, that because of the terms of this motion we are prohibited from continuing debate.

I could take more time, Mr. Speaker, but my point is that the government is inhibiting the opposition's opportunities to place before the House the substance of this motion. I conclude by pointing out that there are many instances of motions having been moved by members of the New Democratic Party, and by members of the Creditistes party, dealing with matters that constituted part of a preceding budget, In no way and at no time was it suggested on those occasions that it was not competent for a member to proceed with the motion, have it discussed, the question put and the views of the House recorded.

I leave the matter with Your Honour, but I repeat that I take the most serious view of the attempt to further restrict the very limited opportunities that exist for members of this House to have the right to challenge the government in respect of supply. If we are prohibited from proceeding with a motion of this kind, then as far as I can see the whole business of supply and the rights of the opposition might just as well go out of the window.

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Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the hon. member for Peace River (Mr. Baldwin) I take a very serious view of the procedural point that we are debating this afternoon. I feel very strongly that Your Honour should find this motion out of order.

Mr. Lambert (Edmonton West): No doubt.

Mr. Knowles (Winnipeg North Centre): But before there are any catcalls, may I make it perfectly clear—I suppose I should say crystal clear—that we of the New Democratic Party are not in the least embarrassed by this motion. We regard it as somewhat silly, as an attempt to go both ways, but we will be quite happy to have it debated. We want to see the issue ventilated, and if Your Honour sees fit to allow this motion procedurally, we shall be quite happy to vote against it when it is called at 9.45 tonight.

May I point out that among the points of confusion and contradiction contained in the motion is the very clear suggestion that the corporate tax reductions proposed in 1972 are not adequate. What the sponsors of this motion want, Mr. Speaker, is an even greater reduction in corporate tax than that proposed by the Minister of Finance. We do not take that position. Therefore, if this motion comes to a vote, there is no question where we stand: we are opposed to it.

Speaking of the motion, may I point out that there is an interesting citation in Beauchesne, which I admit relates to amendments but I think should also apply to motions. It is to be found in Beauchesne's Fourth Edition at page 171, citation 203(1), and I should like to read the relevant sentence:

Every amendment—

As I say, this deals with amendments but I think it should also apply to motions.

—proposed to be made either to a question or to a proposed amendment should be so framed that if agreed to by the House the question or amendment as amended would be intelligible and consistent with itself.

I submit that this motion does not meet that criterion. On the one hand, it seeks to convey the impression that it is a vote against the corporate tax reduction, and therefore it is supposed to trap us. On the other hand, it leaves the way open for the Progressive Conservatives to say that when the vote does come on the corporate tax reduction they can vote against it because they want a greater reduction. I suggest that kind of playing fast and loose with the procedures of this House does not become a group of men and women who are known as the Official Opposition in this House of Commons. Apart from my procedural objection to this motion, I think it is stupid. I think it would be a waste of time to have a debate on this motion today, but as I say my main concern is that I think it is procedurally wrong.

Although I had intended to leave this part of my argument to the end, I am switching my thoughts and I shall deal with it now. I want to deal with the main argument advanced by the hon. member for Peace River. His contention is that there is an ancient and sacred right that permits the House of Commons to have a redress of grievances before supply is granted. When any hon. member of this House stands up and talks about ancient rules, I am with him.

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• (1540)

Some hon. Members: Hear, hear!

An hon. Member: You and Cromwell.

Mr. Knowles (Winnipeg North Centre): The hon. member says there must be no curtailment by the government House leader or by Your Honour of the rights of private members in the House of Commons to seek redress before supply is granted. I remind the hon. member for Peace River, the rest of the House and Your Honour, that there is a citation on this point of very particular significance.

Mr. Paproski: 32 B.C.

Mr. Knowles (Winnipeg North Centre): It is to be found on pages 198 and 199 of Beauchesne's Fourth Edition, and this is the main citation regarding the ancient doctrine about the redress of grievances. The preliminary sentence reads:

The ancient doctrine that the redress of grievance should be considered before the grant of supplies is maintained in the House of Commons of Canada—

We all say "hear, hear" to that, but I ask the hon. member to go on and read the next paragraph, and this is in reference to the rule under which a supply motion is presented. Our structure is a little different since the rules were changed in 1968, but basically we are still under the rules, under the traditions and the regime of supply. I ask the House, and Your Honour in particular, to listen to this:

When such motion is proposed, it shall be permissible to discuss any public matter within the powers of the Federal Parliament or to ask for the redress of any grievance; provided that the discussion shall not relate to any decision of the House during the current session, nor to any item of the estimates, nor to any resolution to be proposed to the Committee of Ways and Means—

Sir, one almost needs to read no other citation. The fact of the matter is that there has been a decision of the House of Commons during the current session on the general budgetary policy of the government. It is also a fact that resolutions are to be proposed to the Committee of Ways and Means.

Mr. Lambert (Edmonton West): They have not been proposed.

Mr. Knowles (Winnipeg North Centre): They are to be proposed. Do not interrupt unless you have read the citation. It says: "nor to any resolution to be proposed". The resolutions are to be proposed. They flow from the fact that the motion of the Minister of Finance (Mr. Turner) was carried. He has given us these resolutions and we have them in *Votes and Proceedings*. Resolutions are to be proposed to the Committee of Ways and Means regarding tax changes, and the motion that the Leader of the Opposition (Mr. Stanfield) attempts to move today relates to the subject matter of those resolutions.

Later on the next page of the same book, or over here somewhere, there is a provision that a motion of this kind cannot deal with a bill to be presented to the House. I think the hon. member for Peace River gets his case a bit mixed up when he switches back and forth between 1972 and 1973. At times he talks about the 1973 budget as though it stands on its own feet, and then he talks about the 1972 budget being part of this one because he uses the work "combination". I suggest this is part of the poor draftsmanship at which the official opposition seems to be so competent. Sometimes I wonder how they could ever draft bills as the government of this country when they cannot even draft proper motions as the opposition.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I have to interrupt the hon. member for Winnipeg North Centre (Mr. Knowles) as the hon. member for Gander-Twillingate (Mr. Lundrigan) seeks the floor on a question of privilege.

Mr. Lundrigan: Mr. Speaker, my question of privilege has to do with the NDP write-off. For the last 11 minutes we have been listening to the House leader of the—I do not know which party it is—NDP, yet a good deal of what he has been saying has nothing to do with the point of order before us. I ask Your Honour, in making a ruling, to consider the fact that 45 minutes, and whatever length of time the hon. member continues with this kind of argument, should not be taken off the time of the debate which will ensue after the point has been decided. Most of what the hon. member is saying has no relevancy to the point of order. It is a debate and it accuses people of not having the ability to draft proper motions.

Some hon. Members: Hear, hear!

Mr. Lundrigan: The hon. member seems to be trying to escape from the box in which that party presently finds itself. I respectfully submit that a good deal of his time-consuming argument is not in order and should not be deducted from the debating time we are allowed after this point has been decided.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if anything I said was offensive to the hon. member, at least I shall not repeat it.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): However, if the difficulty he is complaining about concerns the fact that time is being taken on the procedural point rather than on the substance of the motion, members of that party have only themselves to blame for putting forward this kind of motion.

I think I have demonstrated that the traditions and the rules about the right of grievances before voting of supply are very clear. Our rights are wide but we do not have the right to violate the rule of anticipation. As a matter of fact, perhaps I should read one more significant sentence:

The debate in such a case is limited by the rules respecting past decisions, anticipation, sedition—

The right to raise grievances on supply does not include the right to anticipate something that is coming in the normal course, or the right to reopen something which has been decided in the past.

The point which I am sure must concern Your Honour as you wrestle with this issue is the fact that on many a day when we have had an opposition motion, particularly

on days when there has been no vote, Your Honour has taken the view that you had to show leniency and had to extend latitude. I suspect you have even done it for us, but that has always been done on the understanding that the matter was not coming to a vote.

Your Honour may feel that today you should exercise some of that latitude, but I submit that to do that on a day when theoretically it would be possible for the House to make a decision which would be the very opposite of a decision it made a week ago makes this procedural point a very serious one, and I urge that you should not allow this for these procedural reasons.

I still get these interjections from here and there, but this is not embarassing to us as we are happy to have the issue ventilated, and happy to get up and be counted as to where we stand on this motion. I do not want to offend the hon. member for Gander-Twillingate, but perhaps I can go on.

I think we should note again some of the citations, even though the President of the Privy Council (Mr. MacEachen) did draw attention to them. On page 164 of Beauchesne's Fourth Edition we find the basic rule set out in Citation 194(1) which reads:

> A motion or amendment cannot be brought forward which is the same in substance as a question which has already been decided, because a proposition being once submitted and carried in the affirmative or negative cannot be questioned again but must stand as the judgment of the House.

I point out, Sir, that not only do we have the fact that this House voted on the general budgetary motion moved by the Minister of Finance, we also have the amendment which was moved by the hon. member for Edmonton West (Mr. Lambert) in these words:

> While acknowledging certain beneficial provisions in the budget proposals—

They always like to have it both ways, don't they? Let me continue:

> —this House regrets that they do not contain measures that will substantially reduce continuing high unemployment, effectively contain the spiralling cost of living or provide any incentives to Canadians to increase their participation in Canadian business enterprise and development.

• (1550)

Now they ask us to pass an opinion on the budget because it does not constitute an adequate and equitable response to the needs of the country. I ask, what is the difference between talking about the needs of the country in general terms and spelling out such things as unemployment, inflation and so on. On all counts we are being asked to debate again, and take a decision on, the same subject matter and points on which we took decisions when we were on the budget debate.

An hon. Member: What about old age pensions?

Mr. Knowles (Winnipeg North Centre): If my hon. friend wants to get into the matter of old age pensions, of course, if this motion should be ruled out of order I suppose we shall be back on government business and back on the subject of old age pensions today. Perhaps that is what my hon. friend wants. At pages 167 and 168 there are found citations about reviving debate. Citation 200 (1), which is the one to which the minister referred, reads:

> An old rule of Parliament reads: "That a question being once made and carried in the affirmative or negative, cannot be questioned again but must stand as the judgment of the House." Unless such a rule were in existence, the time of the House might be used in the discussion of motions of the same nature and contradictory decisions would be sometimes arrived at in the course of the same session.

I also point out, Sir, that our standing orders include Standing Order 61 which is very clear. It reads:

> Only one amendment and one subamendment may be made to a motion proposed in the Budget Debate or to a motion proposed under an Order of the Day for the consideration of the business of supply on an allotted day.

We have had the one motion, the one amendment and the one subamendment to the budget debate and for the Leader of the Opposition to try to drag in another one, no matter what he proposes to call it, is a violation of the sacred rules, traditions and rights of this House. If we are to be in this position where we can give a decision one week and have it opened again the next week, I submit that something has gone wrong with the procedures of this House.

Although I repeat what I have said, that we find no problem in so far as this debate is concerned, the Conservatives are trying to embarrass us and, failing in that, are trying to prepare the ground so that when the corporate tax reductions come up they can vote against them because they will say they are not big enough. We will not fall into the trap. Neither are we going along with their proposition for even greater corporate tax cuts. In any case, Sir, we leave the decision in your hands.

Some hon. Members: Hurrah!

Mr. Knowles (Winnipeg North Centre): I hear some of my friends saying "Hurrah". I could add something, but I shall not. The plain fact of the matter, of which Your Honour is well aware, is that this is a very serious procedural point. I do not think since our new rules came into effect that there has been a procedural point of this kind in respect of an opposition motion on a non-confidence day. There have been procedural points on other than non-confidence days, but this may well be the first of this kind and I submit the seriousness of violating the rules against reviving an issue on which a decision of parliament has been taken is a very important matter. Therefore, Sir, I hope you will find that this motion goes beyond the rights accorded by the rules to members of this House and that you will rule accordingly.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, after the comments of the President of the Privy Council (Mr. MacEachen), of the hon. member for Peace River (Mr. Baldwin) and of the hon. member of Winnipeg-North-Centre (Mr. Knowles) about the acceptability of this motion, I am surprised to see that its subject matter has already caused some discussions.

To start my comments, I would like to remind my colleagues that we must make a distinction between the subject matter and the form of this motion, and even if the New Democratic Party finds that the form is ridicu-

lous, being inconsistent or unjustifiable, as a member of the opposition, it is also true that I would agree with the views of the hon. member for Peace River.

However, we will vote against this motion. I will try to make comments which will be in order. Certainly we will vote against this motion of the Conservatives because its subject matter is ridiculous.

Mr. Speaker, the motion reads as follows:

That this House expresses its lack of confidence that the combination of the corporate tax reductions and accelerated depreciation write-offs contained in the Budget of May, 1972 and proposals contained in the Budget of February, 1973 constitutes an adequate and equitable response to the needs of the country.

We will vote against this motion because it is nonsense, at least as far as its subject matter is concerned, no matter what the reasons of the different parties are. If we are going to discuss, at your invitation, the acceptability of this motion, we have to talk about its subject matter and, in this respect, I am merely referring to Standing Order 58.

In the first place, Mr. Speaker, Standing Order 58(2) lists a series of items on the business of supply and I shall not read them before the House. Opposition motions are defined as follows in paragraph (3):

Opposition motions on allotted days may be moved only by members in opposition to the government and may relate to any matter within the jurisdiction of the Parliament of Canada—

I maintain that the motion now before the House, however ridiculous it may be, is within the jurisdiction of Parliament, anyway.

Paragraph (5) of the same Standing Order deals with the allotted time for the business of supply. I shall now put forward an argument which has apparently been overlooked by those who spoke before. It reads as follows:

For the period ending not later than December 10, five sitting days shall be allotted to the business of supply. Seven additional days shall be allotted to the business of supply in the period ending not later than March 26. Thirteen additional days shall be allotted to the business of supply in the period ending not later than June 30. These twenty-five days are to be designated as allotted days.

Under a general agreement between House leaders, that number of days is fairly divided in proportion to the number of members.

Therefore, Mr. Speaker, we cannot have opposition days whenever we choose; we have to present a motion at the time provided under Standing Orders.

The hon. member for Winnipeg North Centre maintains that this is a question of anticipation but I think he is wrong and I believe he disavows the position he was holding at the time the government had a majority, namely that the object of an opposition day is to enable any opposition party to present a motion on supply or on the budget, in short, a substantive motion blaming the government for not having done such or such a thing and expressing doubts about the efficiency of this or that government policy.

Mr. Speaker, however ridiculous the subject matter of the motion presented by the Progressive Conservative party, which gives absolutely nothing and against which we shall vote, I nevertheless believe the hon. member for Peace River presented arguments to support the interests

of the opposition parties and I hope that the Progressive Conservative party will carefully draft their motions from now on so as not to cast any doubt on the work and rights of the opposition parties in the House.

• (1600)

[*English*]

Mr. Speaker: I might say that I would be prepared to give a ruling now, but I certainly do not want to limit the right of hon. members to contribute to the procedural debate. I am not sure whether the right hon. gentleman wishes to rise on a point of order.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I had nothing to do with the drafting of this motion. For that reason I feel I can be perfectly objective. The rule is very clear that there cannot be repetitious motions or amendments in the same session. However, the hon. member for Peace River (Mr. Baldwin) has carefully and meticulously distinguished this resolution or amendment from coming within the ambit of that general rule.

I must say that I have been tremendously moved by the hon. member for Winnipeg North Centre (Mr. Knowles) as he wrapped himself in the unctuous purity of parliamentary perfection. If I did not know him as well as I do, I would regard his views as sanctimonious declarations in order to exculpate his party from the difficult position in which they find themselves.

It has been an interesting afternoon. The President of the Privy Council (Mr. MacEachen) spoke with that eloquence that always characterizes him when he has a bad case. It was interesting that, from time to time as he spoke, he turned toward the right and looked at the left.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: It reminds me of the old song "Absolutely, Mr. Gallagher; Positively, Mr. Shean". He spoke of parliament and its greatness. Then came the hon. member for Winnipeg North Centre and he said: "I am not a bit frightened. We don't mind what decision Your Honour makes. We are fearless and we are going to go contrary to everything that we declared during the election campaign".

Some hon. Members: Hear, hear!

Mr. Diefenbaker: If it had not been for that declaration, Your Honour, I would not have referred to this at all during the course of what I have to say. But I have never seen anything since Damon and Pythias that equals that fine relationship. Here was the President of the Privy Council. One good turn deserves another. Only a few weeks ago the NDP threw out a life line to save the government, and in doing so saved not only the government but itself.

Today there is a return performance. I know how the heart of the President of the Privy Council burns within him as he thinks of the desperate position in which the NDP finds itself. I say these things because throughout the argument up to the present moment there have been references to parliament and what parliament stands for.

You, Sir, are in the position of being the protector of parliament, the preserver of its great traditions.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: The members of the Liberal party laugh. They do not regard you that way. There is no question whatever as to what the rule says. There is equally, as I see it, no question that the hon. member for Peace River has fully answered the suggestions that were made to the contrary by the President of the Privy Council. When the President of the Privy Council and the hon. member for Winnipeg North Centre spoke of parliament and what it meant, I looked over at the government benches. What they have done in the past few years to parliament is to degrade it to a degree that has never been equaled in all the history of this country.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The President of the Privy Council says that we must maintain the rules. These rules are not the laws of the Medes and the Persians. These rules are designed to ensure that this institution shall be the protector of freedom and that we shall have the fullest opportunity to examine supply. We do not have it today. Is parliament then effective today? Somebody asked me a moment ago whether it was fluid like this on other days. The fluidity of parliament today reminds me of a dried up creek in the month of July. There is practically no right left with us.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Mr. Speaker, geese not eagles saved ancient Rome. I hear these hon. gentlemen acting the part of geese. I will remind them that they will not save their government by this kind of conduct. Today, have we any control over our expenditure in this country?

Some hon. Members: None.

Mr. Diefenbaker: As a result of closure, this institution has been emasculated—it is a eunuch. There is no examination of expenditures. The expenditures go to committees. When the committees sit, the press is not there; nobody speaks out, and the result is that the various departmental estimates come back here. Do we get any chance here to speak about them? There is not an opportunity. I think of that awful scene of a few months ago when we voted through $16 billion in four and a half hours because the rules imposed by closure had actually determined the denial of the right of parliament to examination. Every time there is any motion tabled, these people stand up and parade as the lovers of parliament.

Now, Mr. Speaker, the NDP have nothing to fear. They are going to leave the conscientious declarations that they made throughout the election at the door of parliament. They will vote in support of what they condemned with all their hearts and souls. I ask you, Sir, on the basis of the argument advanced by the hon. member for Peace River not to continue this degradation of parliament. That is what it is. Do we get a chance to raise anything under Standing Order 43 any more? Nothing of the kind. On every resolution that comes up we hear the "nos" from the Liberal party. Are we able to advance our efforts in regard to expenditures? The answer is no. The last opportunity we have is through the medium of amendments, because those amendments will embarrass the New Democratic Party.

• (1610)

Their joint allies, the government, decided to raise the question of the illegality of the amendment in question and at the same time the hon. member for Winnipeg North Centre (Mr. Knowles) gets up and says "I don't care what you do, Mr. Speaker, we are going to vote against it".

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, if I remember the last words of the argument put forward by the hon. member for Peace River (Mr. Baldwin), he stated the motion moved by the Progressive Conservative party today was identical to that moved during the budget debate, he was compelled to admit that the motion would surely be out of order.

He also said that just the same there were a few differences between the motion introduced today and that brought in during the budget debate. However, it seems obvious that both motions have something in common, namely that both specified that the budget presented by the government was unsatisfactory and that, consequently, the government had lost the confidence of the House. Now, to maintain today that the motion moved by his party is different from the one introduced last week is absolutely false and I will not make any other comment in that connection.

I will only quote four excerpts from Beauchesne's Parliamentary Rules and Forms, Fourth Edition; the first one appears at page 137 and reads as follows:

A mere alteration of the words of a question without any substantial change in its object will not be sufficient to evade the rule that no question shall be offerred which is substantially the same as one which has already been expressed in the present session.

At page 164, citation 194 reads as follows, and I quote:

(1) A motion or amendment cannot be brought forward which is the same in substance as a question which has already been decided, because a proposition being once submitted and carried in the affirmative or negative cannot be questioned again but must stand as the judgment of the House. This rule applies to the decision taken on amendments to the Address in Reply to the Speech from the Throne. A question once put cannot be altered by the member moving it, without the consent of the House. The reconsideration of a question already decided is not allowed under British parliamentary practice, but it prevails in many public bodies and societies.

Also, at page 164, citation 200 reads as follows:

(1) An old rule of Parliament reads: "That a question being once made and carried in the affirmative or negative, cannot be questioned again but must stand as the judgment of the House." Unless such a rule were in existence, the time of the House might be used in the discussion of motions of the same nature and contradictory decisions would be sometimes arrived at in the course of the same session.

Finally, at page 172, the Speaker's ruling is commented thus:

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(7) Mr. Speaker Sproule on the 13th February, 1913, decided that a proposed amendment which was substantially the same motion as the member had moved on the address in reply to the Speech from the Throne, was not in order because "a motion must not raise a question substantially identical with one on which the House has given a decision in the same session".

There is, Mr. Speaker, my modest contribution to the debate on this matter. As can be seen, I wanted to limit myself to a few appropriate quotes and not do as the right hon. member for Prince Albert (Mr. Diefenbaker) has done, that is try and get a few laughs.

[*English*]

Mr. Speaker: The hon. member for Trinity (Mr. Hellyer) seeks the floor. Again, I wish to indicate that I am quite prepared to give a decision, but if hon. members think we should discuss the point of order rather than other things I would hear them further. However, I have some doubts whether any valuable object can be achieved by continuing the discussions on the point of order.

Hon. Paul Hellyer (Trinity): Mr. Speaker, I will be very brief. There is one point that I think has not been adequately made and I should like to make it as briefly as I can.

In my opinion, the situation before us today is totally without precedent. The motion before us ties together in a very fundamental way proposals which have been put forward in two budgets, not just in one budget. We are dealing with proposals that were put forward in the budget of May, 1972 and other proposals put forward in the budget of February, 1973. In both cases, Mr. Speaker, the resolutions consequent upon these budgets have yet to be presented to and approved by the House. Here we have a situation unprecedented, I believe, in the history of Canada.

The people of Canada are subject to two sets of laws simultaneously, neither of which have been approved in detail by this parliament. The motion before us is therefore a package, a package which purports to say that the two sets of proposals, those presented last year which have not yet been dealt with in detail and those presented this year which have not yet been dealt with in detail, are totally inadequate.

As for the spurious suggestion made by the hon. member for Winnipeg-Lake Centre that the corporate ripoff is inadequate he must have had his tongue well extended in his cheek when he said that. It is the total effect of the package—

Mr. Knowles (Winnipeg North Centre): On a point of privilege, Mr. Speaker. I do not mind being connected with the hon. member for Prince Albert (Mr. Diefenbaker) by way of being given his old riding in Lake Centre, but that is so far back in history perhaps I had better be called the member for Winnipeg North Centre.

Mr. Hellyer: If I made a slip, Mr. Speaker, it was only because the hon. member's principles have slipped so much recently that it is very difficult to keep him placed.

The point I was making, Mr. Speaker, is that the total package—

Some hon. Members: Oh, oh!

[Mr. De Bané.]

Mr. Hellyer: The total package presented in these two budgets is totally inadequate. It is inadequate to meet the real needs of the Canadian people—

Mr. Speaker: Order, please. The hon. member would not seriously suggest that he is now discussing the point of order. He is making a speech which he may want to make later if this debate is allowed to proceed. I really think that after much more than an hour on this point we should be able to limit ourselves to the strictly procedural aspect of the point which was raised originally by the hon. President of the Privy Council (Mr. MacEachen). I invite hon. members to limit their observations at this time to the procedural aspects of this matter.

• (1620)

Mr. Hellyer: Mr. Speaker, I will abide by your ruling. I agree completely. I think the relevant point is that this motion is not the same as other motions which have already been dealt with during the present session but is one which goes far beyond any such motion in content and scope, since it relates to the actions of the government over a two-year period and longer. On that basis I submit the motion should be allowed. We think that a vote should be taken later tonight. We do not think the motion in any way makes a fool of the House of Commons, although we think it might do that with respect to some members of the House who are inconsistent in their voting patterns.

Mr. Speaker: I thank hon. members for their enlightening contributions to the procedural debate. I could not think, when debate started, that there would be so many different aspects to this question. I had given it very serious thought during the hours which preceded the opening of the House this afternoon. It was anguished consideration which I gave to the matter in looking for light.

The Chair appreciates the comments which have been made by hon. members. They have certainly assisted me in reaching a decision in this respect. A number of arguments were made, so many I should say that I doubt if I will be able to refer to all of them. I had begun to put them down and was hoping I could refer to them individually during the last hour or so; however, many of them, I am sure, I have forgotten. There was one point made, I believe, by the hon. member for Winnipeg North Centre (Mr. Knowles) and perhaps by others. The hon. member for Lotbinière (Mr. Fortin) took exception to the form of the motion proposed by the Leader of the Opposition (Mr. Stanfield). I think I must admit that, I, myself, have had serious doubts about the drafting of this motion.

The motion states, "That this House expresses its lack of confidence that the combination of the corporate tax—" etc. On reading this motion, I suspect what is meant is, "That this House doubts that the combination of the corporate tax reductions and accelerated depreciation" will achieve such and such a decision or result. That, indeed, is the text of the French version.

[*Translation*]

That this House expresses its lack of confidence that the combination of the corporate tax reductions and accelerated depreciation write-offs . . . constitutes an adequate and equitable response to the needs of the country.

[*English*]

I have serious doubts myself. I have to express my lack of confidence as to whether this is a motion of non-confidence, but I think that the matter would be much too technical for me to make a ruling on that basis, and I have no intention of doing so. At the same time, I have great sympathy for those who suggest that motions of this kind perhaps ought to be drafted more clearly.

Having said this, I shall now deal with what I consider to be the more important points which have been made in this respect. Obviously, the serious procedural objections which can be made and have been made during this debate, and the most serious defect, relate to the well established practice that the House cannot be asked to vote twice on the same subject during the course of the same session. There are many citations and precedents in support of this rule. Hon. members have referred to Citation 201 of Beauchesne's Fourth Edition. I think all hon. members will agree that it is a fundamental rule of parliamentary debate. Certainly, there could not be intelligent, logical and meaningful debate if the same motion were voted on by the House from time to time and repeatedly during the same session. There is no doubt that that rule is important and hon. members should try, both in their motions and amendments, to bear it in mind.

However, the rule so clear in principle is not always easy of application, and difficulty often arises as to whether a question put for determination by the House is really the same as that on which the House has already expressed itself. It could well be argued, in support of the procedural acceptability of this motion, that the motion proposed for decision today is not the same as that on which a vote was taken following the budget debate. That is the point made forcibly by the hon. member for Peace River (Mr. Baldwin) and supported by the hon. member for Trinity (Mr. Hellyer). I put some value and importance on the point made by the hon. member for Trinity. I agree with him that he added an aspect of the situation that perhaps had not been made too clear before.

The House resolved in a previous vote that it agreed in general with the government's budgetary policy. The hon. member for Peace River suggested that the present proposed motion is a different motion in that it refers more specifically to a combination of certain aspects of the 1972 budget and proposals contained in the 1973 budget. In other words, the suggestion has been made that even if the House had approved, by its vote, the government's budgetary policy, that it may not agree to the combination of those recent proposals and those proposals contained in the 1972 budget. The argument, of course, is deserving of very serious consideration by the Chair.

I think the point made by the hon. member for Lotbiniere is also quite relevant. The Standing Order allows non-confidence motions to be moved on so-called opposition days. The Standing Order which allows non-confidence motions on opposition days is couched in very general terms. Standing Order 58(3) reads:

> Opposition motions . . . may relate to any matter within the jurisdiction of the Parliament of Canada . . .

That point was made by the hon. member for Lotbinière and I think it is quite relevant. The Standing Order, as the hon. member said, gives the opposition very wide scope in proposing motions. That is one of the reasons why, since the inception of this particular Standing Order in 1968, not a single opposition motion has ever been ruled out of order. On a number of occasions the Chair expressed doubts as to whether an opposition motion would not bring forward for the consideration of the House a matter on which a decision had already been taken in the course of the then current session. However, in all cases the mover was given the benefit of the doubt. The hon. member for Winnipeg North Centre indicated that this had happened from time to time, but suggested that perhaps this kind of argument had never been made by the Chair or that the point of order had never been raised in the case of a supply motion which was, at the same time, a non-confidence motion.

There is at least one instance on which this point was made by the Chair. It was made when a motion was moved on January 29, 1969 by the Leader of the Opposition. On that occasion I expressed some reservation as to whether that motion, then moved by the Leader of the Opposition under Standing Order 58, might not tend to revive a question which had already been decided; but, for certain reasons, because we were operating under this very wide Standing Order, and in order to provide an opportunity for debate, the Chair reached the decision that the hon. member should be given the benefit of the doubt.

I would be inclined to reach the same decision in this instance. This is an opposition day, when a non-confidence motion can be introduced on a subject to be chosen by the mover. In my view the Speaker should not intervene to prevent debate, or a vote, unless the motion is clearly and undoubtedly irregular. When the procedural aspect is open to reasonable argument, I suggest it is the duty of the Chair to accept the motion and allow the House to make the decision on the question of confidence.

I feel very strongly that when there may be debate on whether a question is in order or not and when a reasonable argument can be made to suggest that a motion is in order, it would be extremely difficult for the Chair to interfere in such circumstances and say that the motion is out of order, cannot be submitted, cannot be debated, and cannot be voted upon. I am not setting aside in any way the arguments put forward by the hon. member for Winnipeg North Centre and by the President of the Privy Council (Mr. MacEachen). I recognize how important it is to maintain the traditions and principles which indicate that the House should not be in the position of being asked to vote twice in the same session on the same subject.

Because there is some doubt in my mind, as evidenced by the arguments which were submitted and by the lengthy procedural debate through which we have just gone, as to whether this is a different question and as to whether hon. members are being asked to vote for a second time on the same point, I think it is the duty of the Chair to give the benefit of the doubt to the mover of the motion. On that basis, I feel that the motion has the right to be put and that the Leader of the Opposition should be heard.

Effect of Budgetary Proposals

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I move the motion, as previously read by Mr. Speaker.

The motion before the House deals with the fiscal measures that the government proposes to introduce during the present session, either by order in council or as a result of the passage of bills in this House. It deals with the budgetary proposals of February, plus the proposals regarding corporate tax cuts and fast write-offs, as proposed during the budget of May last year by the Minister of Finance (Mr. Turner) who indicated that he intends to deal with the provisions of the present budget separately and apart from those of the budget of May 8.

• (1630)

These are part of the combination of fiscal measures that the government proposes to introduce. I suggest the resolution places the whole package honestly before the House as opposed to the sleight of hand that we witnessed by which the Minister of Finance sought approval of the new measures contained in the February budget and made some predictions that the measures arising from May 8, 1972 had nothing to do with the case, but that these to be introduced this year were not part of the government's fiscal proposals for this session. This is another instance where this government finds it very difficult to put something forward in an honest, straightforward manner. Clearly, the budget proposals of February, 1973 and the 1972 proposals to be implemented in 1973 are in fact part of one package, although the government attempts to treat them differently.

This resolution gives the House an opportunity to consider both the 1972 measures and the February 1973 measures as one package. The resolution deals with this package which includes corporate tax reductions and fast write-offs. As to the fast write-offs, the Minister of Finance has expressed his belief that the governor in council has the power to adopt these without the approval of this House. If I understood him correctly, the Minister of Finance indicated that he is considering doing just that. In other words, he will not be introducing the fast write-offs into the House, but dealing with them by regulation or order in council. To do what the minister says he is considering, particularly while parliament is in session, would show the very depth of contempt for this House by the minister and his government.

Some hon. Members: Hear, hear!

Mr. Stanfield: There is only one possible reason the Minister of Finance would consider bringing in these fast write-offs by order in council or regulation rather than by approval of the House. He believes that parliament, the House of Commons in particular, would not approve of these measures if they were put before the House. That is the only possible reason the minister could have for adopting such an attitude of disrespect for the House. It is hard to imagine a more flagrant disregard for parliament than for the minister and the government to adopt, while the House is in session, a tax measure by regulation or order in council for the sole reason that the government is concerned that the House might not approve the measure.

[Mr. Speaker.]

What could be a more flagrant disregard for parliament than that?

Some hon. Members: Hear, hear!

Mr. Stanfield: The minister intends to proceed with the fast write-offs in one way or another. They should be put before this House and the House should accept the responsibility of either accepting or rejecting the government's proposals. Clearly, this is a matter of principle. Surely, all opposition members will readily agree that these tax measures should be dealt with by the House and not by the governor in council or the minister. I hope that on reflection all members of the government will also agree that these tax proposals must be dealt with by parliament. This is a question of principle going far beyond the merits of the particular tax proposals.

In so far as the budget proposals of February 1973 concern employment, they rely principally upon increasing purchasing power through the lowering of personal income taxes and increased expenditures. In other words, the government to some extent has adopted the position we advocated through 1972, the election campaign and since that time. However, I wish to emphasize that if it had been our responsibility, we would have taken a two-pronged attack, that is, an expansionary budget to fight unemployment and a temporary freeze followed by subsequent methods to fight inflation. By expansionary, I mean tax cuts, eliminating the sales tax on building materials, eliminating the tax on all clothing, not just children's clothing, and a real program of incentives for small business.

I emphasize that by expansion we mean tax cuts rather than relying upon increased expenditures. If we have learned anything, it should be that if we want to create jobs and encourage enterprise in this country, the least effective way to do it can well be based on the assumption that this can be done by direct government expenditure. In other words, we believe in expansion through tax cuts not in any way adding to government waste.

Whatever emphasis the government put on the measures to increase employment in the budget presented in 1973 was directed toward increasing purchasing power. This is in marked contrast to the budget presented by the minister in May of last year. The attitude then, and this point of view was expressed by several ministers, was that there was no use increasing the purchasing power of the Canadian people. They said there was so much leakage, so much of it would go on imports, that increased purchasing power in Canada, as was expressed by the government in 1972, would not stimulate the Canadian economy. Their position in May 1972 was that it would simply go on imports.

It is strange to find that in his budget of 1973 the minister deliberately adopted measures designed to encourage not only an increase in spending power, which he said was a faulty way to go about this, but deliberately took measures to encourage expenditure by Canadians on imports. This is another in the series of very remarkable contradictions we have seen in the course of a year and sometimes in the course of a few months by this minister.

A few months ago, tax cuts were the worst thing that could happen. They would drive the country into bank-

ruptcy. A year ago a proposal to index personal income tax was sheer folly. In May 1972, any measure designed to increase the purchasing power of the consumer was sheer folly and would only be spent on imports. In 1973, with unemployment at approximately the same rate, the minister has completely reversed himself. He is now increasing purchasing power and encouraging Canadians to spend money on imports.

The minister can hardly deny that his measures are, in fact, increasing competitive pressures on Canada's producers and manufacturers. There are many instances of this. I hope the minister is looking into them. I am sure they are being brought to his attention as they are to mine. In British Columbia, where the rate of unemployment is about 8 per cent, the plywood industry and the fish packing industry are now obliged to suffer from an added competitive advantage that the minister has bestowed upon imports. General Steel Wares, a manufacturing industry unique of its kind in Canada, is now confronted with increased competition from imported goods at a time when a more sensible policy would surely be to encourage expansion and sales at the domestic level.

• (1640)

I could go on to give other instances. I am merely pointing out that the minister has veered around in the course of the last year; whereas the whole thrust of the May 8 budget was to improve the competitive position of the Canadian manufacturing-processing industry, this has all been forgotten as far as the February budget is concerned. The effect of the February budget is to bring about a worsening of the competitive position of large sectors of the manufacturing and processing industries in our country. Last May we were told that measures to assist industry were the only effective way in which to create more jobs, though the minister admitted it would take some time for the measures he proposed last year to bring about the desired effect. But this year the emphasis has shifted completely.

I pointed out when I spoke on the budget in May, 1972 that the minister's proposal with respect to fast write-offs and with respect to the reduction in the corporate tax write-off in connection with operations of a manufacturing or processing nature contained a number of grave shortcomings. First of all, they were of no use to corporations which, although they might be highly efficient, were losing money because of competition. In other words, they would be of no help whatever to an industry which was earning no income upon which to pay taxation. Even more important, I said then, and I repeat, those proposals were of no use to new Canadian companies. New ventures do not look forward to making a net profit for a number of years. Consequently, the minister's proposals would provide no inducement at all to Canadians to undertake new manufacturing and processing operations. Obviously, if we are to succeed in bringing unemployment down to a satisfactory level we need many new manufacturing and processing industries in this country. The minister's measures constituted no inducement in that regard. Third, the minister's proposals did nothing, and do nothing, to encourage Canadians to invest more of their money in Canadian businesses and thus to play a bigger part in the ownership of our own economy. The benefit of the minister's proposals are, obviously, just as readily available and just as attractive to foreign capital as to Canadian capital; they are worth just as much to foreign subsidiaries as they are to Canadian-owned enterprises.

So, when we assess the value of the government's budgetary proposals, and say they are inadequate and inequitable in response to the needs of the country, we are pinpointing the lack of any co-ordinated approach, the lack of any real leadership. I think it is clear from what I have said today, and what I said in the debate on the budget, that the government has no strategy. There is no plan, there is no organized consistent thrust. The government just changes its proposals from year to year. Indeed, it changes them from month to month. There is no consistency in what it proposes to do. There is only the spectacle of a government fuddling through a grab bag of disconnected policies to cover up a crisis here or some need for expediency there, and this is surely a perverse luxury which cannot be afforded today.

Some hon. Members: Hear, hear!

Mr. Stanfield: As a nation, we must rely on support from a strong partnership between the public and the private sector. We are a nation which must believe in itself and which must invest in itself. We all know that these are fundamental truths. Knowing these truths, how did the government react to the fact that the over-all level of business failures in this country last year, particularly among small businesses, was the worst in any year since the depression? The answer to that question is, very simply, that the government did not react.

How has the government reacted to the fact that small business ownership in Canada is suffering severely from lack of adequate capital—I am speaking particularly of equity capital for expansion or for starting new enterprises? Again, the government has simply not reacted. Here is a vital segment of the economy, small business, which creates more goods and services and, possibly, more employment, than any other. And it is one which pays more taxes, perhaps, than any other segment of the economy. Does the government show leadership in promoting the development of small business? Is it disturbed sufficiently by the failure rate to be prompted to take quick action? Does the government offer partnership in risk-taking to make what is, really, the life blood of small business, that is to say, capital, available to this sector? The answer must be a very damning "no".

We have put forward a proposal. We sought to encourage the individual to invest in the expansion of his business or in any small Canadian business, to invest in any new enterprise on his own, or in partnership with others. We proposed a Canadian investment credit incentive, which would be available to any Canadian citizen making a direct investment in the equity of a Canadian-owned small business. The credit, which would amount to 50 per cent of qualified investments to a maximum of $5,000 each year, would either be offset against the individual's income tax for the year, or rebated directly to him. Before the credit could be granted, the business would be required to register with the Department of Industry, Trade and Commerce, since only investment in Canadian-owned small businesses would qualify. Small business

would include corporations with net worth up to $1 million and annual revenue of up to $10 million. In the case of corporations approaching the upper size limitations, it would be necessary to establish that new capital requirements would provide substantial additional jobs and careers in Canada. No corporation would be able to qualify as a small business if its shares were listed on a stock exchange or if it were controlled by a corporation which did not qualify.

Certain kinds of business would not qualify for investment credit. For example, oil and gas exploration and development businesses, mining businesses and the like, would not qualify. Similarly, real estate ownership and development, leasing and financial business would not qualify. The advantage of the tax credit would remain with the investor as long as he continued to hold it, but would be repayable to the government if and when the investment were realized. If the investor did not recover his full investment, the amount of credit would be half of his recovery. No capital loss deduction would be allowed. If the investor realized a gain, the gain would be taxable in the ordinary way.

I have made no pretence that this is a perfect proposal or, in specific terms, the only proposal which could be effective. I think it is a good plan. I know that such a plan is urgently needed. And this plan, at least, would have been immediately put before parliament by a Progressive Conservative government.

Some hon. Members: Hear, hear!

• (1650)

Mr. Stanfield: We are all aware that there was a reference to some kind of plan for small business in the Speech from the Throne. We are all aware that the Minister of Finance has been talking about this as an area of concern. But what are we to expect from the minister when he finally gets around to producing something? All I have to go by is the reaction that he expressed to the plan that I put forward. He said: ". . . it would provide an opportunity for some individuals to reap a rich bonanza", and, even more significantly, he continued "without meeting any demonstrated need of small business for funds". In other words, the minister was not only attacking my plan but was questioning whether there was really any demonstrated need on the part of small business in Canada for this kind of equity capital.

Mr. Turner (Ottawa-Carleton): That was not the meaning of that statement.

Mr. Stanfield: This minister says that that was not the meaning of that statement, but like the Speaker I have to make the best I can of words that are put before me and interpret them in a fair way. That is the way that I interpreted the statement of the minister at the time it was reported in the press, and it strikes me that that is the only possible interpretation I can give it.

I think that the minister's statement is rather insulting to individual Canadians and an affront to the small business community. We say that our proposal would encourage opportunity. The Minister of Finance says that it would encourage profiteering. We say that such a policy is needed by small businesses in Canada to allow them to get started at some time, and at other times to grow. It is needed by small business so as to encourage Canadians to grow in the Canadian economy. The minister says that the small businessman in Canada has not demonstrated the need. We say that the answers to our serious problems of unemployment and Canadian development must be found by encouraging individual initiative and enterprise. The Minister of Finance says that you cannot trust people, yet this is the same minister who was espousing such trust in his limited proposals contained in his 1972 budget which, in the nature of things, will be made available mainly to large enterprises.

We believe that the kind of incentive that we propose will do more in a single year to stimulate private initiative and provide more new opportunities for jobs, and to stimulate demand for goods and services, than any combination of direct government loans, concessions and subsidies presently in effect. Such a policy would give new initiatives to our young people, many of whom today are deprived and denied opportunities to participate in our economy. Such a policy would reinvolve the average Canadian in the achievement of national objectives, among them the urgent need for full employment and the need to encourage Canadian investment, participation and ownership in the development of our national economy.

On this matter of Canadian self-determination, I want to reassure all members of this House that the only viable alternative to the present government does accept its historic responsibility to give leadership in this issue. Leaders of this party who have preceded me have given their dedication and their loyalty, and not merely lip service, to the concept of an independent Canada. We believe that Canadians ought to be given the maximum opportunity to develop and apply their own entrepreneurial and managerial skills so as to ensure the increased participation of Canadians in the business and industry of their own land.

May I take a minute to remind you again, Sir, that it was the present government that made the decision with respect to the development of communications satellites—the $90 million Telesat program. It was also the decision of this government to ship 80 per cent of the investment in satellite technology and 80 per cent of the investment in development to the United States. In doing so, it rejected a bid which would have seen only 35 per cent of this investment go out of the country. And the excuse given was that there was a differential of $13 million in the final contract bids. I believe that Canadians understand—I am sure they do—that there may well be, in the struggle to develop Canadian competence, technology and expertise, a premium that has to be paid; but I also believe that Canadians are prepared to pay it.

The combination of a small business incentive such as we have proposed and a more effective government purchasing and procurement policy encourage Canadian technology and surely define the direction that is the right direction for this country at this time in its history. The lack of any direction that we see today is unacceptable. Responsibility for that lack of direction lies upon a government that will only stall, stutter and delay for as long

as it remains in office. It is our duty to take every opportunity available to us to minimize that period of wasted time.

As was the case during the budget debate, one must keep asking oneself about the question of confidence. What do the members of government really believe? Do they believe, for example, that we have to improve the competitive position of Canadian industry, as they emphasized last May? Or do they believe that the competition facing Canadian industry should be increased, as they seem to believe in 1973? We have gone all through this in regard to tax cuts, income tax indexing and so on. I do not have the time, and there is no need for me today, to go over once again the inadequacy of the government's program with regard to employment or the inadequacy of the budget as a stimulus to the creation of employment. I do not need to go over the weakness of the budget with regard to inflation. I went over all of that during the budget debate and we put before the House clearly what we called a two-pronged attack on unemployment and on inflation. Really, it is a three-pronged attack because it ought to include the encouragement of new investment in small Canadian business, a point that I have put forward here this afternoon. We have an attack on unemployment, and perhaps the best method available to us for increasing ownership by Canadians of Canadian business.

Therefore, I say that in view of these considerations the government's package of proposals is neither adequate nor equitable among Canadians; and of that I think there can be no doubt.

• (1700)

Mr. David Lewis (York South): Mr. Speaker, ever since this parliament opened early in January the Conservative opposition has been huffing and puffing but has failed to bring the House down, and because it has failed to bring the House down its huffs and its puffs become more tiresome and less meaningful as the days go by. The opposition keeps trying ploy after ploy, and trick after trick, and thinks that we in the NDP will be intimidated by its huffing and puffing. Let me tell hon. members of that opposition that they are wasting their time and wasting the time of this House.

Let me tell the right hon. gentleman from Prince Albert, and I am sorry he is not here, for, I am sure, very good reasons, that his thunder is always amusing. We listen to him with a great deal of respect and with a great deal of chortling as he speaks, but I ask him not to exaggerate his power. His thunder will not bring down the House either, Mr. Speaker.

We set a course for ourselves when this parliament opened, and we set that course before the people of Canada. It has been approved by the vast majority of the people of this country—

Some hon. Members: Oh, oh!

Mr. Lewis: My mail and the feedback of all my colleagues across this country indicate that the people of Canada want to see this parliament work and produce useful legislation.

Some hon. Members: Hear, hear!

Mr. Lewis: No hokery-pokery or imaginative Conservative party is going to change that course, Mr. Speaker. In view of what has been said by some—not since the debate started on the motion, I must say, but during the procedural debate—I want to make one thing very clear. I have done this, I suppose, dozens of times since October. I want to make it clear that I believe, and my colleagues believe, that both aspects of the May 1972 budget in respect of concessions to corporations should be before parliament and decided by parliament, and we will insist on that.

Some hon. Members: Oh, oh!

An hon. Member: When?

Mr. Lewis: When those resolutions and bills that come from the May 1972 budget in respect of corporate concessions come before this House, we will oppose them just as we have constantly opposed them ever since we heard them.

Some hon. Members: Hear, hear!

Mr. Lewis: We do not intend to be caught by the kind of hokery-pokery the Leader of the Opposition (Mr. Stanfield) has indulged in and vote for a motion that is meaningless and purposeless because it makes some reference to the corporate situation in the May 1972 budget.

As I listened to the Leader of the Opposition I thought: What in heaven's name is this gentleman doing? I heard that speech just a week ago, almost word for word and thought for thought. He added some new material about small business, which he had enunciated, and I will come back to that in a moment, during the election campaign, but he repeated the same type of thing he said in two speeches during the budget debate. He is merely using the time of this House for games, and he is welcome to play them if he wants because he is doing it so often and with such obvious political maladroitness the people of Canada realize what is happening.

Some hon. Members: Hear, hear!

Mr. Lewis: The new thing in the speech of the Leader of the Opposition had reference to small business. What was he really saying to us and the people of Canada? He was saying: I am dissatisfied with the corporate concessions made by the Minister of Finance in his May 1972 budget. I want more. I do not want corporate concessions to go alone to businesses that exist, I want the corporate tax concessions to go to the corporations that start new businesses or that invest in new businesses. The Leader of the Opposition parades himself as wanting to defend the situation. I want every member of this House to understand, as I do and I am quite certain I understand it correctly, that what he is suggesting is that the tax concessions the Minister of Finance proposed in May, 1972 are inadequate and do not go far enough. He wants further tax concessions to investors in new business.

He thinks that by this kind of thing he can catch us and throw us over with his huffing and puffing. We do not go for that, Mr. Speaker. His statement on this matter reminded me of some things he said before when we had the Liberal tax bill before us, the so-called reform bill which made a very few minor changes in the corporate

tax system. Let me read the statement of the Leader of the Opposition on October 14, 1971, as reported at page 8694 of *Hansard*:

> So far as corporations are concerned, there would have been a much more beneficial effect on investment and incentives—and this would not have cost the government a cent—if the minister had announced that he was going to defer implementation of those parts of his tax reform bill relating to corporations.

These small changes that were made to close some of the loopholes through which corporations climb did not satisfy the Leader of the Opposition. He wanted the Minister of Finance to throw them out the window. This is the gentleman who cries about the small businessman not having the necessary money. I cannot help but remember that when we had before us in this House the regional development incentives bill that hon. gentleman moved a motion and in his speech said, on June 6, 1969, recorded at page 9848 of *Hansard*:

> If someone happens to get his hands on a few thousand dollars or even on a million dollars he may not really need, I do not think we should worry too much. After all, the government can recover that money eventually through taxation.

He did not even take the trouble to note that incentive grants under DREE are not taxable.

Some hon. Members: Oh, oh!

Mr. Lewis: This is the thing with which we are presented, and when this motion contains reference to something being inequitable I must remind this House again of the statement made by the hon. member for Edmonton West (Mr. Lambert) on June 22, 1971, less than two years ago, when he was the financial critic for his party.

An hon. Member: Oh, oh!

Mr. Lewis: Don't look for happiness in that direction, my pleasant and corpulent friend.

I remind the House again of what the hon. member for Edmonton West said on June 22, 1971, as reported at page 7222 of *Hansard*:

> —some people think that you can have equity between taxpayers. That is impossible in this country and anyone who suggests otherwise is not aware of our financial and economic requirements. It is absolute nonsense to talk about equity between taxpayers or within the income tax system.

This country can do without a government composed of gentlemen like that.

Some hon. Members: Hear, hear!

• (1710)

Mr. Lewis: Mr. Speaker, we do not intend to vote for the motion because it is a meaningless ploy. I want to say to this House—

An hon. Member: Say it in English.

Mr. Lewis: I could put it in English if I thought it was worthwhile, and if I thought members of the Conservative party would understand it.

I want to spend the few minutes I have left, because I believe I am limited to 20 minutes if I remember the rule correctly, dealing with some of the positive aspects of what is before us. On behalf of my colleagues and myself, I completely reject the kind of policy presented by the Leader of the Opposition. I think it succeeds—and this is really a remarkable accomplishment—in being even worse than that of the Liberal government and one really has to be an artist to accomplish that. The proposition is for more corporate tax concessions or greater corporate tax concessions and the implication in the speech of the Leader of the Opposition is that the resources which are now entirely in foreign hands will remain in foreign hands. He does not intend to do anything about this. Also there is the fact that our minerals are in foreign hands and 50 per cent of our manufacturing is in foreign hands, and he is not going to do anything about this.

When it was suggested that oil exports be controlled, his members from Alberta and the Premier of Alberta objected to any kind of limitation in respect of the export of oil or gas. The only thing the Leader of the Opposition would do would be to make some tax concessions to his wealthy friends who invest in little businesses. I understand he, himself, has had some excellent experience. I suggest that will not do the thing that needs to be done in our view. Let me in the very few minutes I have left indicate what that is. What this country has needed, and needs now more than it needed anything in its history, is an economic and social plan that will cover all areas of this country and that would give Canada some economic and social goals for the benefit of all the people of Canada and which would serve all the regions of this country. We need, starting from now if it were possible—and neither the Liberals nor the Conservatives will do that—to eliminate all the tax concessions which have been given to corporations in this country and which have resulted in a distortion of our economic development where all the resources of this land are being yanked out at breakneck speed and exported elsewhere across the world instead of being retained for future generations of Canadians.

I challenge the Conservatives to say that they are ready to remove the tax concessions and tax holidays which have been given to corporations through the tax statutes of this country. We need that which my friends to the right will have no part of, as they have often indicated. We cannot build small business in the disadvantaged areas of this country on the basis of private entrepreneurship or on the doctrinaire stuff which oozes out of the Conservative and Liberal spokesmen every time they talk about the economy.

An hon. Member: Doctrinaire!

Mr. Lewis: Doctrinaire. Free enterprisers are the only doctrinaires left in this country and it causes immense harm to the development of Canada, to its economy and to social objectives. We have said many times, and I repeat today, that the only way in which the small businessman can be helped, and the only way in which the disadvantaged areas of this country can be advanced economically, is by giving direct assistance through public investment to the small businessman who wants to open a business instead of sending him to private investors who will then receive a tax concession while somebody else behind them will receive another one. Then, you not only make a contribution but lose some more money out of the revenue of the treasury at the expense of the ordinary

taxpayer. It is best to have a program for the small businessmen which consists of an anti-monopoly and anti-oligopoly law and, secondly, direct capital assistance to the small businessman at a reasonable rate of interest so that he is not forever the servant of some large private corporate investor who receives a tax concession.

Mr. Speaker, I suggest to you that our history over a period of 106 years has shown us that we cannot develop the disadvantaged areas of this country by relying on the ordinary profit motives of private enterprise because private enterprise has not found those areas profitable in the past and will not find them profitable in the future. The only way in which the disadvantaged areas of this country can be assisted and developed economically, in so far as the resources of the people, their traditions and culture are concerned, is by public investment and public help from the public treasury and wherever possible, from the provincial treasury. I remind members that the miners and steel workers of Cape Breton Island were assisted by the federal government taking over the mines and the provincial government of Nova Scotia taking over the steel industry and, incidentally, that was a Conservative government.

I say that what we require is the total reconstruction of the Canada Development Corporation to make it a public operation with large funds which are garnered through legislation which requires all corporations in Canada, public and private, financial and industrial, to invest a certain proportion of their investable capital in the Canadian Development Corporation. This corporation would be under public control and management for the precise purpose of buying back parts of the Canadian economy for the people of Canada or supplying the provinces with the revenue they need and the necessary capital to develop their economy. In this way the necessary capital could be made available to the small business entrepreneur at reasonable interest rates. These are the ways in which some real economic and social development in this country could take place. Exchanging those on my left for those on my right in government would not make the slightest difference. Canada would merely perhaps be a little duller place and perhaps members of that government a little less imaginative than sometimes the people opposite are, although I find it difficult to imagine that.

Some basic transformation is needed in the economy and the society of Canada. We will not get that from the Liberals and we will not get it from the Conservatives. So long as there are before parliament bills which would increase the old age pension, which would reduce the tax burden on the ordinary taxpayer, which promise increases to veterans in their allowances and pensions, which promise improvements in the housing legislation of this country and which promise improvements in the foreign investment situation in this country as well as other proposals, the new Democratic Party members of this House will not fall for any of the silly ploys of the Conservative party.

• (1720)

Mr. Barnett J. Danson (York North): Mr. Speaker, I was delighted with the interjection of the right hon. member for Prince Albert (Mr. Diefenbaker) in the procedural portion of this debate when he quickly dissociated himself from the drafting of the motion. I wish he were here now. I think another form of tax might be the entertainment tax which we would have to levy every time the right hon. member speaks. But I have to borrow from him because the other day he used the expression that the mountain laboured and brought forth a mouse. That is rather "corny" and a cliché now but there has been an air of expectation about this debate. There was the great question about the procedural validity of the motion. There was the waiting period of the first of the two allotted days to learn what this great motion was about which was to be brought forth. It could have been a great motion, and we really expected something constructive. However, all we got was a list of complaints which we have heard before and a question about the lack of a co-ordinated approach by this side of the House.

Then, we heard about the three-pronged attack from the hon. member from Action Canada. Instead of the two pronged A.C., we get the three pronged D.C., but the three pronged attack did not come. I was waiting and waiting. The Leader of the Opposition (Mr. Stanfield) regurgitated his great proposals which he made during the election regarding incentives for small business which, incidentally, I think, have some merit in a small way. His ideas are not always wrong, but they are usually poorly thought out. One example is the question of the indexing provision to fight inflation which is not original; he dragged it out from somewhere else. However, our Minister of Finance (Mr. Turner) made this proposal administratively possible. But to suggest that this great three-pronged attack and the co-ordinated policy of the opposition as represented by this 50 per cent write-off of the $5,000 invested in businesses which qualify is the solution to the problems of 50 per cent of our unemployed who are under 25, is to suggest something that is far from the truth. To talk of this as being an answer to the question of Canadian ownership, or a solution to all economic problems that face this country I think puts the hon. member in his own element, the element of small business, because I have never before seen quite so small-minded an approach to such a major problem in the House.

He did not directly attack the principle of the corporate tax cut or capital cost allowance, but he sniped away. These provisions are not for the benefit of the major corporations; they are for the benefit of the small businessmen who are the backbone of industry across the country, the tens of thousands of companies, of which I have founded one, which need the incentive and a fighting chance to compete and to expand. The Leader of the Opposition is a very nice guy, no matter what he says himself; he is good, sincere and genuine and even has good Liberal ideas. It is not a matter of the government being under attack but a matter of the economy being under attack. This is not a political game; we are at economic war.

There are important considerations here that go quite beyond who stays in power in the House. We are in a highly competitive international economy. We have the problems of DISC in the United States and the international monetary crisis. We have the question of foreign investment facing us and the problems of small business, in which I am particularly interested and which were

mentioned in the Speech from the Throne. Legislation will be forthcoming to deal with these problems as the Minister of Industry, Trade and Commerce (Mr. Gillespie) said in the debate on the Speech from the Throne. There is a wide area at which we can look. There is the broadening of GAAP, the General Adjustment Assistance Program, for which the machinery is in place. There are opportunities to provide working capital to companies in countries taking part in the Kennedy Round agreements. This machinery makes it possible to expand further, as the minister indicated.

There is, too, the greater role that the Industrial Development Bank can play. It has helped many thousands of small businessmen. We cannot go into ad hoc programs and I do not approve of the type of program we went into before. We have to be flexible and see our programs against new types of onslaught from abroad, particularly from the south. We have the employment support act of 1971, under which we allocated $80 million for companies adversely affected by the monetary crisis at that time and possibly by the DISC program. Of that $80 million I understand only $10 million was disbursed. It is difficult to prove who is being hurt or specifically how you are being hurt when you are in business, particularly if you are a small business and do not have the opportunity to have research assistants, such as we would like to have here. These businessmen know that something is going wrong; they know they have to be flexible and move to survive. I suggest that the corporate tax reduction is vital to keep us competitive in a highly dangerous economic situation in the world.

I do not think any program should be maintained forever, but we must maintain ourselves in a competitive position with our trading partners such as Great Britian, where the corporate tax rate is 40 per cent; Italy where it is 25 per cent; the United States where it is 48 per cent, and Belgium where it is 30 per cent. The rate varies between 23 per cent and 51 per cent in Germany. These are the countries with which we have to compete and it is only by being highly efficient that we will be able to compete. It is not only a matter of increasing employment; it is a matter of maintaining the employment we have now.

I was rather interested in the lead article in the *Financial Post* of March 3, its most recent issue, the reading of which I would commend to all hon. members. The article points out that to be competitive we have to give our smaller industries, our manufacturing and processing industries, a break. The closing paragraph reads:

> The strongest industries, and those with the highest quality jobs for a sophisticated work force, are, after all, capital intensive, not labour intensive. Manufacturing in Canada needs every break it can get to preserve and upgrade the jobs it now can offer.

This is an important point, and I would urge my friends from the NDP to read that article. This corporate tax reduction, however, is not going to all industry. It is not going to the service industries, but rather to the manufacturing and processing industries. It is not going to the extractive industries. They have all the breaks, as the minister pointed out in his speech on budget night. It is going to those people who need it to create jobs and to maintain the jobs, people who will keep the economy moving and create opportunities in the rapidly growing service sector. This is an area which we have to watch very carefully. Since 1966, the output in the manufacturing industry went up 28 per cent with an increase in jobs of only 6.5 per cent. This does not mean that it is a failure. It means that we have increased our output by 28 per cent and thus maintained our competitive position. The fact is that if we had not shown an increase of 6.5 per cent in employment we might have shown a substantially greater decrease.

In the same years since 1966 employment in the service sector has gone up by 27 per cent. In my view, the service sector is integrally tied with the productive sector; it moves along with it. This is the area in our economy which needs a lot more study. We should know a great deal more about it. We know that with a healthy manufacturing and processing sector the service sector is healthy and grows at an even more rapid rate as we achieve greater productivity, thus producing more jobs for people working fewer hours and taking longer vacations.

• (1730)

The service sector is going to be highly important and there are opportunities for many improvements there. We should be directing more attention to it. It is not merely a case of hotel bus boys, although that is a legitimate job; it is a matter of social workers, teachers, people in the recreational field, architects and lawyers so that there is ample opportunity, in a society which is becoming wealthier, for these people to find jobs.

The capital cost allowance, Mr. Speaker, is an area in which I have had some interest, because in private life I am a small businessman—the longer I am here, the smaller I become as a businessman—in the capital equipment field. Interestingly enough, I started that business in 1952 or 1953. At that time we had double depreciation and it was the period of the fastest growth in the manufacturing sector in the history of this country. The manufacturing sector was built up at that time to the point that has allowed us to take advantage of the automotive trade agreement and progressive trade policies because we have this basic manufacturing infrastructure.

We got away from that and we prospered. The allowance has continued to drop. It is not held at that rate for a temporary period, as it was in the 1950s. We tried a modest approach to it in the budget last year or the year before by increasing capitalization on new equipment by 15 per cent and allowing normal depreciation on the declining balance. That did not work. We needed something with a greater psychological jolt so that people involved in investing felt that it was worthwhile to invest during this period of the accelerating capital cost allowance or those who were dragging their feet would come to an investment decision within a limited period of time. That is why I am particularly happy to see a limitation put on this provision for review at the end of 1974. I would not mind seeing it for a shorter period so that those who are contemplating investment decisions will make them even sooner. This presents difficulties, however. The same issue of the *Financial Post* refers to the importance of examining the whole area of capital cost allowances and the fact that the minister has committed the government to that. Certainly the government will be able to look well

beyond 1974, but it is vitally important that we meet this commitment.

The leader of the New Democratic Party (Mr. Lewis) raised the issue of corporate rip-off in the last election. I suspect that he was really referring to the resource rip-off. A lot of people who have not been in business do not understand the problems of cash flow and return on investment, so it became a very popular theme during the election. It was not an easy one to discuss in the heat of a campaign. The Conservatives did not strongly oppose us on it because I think many of them have some appreciation of the problems of business.

The article in the *Financial Post* continues:

Such raw expediency on the part of the Conservatives could make the Liberals look very attractive—

This is the raw expediency that we see today. Later the article reads:

So far he hasn't been terribly convincing that he has a better plan, certainly not sufficiently so to persuade many companies faced with the present state of indecision.

Mr. Stanfield: Who is responsible for the present state of indecision?

Mr. Danson: We are quite prepared to move along. I think we are victims of many of the problems of indecision. I do not say that we have done everything perfectly, but we are prepared to move along and overcome the indecision. I have the greatest respect for my hon. friend, but surely he knows that it is only his desperation and that of his colleagues to change places with us that is responsible for this delay and this sort of motion. I cannot believe that men who have had experience in business and who understand finance could oppose the reduction in corporate taxes at this time, or the accelerated capital cost allowance. This motion is a political tactic, although I think it is legitimate, and I think the country recognizes it for what it is. The only positive proposal in my hon. friend's speech that had any merit was the one concerning small businesses. We might even be able to find a way of making it work and putting it into practice one of these days.

The question of the review of corporation taxation is extremely important at this time, Mr. Speaker. The leader of the New Democratic Party has raised some serious doubts in the minds of all Canadians and I think the matter should be clarified. Although those of us who do not believe that a lot of it is a rip-off, even though there is a grain of truth that makes everyone wonder—

Mr. Hellyer: Maybe you should bring in tax reform.

Mr. Danson: The hon. member for Trinity (Mr. Hellyer) says that maybe we should bring in tax reform. I am not sure that is the answer. We tried to do that a couple of years ago. We also tried to reduce taxes at that time, and it was impossible to do it gently: passions were roused by the whole question of tax reform and it was found quite impossible to be reasonable and look at the problems in a way that would bring proper answers. Of course, many other factors were involved such as gross-up in credit. I forget some of the terminology. We politicians sitting on the committee on finance, trade and economic affairs were subject to really tough political pressures—

Some hon. Members: Shame.

Mr. Danson: —yet we saw all the resources of one side of the corporation tax argument coming before the committee. These representatives were well prepared, well financed and submitted excellent briefs. I regret that we did not hear more of the opposing view. I do not think businessmen are looking for a rip-off; they are looking for a fair shake and the things necessary to keep the economy going. We in this party have different views from those of the New Democratic Party on what keeps the economy going. I am not dogmatically opposed to socialism; I just don't think it works. What we need is not an investigation by a parliamentary committee subject to the same pressures we went through in tax reform, but an independent body—I hate to say a royal commission or task force—people who are qualified and respected in this field to take a second look at corporate taxation.

The question has been raised, it has received a response but I think it needs to be clarified. As a businessman, I want to see it clarified. I am not interested in being part of any rip-off; I am interested in doing a job, building a business for my family and my country and, in the process, making some money. The money is not the motivating factor, however. It is the only measurement and it is not bad—I would rather have it than not have it—but it is not the primary factor which motivates people beyond a certain point.

Another question is monitoring the corporate tax allowance and the capital cost allowance. I think this is particularly important, though I do not like any connotation of looking over anybody's shoulder. But we should know, on a regular basis, what has happened. The *Financial Post* article suggested that perhaps two years was not enough time to get all the answers, but I think we can keep pretty close contact with the private sector and get their co-operation. There is no reason why any businessman who makes an investment which is eligible for accelerated depreciation should not report to the Department of Finance. That would give this government an opportunity to see how such decisions are made. Of course, I cannot guarantee that honest answers will be given by all businessmen. Nevertheless, by adopting the suggested process we shall obtain a better feeling about what is going on in this respect.

• (1740)

Certainly we must maintain the present number of jobs; increase employment and increase productivity or we shall be in difficulties. Probably the suggestion I am about to make is dangerous. I suggest that it is more important to maintain a high degree of productivity and competitiveness in the export and import markets than merely to create jobs. If the economy is healthy, we can build a rich society. We all know the direction in which we are going. People will be working a shorter work week; they will have more leisure time. They will need more training and retraining if they are to take advantage of the benefits available. If we lose our competitiveness in the world, we will lose everything and will not be able to survive.

Mr. Hellyer: Change the government and both those areas will be guaranteed.

Mr. Danson: They will be guaranteed under this government. So we must look to other ways for people to be absorbed into the labour market. I should like to explore, because it was mentioned by the leader of the NDP, the establishment of, say, a national youth service which could absorb many of our young people. Much of our unemployment affects those who are under 25. Young people could participate in the service. I am not talking about conscription; I am talking about non-military, non-compulsory national service. I have spoken about this suggestion to many young people in my riding and elsewhere and they are terribly interested. They want to help build better communities and parks and work on the ecology. For instance, in Toronto they could be employed in building a park of the same sort as the one in the Gatineau Hills where there are 30 miles of ski trails, woods and lakes. We are in the process, in Toronto, of expropriating 17,000 acres which can be used for that purpose. We must consider areas such as these if we are to provide new employment. As a supporter of the government, I urge the House to look more closely at such areas.

We must be careful, when debating economic affairs, not to get any distorted idea of profits. Profits in themselves are not evil. I have said many times that it is the lack of profits which is evil, since when profits are lacking the economy is not working properly. Certainly, excessive profits are not good, neither are excessive dividends. I am interested in the proportion of earnings retained and distributed in other countries. That is something we ought to consider when studying the question of our own corporate taxes.

Corporate tax cuts are not a corporate rip-off. Let me explain what happens to profits. First, of course, they are taxed. That part which is left after taxation is reinvested, and that money creates jobs and increases productivity. It leads to research and development and to various types of innovation. Without these activities our industry could not maintain its competitiveness, survive and provide the jobs that are needed, let alone provide new jobs. Some of the dividends are distributed and are taxed again. As I say, a substantial part of the money left is reinvested.

I do not think one can claim that the present system is completely equitable. I do not think any system is completely equitable. Nevertheless, the system works in a rough and ready way. We should see to it that it works more fairly, more equitably and with more compassion. We should care more for the underprivileged in our communities and for those who do not have enough drive to go out, build businesses and make work. Business is not the only thing that makes life worth living; it is only part of life. There are many other worth-while endeavours which are just as worthy as those involving business and making money. Nevertheless, I suggest that we cannot do very much in our society unless the private sector is successful and encouraged to be productive and competitive. The government is trying to make certain that the private sector is successful and is responding to the challenge.

I do not think it is possible for one to be specific and say what one will do in responding to the variety of crises which arise on the international scene, particularly those involving the United States. We have talked in this House about problems pertaining to the automotive trade agreement. Because of our actions in the fifties we established a basic manufacturing industry in this country that was able to expand and take advantage of the automotive trade agreement. It may be that the tax provisions of the previous budget will give our businesses a fighting chance; I do not know. Perhaps they will permit them to respond to changes which might be made in the automotive trade agreement, although I do not think any changes are anticipated.

We must maintain our flexibility and the health of the private sector. We must not pin down our businessmen; we must permit them to be flexible and give them a fighting chance. We must do much more, as well, for smaller businesses and provide working capital at reasonable interest rates, as the leader of the New Democratic Party suggested. This could be done by helping them under GAAP, by guaranteeing bank loans and by other measures. Although such businesses cannot borrow at prime interest rates, I think they ought to be able to borrow money at rates one point and a half below rates otherwise prevailing in the market. The Small Businesses Loans Act has failed, I submit, because interest rates have not been sufficiently attractive to encourage banks to lend. The amounts involved are much too small.

The Leader of the Opposition suggested, I believe, that a small business should be defined as one with $1 million net worth and $10 million turnover. I would try to avoid a rigid definition of small business. In speaking to Mr. Tom Kleppe, the head of the United States small business administration, I learned that they avoid definitions like the plague because what is a small business in one place may be a very significant business in another. The business doing several million dollars worth of trade in Toronto, Montreal or Vancouver may be considered small in those places but may be considered large in, say, Moncton, Halifax—I would not say Sherbrooke—or Bracebridge.

I suggest that there is no simple answer to our problems. The government is seeking to provide the answers necessary. It has responded well to the needs of our community both in the budget just debated and in the budget of May last year. Hon. members are playing games when they try to suggest that the government is not doing what it ought to do and that others could do better. So far I have not heard what those better things are. I listened, I heard the mountain in labour, I heard the mouse squeak, but I did not hear any answers. For that reason I suggest we should get on with the job of running parliament efficiently and helping industry, instead of waiting for so-called new answers. Let us help industry to produce. The government is doing its best to encourage industry.

The people of this country will not be given a fighting chance unless our industry is progressive and responds to needs. Our taxation system must be fair and equitable. When we talk of giving concessions to manufacturing industries, we are not talking about mining companies, we are not talking about trust companies, we are not talking about banks and we are not talking about doctors or lawyers. We are talking about encouragement being given to people in manufacturing and processing businesses.

That encouragement is vital and will lead to our economy being strong.

I think the accelerated capital cost allowances will induce people to begin businesses because they will know that certain capital assets can be written off quickly. At the same time, I hope this measure will not mean that the people who need money most will not be able to get it. I shall be watching what happens. I do not think that measure will answer all the problems of small businesses. It is an aid for small businesses. I look forward to more help being brought forward. I insist on it. I shall expect more measures to be announced by the Minister of Finance and the Minister of Industry, Trade and Commerce. I will be waiting for the announcements. I am impatient for them. If enough is not done, I will not be satisfied and will complain.

Let us support good measures and put away our crying-towels. We expect measures to be introduced that are good, and in the future we shall expect better measures. Let us not play politics with an economy which is under attack even from its best friends. We must respond flexibly in this House and give a fighting chance to our businessmen. It is our responsibility to give them a break. If you want to raise taxes in the long run, that is great; but let them make enough money before we start taxing it. If they do not make it, we cannot tax it.

• (1750)

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I must say that the last speech was of a different tone than that of the leader of the New Democratic Party. However, being as respectful as I can, I do not think one added much more than the other to the central issue the House has to face on the motion before it.

There has been a great deal of talk about the government having won a vote of confidence. There has been a great deal of talk, especially from the government side, about the government having the confidence of the House. However, what everybody has missed is the real question: Has the government got the confidence of the country on these economic matters? There is a very substantial body of evidence to indicate that it has not. That is why this motion is before the House—not for reasons of narrow expediency, because one party is going to keep the other in power. This motion is before the House because there is grave doubt about whether the government has the confidence of the country. I wish to give some examples. The day after the budget was presented there was a reaction in the Vancouver newspapers. The president of the B.C. Federation of Labour said:

> Translating the budget into jobs still leaves—

I wish to emphasize this phrase.

> —a great credibility gap . . .
>
> The trade union movement and the public have a right to be sceptical about the forecast of job-producing. We have had a couple of budgets and all that has happened is a worsening of the unemployment situation when we were told there would be more jobs.

That is a great indication of confidence in the government! Senator Edward Lawson, the international vice-president of the Teamsters had this to say:

> —I can't imagine just how this budget will really create 300,000 new jobs—

He went on to say the inflation would still be there. He also said:

> So the unions will still have to continue negotiating wage increases to keep pace with the inflationary spiral—

That is another indication of confidence in the government. Jim Kinnaird, president of the B.C. and Yukon Building Trades Council, said:

> —I am sceptical about the job-producing ability of the budget—

Confidence in the government? It did not stop there. Mr. Michael Ryan had this to say:

> I see very little in the budget that is directly beneficial to the Canadian economy. Specifically, there is nothing in it that would spur on employment and we are encouraging purchases of foreign goods by reducing tariffs.

Mr. Ed Scholz, president of the B.C. and Yukon Chamber of Mines, said:

> —the budget does not contain "very much that will help to reduce unemployment."

When we ask the question, how much confidence has the country in the government, we have to look at the evidence. It does not matter what happens in this House on matters of short-term expediency or perhaps long-term expediency, depending on their wishes and desires. The day after the budget was presented, an article appeared in the Toronto *Star* entitled "Less here than meets the eye". Some potent comments were made. This is the way one of the largest newspapers in the country looked at the situation. This paper had always been a great supporter of the government party. It saw that the problems of the country were more important than its traditional allegiance to a political party. My hon. friends did not want to make any reference to it. I quote from the article:

> There are two key questions about the budget. What does it do to reduce unemployment? What does it do to curb inflation? The short answer to both is: Not enough.
>
> The first problem is that given Canada's severe unemployment problem there is not enough real stimulation of the economy.

Later it states:

> —the real level of economic stimulation remains unchanged.

That is a considered comment which represents a great number of people in the constituency. In the past week some hon. members of two parties in particular forgot that when they talked about having the confidence of the House. The Toronto *Star* article said that the Minister of Finance (Mr. Turner) is complacent about inflation. It went on to say something which members opposite and members of the New Democratic Party do not want to hear but which the people of Canada are obviously interested in hearing. I quote:

> Only mandatory controls could now bring costs and prices under control—

One could say, "We do not want to listen to a newspaper that after 50 of 60 years decided not to support us," and that that paper could not possibly represent the views and thinking of the Canadian public. If you do not believe it, that is fine with us. You will find out, no doubt at your peril, that some of the comments being made are very similar to those that were made during the election cam-

paign, which members on the government side did not listen to either.

I see it is six o'clock, Mr. Speaker. Perhaps we should adjourn.

Mr. Deputy Speaker: Order, please. It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Fraser: Mr. Speaker, before the dinner recess I was directing some remarks to members of the government and other hon. members. The point of my remarks was that there has been continual discussion among hon. members on the government side, and among some who are not on the government side, about the significance of votes of confidence in this House. What members of the government should bear in mind, however, is that votes of confidence in this House should not be substituted in the mind of any honest man for the idea that the country as a whole has confidence in the government.

Before dinner I went to some pains to read evidence from the press and elsewhere to indicate that the country has no confidence in this government as far as economic and fiscal matters are concerned, and despite what has taken place in this House in connection with votes of confidence based on a short-term, or perhaps even a long-term hope of survival by other parties, we should not forget there is substantial evidence that the country does not possess confidence in the economic policies of the government. The final item to which I referred appeared in the Toronto *Star*. Only mandatory controls, the writer told us, could now bring costs and prices under control. The Toronto *Star* may not be a paper the government wants to hear from. It changed its politics during the election.

Mr. Hellyer: It was utterly disillusioned.

Mr. Fraser: My hon. friend says it was utterly disillusioned. This paper put the interests of the country ahead of its political loyalty. During the last two months there has been considerable evidence that a number of members of this House are not prepared to put the interests of the country ahead of their own political survival. Sadly, this applies to members on both sides of the House—and I exclude my own party when I say this.

To continue in the same vein, on February 26 the *Financial Times* had something to say about the government's understanding of economic matters. The article reads:

> Finance department officials admit it is almost impossible to say what the labour force growth will be during the coming year.
>
> Officials say that assuming there is no increase in the participation rate and assuming that economic growth actually produces the number of jobs Mr. Turner says it will, then unemployment could be reduced to an average of 5.2 per cent for 1973. It seems to be a big "if".

Is this evidence of confidence in the government? On February 20, 1973, the Montreal *Star* carried an article under the heading "Sleight-of-mouth proposals". Then our own party had a chance to say what the Progressive Conservatives would do if we had introduced the budget. There was a lot of hooting and hollering, but let me give an example of the kind of support forthcoming in the country for the propositions we advanced. Basically, our submission was this: we need an expansionary economy kept in check by wage and price controls, preceded by a temporary freeze. The Toronto *Star* of February 24 had this to say:

> Progressive Conservative finance critic James Gillies has finally got hold of the real formula for reducing the current unacceptable level of unemployment in this country: expand the economy and impose controls to deal with the consequent threat of inflation.

In Vancouver, the third biggest city in this country, the Vancouver *Sun*, which supported the government in the election, said in an editorial which appeared on February 24, 1973:

> The public will now hold the minority Liberal government totally responsible for continuing inflation in Canada.
>
> The official opposition very cleverly put the government on the spot yesterday by calling for a wage-price freeze of 60 to 90 days, followed by temporary controls.

In the first and largest city in Canada, the *Gazette* said on February 26:

> The Progressive Conservatives have the makings of an effective and positive attack on government economic policy in James Gillies' first speech as financial critic for his party.

The article goes on to refer to the "widely-heard criticism that Turner's expansionary policy was not strong enough in view of the level of unemployment." I must say I was interested to see that the Minister of Finance was reported in this morning's *Gazette* as saying:

> I don't think there is the necessary consensus to bring in controls now. We would need such a consensus before we could bring in controls which would work.

I suggest hon. members on the other side should ask themselves one common sense question. They said they had a contingency plan. Did they expect to bring in that plan when there was a consensus, or to bring it in when they had decided in their own minds that there was a need for it? I say to the Minister of Finance that it is up to him to tell the Canadian people, without any more equivocation, whether he is in favour of a system of wage and price controls or not. Or is he, as seems to be the case from this statement, just sitting around and waiting until people come to him as delegations or through some sort of cosmic association and say there is now a consensus in the country? This party believes that there is a need for this in an expansionary budget and we will not wait to find out whether there is a consensus. This party is prepared to put leadership into the government of Canada, which is exactly what this country has needed and is what the people want.

• (2010)

Let me tell hon. friends to my extreme left, and I do so gently but with sincerity, what the president of the Canadian Labour Congress, Donald MacDonald, said when he met with the government yesterday. As reported

in this morning's *Globe and Mail*, after discussing the government's economic policies Mr. MacDonald said:

> We have not heard one thing that in any way suggests there is going to be any effective measures or policies introduced to cope with Canada's No. 1 problem—that of unemployment.

Having a long Scottish ancestry, Mr. Speaker, I have as great an instinct for survival as anyone in this House. But even an instinct for survival has to stop at a certain point of principle. I say to my friends on the left that there is a very large body of evidence to indicate that the country does not stand behind the financial, fiscal and economic programs of this government, and that the duty of every member in this House today is not to think of his own survival or his own short-term benefit, but to think about what the great constituency outside this House really thinks and feels. I think that the constituency outside this House is more important than any short-term interests within it, and I ask all hon. members to remember that when they vote tonight. Confidence votes in this House, on the basis of short-term or long-term expediency, depending on how it turns out, are not the same as saying that the country has confidence in the economic polices of this government.

Hon. Bryce Mackasey (Verdun): Mr. Speaker, I am not going to take up too much time of the House in discussing the notice of motion before us, which quite astutely joins the provisions of the present budget with those of the May, 1972, budget in an attempt, as someone has said, to unify the opposition when the vote comes later this evening and defeat the government.

I think it is fairly obvious that there is no economist in the world today with all the answers to the economic problems of any particular country. Like everyone in this House, we all have our favoured economists, our favoured economic magazines, books or theories. But I think deep down all of us know that the role of a minister of finance is, under the best of circumstances, an extremely difficult one. Whether or not this budget is expansionary enough, only time can tell. There are so many factors that are beyond the control of the government or minister of finance of any particular country.

For example, one has only to look at some of the events that were outside our control over the last 18 months and which affected, I think, the recovery of this country. There was the prolongation of the war in Viet Nam, the monetary crisis in the United States and the rate of inflation that existed there two years ago. We had a form of price and wage controls without a consensus, which means that we limited our public servants to a 6 per cent salary increase whereas the provinces granted increases to many of their public servants of 12 to 13 per cent. I suspect this is why the Minister of Finance (Mr. Turner) has emphasized the need for a consensus before we move ahead with many of the contingency plans that exist. The minister also pointed out that one point of aggravation to this country today is the cost of food, which even in the United States, with their wage and price controls, was left free because in theory the cost of food varies more than any other commodity in accordance with supply and demand.

I think we have to realize, perhaps for the first time, that the constant booms and busts of any nation, particularly our own, do not react as swiftly as was once the case to fiscal and monetary policies. I think, for instance, multinational corporations to a great degree are immune to the fiscal and monetary policies of a country. Their own cash flows which must be determined five years ahead often result in the price of automobiles being increased at a time when you would imagine the cost would decrease in order to stimulate competition which may or may not be present.

Having said that, I think any government that in future uses fiscal and monetary policies in order to check inflation is running a grave risk when it reverses its policies to restimulate the economy, because it might find that the economy does not react in the usual, traditional manner. That was true between 1958 and 1962, and it is true today for a rash of reasons which have been beyond the control of the government, though probably there were a few which were within the scope of the government to manipulate.

The problems that confront this country are unique. Indeed, the problems confronting any country are unique in that country's particular context. First of all, we are a country that is very dependent upon the export trade. Although we may look at our trade figures and think we are doing wonderfully well, if we removed from those figures exports of raw materials, exports of grain and transactions under the auto pact, I think we would find that our contribution to exports of manufactured goods in the world is a rather lowly, nominal one compared with some of our competitors that are growing in increasing numbers around the world.

When you add to that Great Britain's entry into the Common Market with other countries like Denmark and Ireland, traditional customers, and when you realize there is a growth in protectionism in the United States, which has suddenly realized that their currency, like any other, can create problems. It is apparent that as an exporting nation Canada must overcome our shortcoming of a small domestic market. Compared with our territorial size we are badly underpopulated, with a potential market one-tenth that of some of our competitors.

With the tremendous cost of transportation in this country, it becomes apparent that we start with a certain disadvantage. Our advantage, of course, is our proximity to raw materials, and the processing of raw materials into manufactured goods is something we have not exploited, perhaps, as fully as we should. But I think that is obvious to all of us.

I should like to concentrate a little more on the items brought in by the minister in his May, 1972, budget—accelerated depreciation and the reduction in corporate tax. As the former minister of labour, I had to look into these areas in the past more than I normally might have. Certainly labour unrest was one of the problems with which I was faced. Certainly the cost of settlements was something that made any politician, including the minister of labour, vulnerable, especially when they tended to be on the high side.

• (2020)

I think it was only three or four years ago that this country participated in the Kennedy Round with other

trading nations. The Secretary of State for External Affairs (Mr. Sharp) may have had the responsibility at the time, but I do know that tariffs were reduced in some 30 or 35 areas concerning imports to Canada in return for a reduction in tariffs of other countries. The end result of the reduction of those tariffs was to make certain industries in this country more vulnerable than they had been. I speak now of the shoe industry, the textile industry, the pulp and paper industry, the chemical industry, the furniture industry and others that hid behind high tariffs and thus prolonged inefficiency, putting off the day when some of the profits could be devoted to new machinery and more sophisticated methods. They had the hope, perhaps, that high tariffs would provide a rich market and profits to satisfy shareholders.

With the reduction of tariffs after the Kennedy Round, which was a government decision, not a decision of industry, these industries became very vulnerable. Some of them were prepared to adjust rapidly, but unfortunately others were not. Because it was government action that made these industries so vulnerable it was logical that the Department of Industry, Trade and Commerce should develop programs to stimulate the industries affected by that government decision. Hence the fact there are so many programs within the Department of Industry, Trade and Commerce placed at the disposal of business both large and small in an effort to offset their vulnerability caused by lower tariffs, and to help them take advantage of the potential exports to countries whose tariffs, in return, had been reduced.

So from this particular vantage point I do not think this or any other government has any reason to apologize for providing, through the Department of Industry, Trade and Commerce or any other department, any type of assistance it felt necessary to extend to small or large industries. I think this is where I differ primarily with the NDP. We all share their concern for people, but they seem to have a blind spot when it comes to helping industry which in turn must provide the jobs for the people of this country.

I remember the passing of a Liberal bill not too long ago which spelled out for the first time the undeniable right of industry to introduce technological change whenever it felt like it. Prior to this it had always been an area of no man's land, so to speak, particularly since Judge Freedman's report was published some years ago. Coupled with that right of management was the moral and legal obligation to negotiate the effects of technological change on its employees.

What, really, is accelerated depreciation? Accelerated depreciation is no more than a thrust, shove or push by the government through tax incentives in respect of industries no longer protected by high tariffs to take advantage of sophisticated methods and new machinery in order, in some cases simply to survive and in the case of other companies to expand. I know of one company in the Montreal area, not a large company, true, that had 20 or 25 workers. It was able directly, with the help of the Department of Industry, Trade and Commerce, to buy a piece of machinery it needed for stamping out panel boards for the electrical industry. Its exports alone to Schenectady, as a result of co-operation with the trucking industry—Smith and some of the others—made it feasible for that company in Montreal to compete successfully with companies in the United States and to deliver more rapidly. Consequently, it is staffed now by about 100 people, rather than 25. It has repaid the cost of the equipment and it is eternally grateful for the help the Department of Industry, Trade and Commerce extended.

I know these types of programs such as accelerated depreciation are sometimes abused. But so is unemployment insurance, as we pointed out a few weeks ago. So are all our social policies abused. We have the obligation and responsibility to make sure that the companies taking advantage of these types of programs do not abuse them. It would seem to me that the question of accelerated depreciation and reduction of corporate taxes should not pose the same problem or dilemma to the NDP today as it did a year or so ago. I say this because it certainly does not bother me. In May, 1972, our budget was obviously directed to stimulating the secondary manufacturing sector of the Canadian economy rather than oriented toward people, so a very valid case could be made at the time that the budget, taken by itself, was in fact top heavy or was thrust to meet problems in one direction and one direction only, the concept being that if we could stimulate the manufacturing industry in a hurry, this would create the jobs needed.

As I said, the Phillips curve has shifted and events beyond our control will make things more difficult now and in the future. Therefore, we have to think a little more clearly and go a little more surely before we direct the economy. It may be that the methods are the ones suggested by the hon. gentleman who just sat down, but anything would be better than a fiscal or monetary policy that ends up putting half a million people out of work without curbing inflation.

Having said that, I doubt if there is anybody in the House of Commons who could really define what is the source of inflation. Is it demand-pull, or cost-push inflation? Is it the increased cost of wages, the effect that property taxes have on inflation, or the effect of sales taxes? Nobody knows these things. Certainly none of the papers I have looked for in the House or the library would indicate that anybody has studied these areas in any great depth or with any precision.

Let me refer to what this motion attempts to do. It deals with the two main points of the May, 1972, budget coupled with the present budget. Taking the two together, I think the attitude of the NDP in respect of accelerated depreciation and corporate taxation is unrealistic. While I would be the first pragmatist to say there is evidence that some companies have perhaps taken flagrant advantage of some programs, that does not mean to say the programs are not good. Perhaps the policing, the conditions or the criteria of the programs need reviewing.

Certainly depreciation for small business has provided incentives for them to buy bigger machines which they may not have done under normal circumstances. On the other hand, there still could be conditions under our taxation laws in respect of which it is more logical to extend depreciation over five years rather than over two. In light of that, I fail to understand the concern of the NDP over the particular situation of accelerated depreciation.

Turning to the corporate tax reduction or the eventual reduction from 49 per cent to 40 per cent, as I have said, when you look at this in the budget of 1972 and compare it with what was being done in that budget for people, a very good case could be made that the budget was top heavy in its thrust and other features toward industry and perhaps not oriented enough toward those who are the victims of inflation.

That is not the case when you couple it with the present budget. When you look at what we have done for senior citizens and veterans and what has been done in the way of reducing personal income taxes, then it is very difficult to say the corporate tax coming down to 40 per cent is an abnormal feature. This is particularly true when you consider the fact that in other countries, including Sweden, the United States and most of the other large manufacturing countries, revenue from corporations is much less than it is in Canada.

I am not saying the budget is perfect or is in totality imperfect. I think much more could have been done in the budget for senior citizens, not in the way of money but in the way of providing homes. I think one of the saddest things in this country is the fact that our senior citizens have nowhere to go when they are 65 years of age. People who are chronically ill are in a difficult situation. I know that in a community such as mine there is only one decent senior citizens' home built with any kind of government assistance.

• (2030)

An hon. Member: Your party has formed the government for ten years.

Mr. Mackasey: Yes, and it has done more in ten years than your party ever did. If you want me to drop discussion of the budget and become partisan, I will. Your party had no decent unemployment insurance plan, Canada Assistance Plan or any of the present features in respect of the unemployed. So if I were in your position, the last thing I would want to do is become involved in an argument which would get someone like me on to this subject. However, I am quite prepared to do so.

I am interested in speaking to the motion on which we expect a vote in a short time. The point I want to make to the New Democratic Party is that the issues of accelerated depreciation and corporate tax reduction are of insignificance in light of the events which have transpired since May, 1972. By the time we reach those two resolutions a year will have transpired, a very eventful year.

Our revenue is higher than was anticipated, I must admit, but it is difficult to anticipate with any certainty the result of the capital gains tax, and so on. I think the New Democratic Party has selected the wrong issue to dig into. I certainly would not regard a defeat in the House of Commons on these two issues as a vote of non-confidence. I think the government should bring forward these measures shortly, and if we are defeated on them then the opposition could decide to bring in a vote of non-confidence. However, the effort of the opposition today to reintroduce these measures and the budget as separate but indivisible, which is really what the motion is all about, makes accelerated depreciation and corporate taxes very insignificant in light of the total package of budgetary changes which were introduced less than a month ago.

There is a great deal to be accomplished in this country. I believe we all realize this. I think our manufacturing industry needs all the stimulation this government or subsequent governments can provide. For instance, I believe accelerated depreciation should have been, or must be linked with some moral obligation on the part of the person taking advantage of it to at least consult with the people affected. Under the federal legislation, when one brings in a piece of machinery, if the result of the accelerated depreciation affects the lives of people to the extent of reducing the work force, then one should be obliged to negotiate what the effect will be. It seems to me that that type of obligation could have been linked with accelerated depreciation so that companies which wished to take advantage of these provisions, if this should have a disruptive short-term effect even if it meant additional business in the future, should have a moral obligation to make certain that the men effected are looked after, in respect of attrition, by pensions or in some other manner.

The Acting Speaker (Mr. Laniel): Order, please.

Mr. Max Saltsman (Waterloo): Mr. Speaker, I listened very carefully and with a great deal of interest to the remarks of the hon. member for Vancouver South (Mr. Fraser). He said something which I think is perhaps the key to this debate. As a new member I suppose he was trying to see things resolved from his own particular viewpoint. However, he should reflect on what he said. He said the government may have the confidence of this House in a way, but that it does not have the confidence of the country. I want to add to those remarks that none of us has the confidence of this country, and what is going on in this country is not designed to correct that. I do not think we should kid ourselves in this regard. It is true that the last election did not give the Liberals a mandate. However, it did not give the Tories a mandate and it did not give the NDP a mandate. All of us are here to try to make parliament work under those particular circumstances. When we have to face an election, whenever that comes, the people of the country will be looking at what went on in this fun house.

An hon. Member: Shame on you.

Mr. Saltsman: I put it that way because there are a lot of games being played here. I am not naïve enough to think like one member, who said we are turning parliament into a political arena. Our parliament is a political arena but it is also a lot of other things. Many of us who have been here a long time understand that politics play a legitimate role, but we also know there are periods when people of all political parties must co-operate in order to continue the function of parliament and must think in terms of the good of the country and the continuation of certain policies. Any one of us who wants to take the trouble to consult his constituents will get a reading of uncertainty on the part of people who are looking at this parliament to see what is going to happen. They know how difficult the situation is. They know there is a minority government and that there is a reinforced Conservative opposition

which wants another election. They know we are in a difficult position. I am being very frank about this. Our position in this House is very difficult.

Mr. Alexander: You are being less than honest. Shame on you.

Mr. Saltsman: I do not know that the hon. member who made that statement is really in a position to do so. We as a party hope to find some way to make parliament work and make our influence felt in the deliberations which go on here. Admittedly there are times when supporting the Liberals gives me a twinge of conscience.

An hon. Member: Oh, come on.

Mr. Saltsman: I have to admit that. I will tell you that twinge continues up until the point that the Leader of the Opposition (Mr. Stanfield) rises and puts forth some of his crackpot economic policies. Then I feel somewhat better about what I am doing, because after listening to the nostrums advanced by the Conservative party to cure this country's ills, I am not at all sure I wish to replace one government of Neanderthals with another group. At least the Liberals know they are vulnerable and are in a minority position. They want to accommodate themselves to the situation. They have been willing to listen to various ideas advanced by the opposition. They have taken ideas from the opposition and have incorporated them in their budget. That at least is something to say for a government, rather than the attitude of hon. members to my right that they have the answers and will not listen to anyone.

I wish to make some comments on the ideas advanced by the Leader of the Opposition in his intervention today. He said this government has done nothing to encourage investment in Canadian business. The truth of the matter is that this government has done a great deal to encourage investment in Canadian business, but everything it has done in that direction has been a disaster. The kind of policies the Conservative party would bring in would be even more disastrous. This government over the years has bonused business in Canada to an unbelievable extent, and the more business has been bonused, the more it has been sold out to foreigners.

• (2040)

The effect of being the only country in the western world without a capital gains tax—incidentally, a proposal was put forward attempting to bring it in but the Conservative party was violently opposed to a capital gains tax—has been to make it worth while for Canadian businessmen to sell out rather than to put a brake on their businesses. They could make a fast buck by selling out, and there was no taxation on capital gains. That is the kind of policy which the Conservative party has been supporting.

We have had a 20 per cent dividend tax credit in one form or another, and now we have a 33 per cent tax credit. It seems that the more we give away to business, the more incentive we provide for the investor in Canada, the faster they sell out to the United States. There is no way of effecting control of business in Canada or leaving the control of business in Canadian hands except to do it by legislation. You cannot outbid the American buyers.

[Mr. Saltsman.]

We have been trying that for years and it does not work. There is some hope that the legislation which is on the order paper dealing with foreign takeovers will be far more effective than the billions of dollars we have handed out in bribes to Canadian investors, which did little to stop the sell-out of Canada.

Mr. Speaker: Order, please. I apologize to the hon. member for Waterloo, but the hon. member for Athabasca (Mr. Yewchuk) seeks the floor on a point of order.

Mr. Yewchuk: Mr. Speaker, the hon. member has been making many comments about the terrible things that this party is doing and the great solutions that he would propose. I wonder why he does not put in an amendment to that effect, particularly with regard to foreign ownership.

Mr. Speaker: Order, please. Hon. members should remember the established rules. When a member has the floor, he should not be interrupted except for the purpose of asking a question if the hon. member who has the floor will allow it. That is not a point of order.

Mr. Saltsman: Thank you, Mr. Speaker. Frankly, I do not know how one can amend anything as atrocious as the Conservative amendment.

An hon. Member: It's silly.

Mr. Saltsman: It is not silly; it is just bad English. I also want to say something about small business. Every once in a while there is a new "motherhood" item. Now the current Conservative "motherhood" item is small business. I do not want to talk about small business in a disparaging way. I myself was involved in small business at one time and I know that people in small businesses work very hard and are making a very useful contribution to this country.

Some hon. Members: Hear, hear!

Mr. Saltsman: I really wonder whether the problem of small business today is that there are too many small businessmen. If you spoke to small businessmen you would find out why so many of them are going bankrupt. The reason is that too many people have been enticed into small business. Offering incentives to small businessmen will not improve the situation.

Some hon. Members: Shame.

Mr. Saltsman: Some hon. members are saying "Shame" because it is one of those things that we must not discuss. Small businesses should be stimulated without limit. But that is a thoughtless, mindless approach, and anyone who is in business knows that there is a limit to the stimulation you should give to any kind of enterprise. The Leader of the Opposition stands up in mock surprise—perhaps I should not say it is mock surprise; perhaps he is genuinely surprised but only looks that way—and says, "Look at the business failures. Why are those businesses failing?"

Mr. Paproski: Because of the government.

Mr. Saltsman: That is the way the system works. What are the Leader of the Opposition and his mighty stalwarts going to do? Are they going to do the sort of thing that the

premier of Saskatchewan did at one time when he tried to save a box factory and a shoe factory? If any kind of business is in danger of going under, will they rush in, take it over and give it large injections of money? What will they do?

If they want to leave the impression that they are friends of small business, that when the Tory millennium arrives there will not be a single bankruptcy in Canada because the Tory party will take care of it, this is nonsense. This does a terrible disservice to small business generally. Small business needs assistance. My leader pointed out one important area in which we can provide assistance to small business, that is, by providing low interest rates. There are other things we can do. But to start talking about making money grants in order to induce people into small business creates chaos and does a terrible disservice to small businessmen. The effect of that will be to destroy small business, not to help it.

There are examples where a certain kind of endeavour was offered subsidies. Do you think we are short of dress shops and barber shops in this country? I notice that the Leader of the Opposition did not exclude the retail trade, where the bulk of small business is, so I presume he will hand out all kinds of largesse to anyone who wants to open up. That will be a great thing. If we suffer from anything, we suffer from a surfeit of shopping centres, a surfeit of stores, which makes it difficult for the legitimate businessman to survive and to continue making some kind of profit from his energies and efforts.

The kind of solution that is being offered by the Conservative party is a pack of nonsense. If they took the time to talk to a small businessman, the kind of man they say they are concerned about, they would find he has problems and he deserves to be assisted, but the kind of proposals that are coming from the Conservatives are not what he wants. I do not want to be unkind, but there is one remark that I think deserves comment. It was made by the Leader of the Opposition. He said something to the effect that we have to encourage individual initiative. I am all for individual initiative, but we are not living in the age of Marie Chapdelaine any more, that great Hungarian hero.

Some hon. Members: Oh, Oh!

Mr. Saltsman: We really have to look at this sort of assumption, that you pull yourself up by your bootstraps in a modern society. Again I say I am not saying this in an unkind way, and I hope it is not taken so. I am sure that when the Leader of the Opposition was premier of Nova Scotia he did everything he could to encourage initiative in the Nova Scotian people. I am sure the people of Nova Scotia are not without initiative. But what point is there to the encouragement of initiative when there are so many things going against that province?

I am not holding the former premier of the province to blame and I am not saying he did not try, but when he says that individual initiative must be encouraged, surely his own experience belies that statement. Did he, as premier of that province, refuse federal grants whenever they came along? Did he say, "No. That might do something to our initiative. I will have none of that"? Did we hear him say that we should get rid of all the DREE programs because they destroy the initiative of the people on the Prairies? On the contrary, he says that we are callous and that we are unfaithful to the people in the Maritimes when we oppose these programs.

• (2050)

I am dealing with the motion before us, Mr. Speaker, and if some of my remarks are sharp—

An hon. Member: They are not too pointed.

Mr. Saltsman: —and some unkindness creeps through them, is not as much as this motion deserves but—

Mr. Lundrigan: Mr. Speaker, may I ask the hon. member a question?

Mr. Saltsman: Mr. Speaker, I would be very pleased to receive the question at the end of my allotted time. I felt that there was one great omission in the speech of the Leader of the Opposition this afternoon. He did not dwell on wage and price controls, although they seem to have been the most important item to him up to this point. I do not know if it is because his friends in Alberta have pointed out to him that if he were to bring in such a program, he would have to go to the premier of Alberta and tell him that he could not double the price of gas to the people of Ontario.

I am not sure what happened. I do not know whether some of the farmers, who for the first time in many years are getting some sensible prices after all their work, have asked him if he thinks it is the time to bring in wage and price controls when they are trying to make a living. All mention of price controls was conspicuous by its absence. I hope that was not inadvertent; I hope he is going to drop it altogether, because it will not work unless he wants to be grossly unfair to many people in this country.

Some of my hon. friends have suggested that perhaps I should conclude on a more positive note—

An hon. Member: You should not have started.

Mr. Saltsman: What should be done in fact, Mr. Speaker? One of the things that has to be done, and I wonder whether my friends of the Conservative party would agree with this—

An hon. Member: You have no friends here.

Mr. Saltsman: —is to curtail the export of all raw material and energy supplies from Canada.

Some hon. Members: Hear, hear!

Mr. Saltsman: There was a time when it was thought that a budget deficit in itself would create employment and prosperity. I do not think that is the case any longer. There are many other factors involved in creating employment now, but as long as this country continues to export raw materials and energy supplies it is not going to provide employment, regardless of the size of the budget deficit. All we are really doing is trading off irreplaceable raw materials that we may very well need in the future for manufactured goods. It is a bad trade, Mr. Speaker. Nor is the answer to more employment what the hon. member for Verdun (Mr. Mackasey) suggested, more business

incentives. Neither is it what the Conservatives are saying. The answer is that there has to be direction and management and planning of the way we are going to conduct our economic future. My leader pointed this out earlier today. Unless we have a government that is prepared to do these things, we are not going to solve the unemployment problem.

I cannot be totally hopeful that the present government is going to see it that way—although they are beginning to see some things—but I hope there is the possibility, if positive proposals are advanced and discussed, for a measure of success. I see no chance of success in following the Conservative line of "Throw them out and throw us in". I do not see anything positive in that proposal. Canadians are not likely to forget the arrogance displayed by the Conservatives when they were the government.

Some hon. Members: Hear, hear!

An hon. Member: Same old gang.

Mr. Baldwin: Move an amendment.

Mr. Saltsman: Mr. Speaker, I hope the government comes to the conclusion that the corporate rip-off measures, rapid depreciation and lower corporation rates are not the answer to Canada's dilemma. The hon. member for Verdun made some interesting remarks and pointed out how rapidly things are changing—that the situation has changed very much since the minister first introduced these measures. He is right, things have changed enormously. These are no longer the solutions to Canada's problems, if they ever were, and I doubt that. We are in a real bind. We will have to take extensive measures to save this country. We should not respond by trying to outbribe the Americans when they offer DISC to their people, but we—

The Acting Speaker (Mr. Laniel): Order, please. I regret that I must interrupt the hon. member, but the time allotted to him has expired.

An hon. Member: That is too bad.

Some hon. Members: Continue.

The Acting Speaker (Mr. Laniel): Order, please. If the hon. member for Gander-Twillingate (Mr. Lundrigan) is rising for the purpose of asking a question, he will have to seek the unanimous consent of the House because the hon. member's time has expired. Is there such unanimous consent?

Some hon. Members: No.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): There does not seem to be consent. I recognize the Minister of Finance (Mr. Turner).

Mr. Lundrigan: Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Gander-Twillingate on a point of order.

[Mr. Saltsman.]

Mr. Lundrigan: I was going to make a suggestion to Your Honour to perhaps facilitate the business of the House and accommodate the hon. member who suggested that we talk about the inadequacy of the program and not of incentives. I think the House would entertain an amendment from him, if he had the courage to move it. And if he did, I wonder if he would vote for it.

Some hon. Members: Order.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Laniel): That is hardly a point of order. The Minister of Finance.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, during the course of the budget debate and earlier today the Leader of the Opposition (Mr. Stanfield) said the fundamental issue is credibility. I fully agree with him. I very much welcome this debate on the motion because its transparent indulgence in political gamesmanship further exposes the crumbling credibility of the Conservatives in their desperation for power at any price.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I think the Leader of the Opposition, on behalf of his party collectively, betrayed a shameless political lust that would not be excused in any civilized party.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I have a good deal of sympathy for the hon. member for Peace River (Mr. Baldwin). His motions are usually drafted well, but this one was just a procedural sham and he was not able to disguise it. As recently as Sunday, February 18, just one day before I introduced my budget, the Leader of the Opposition was contending in a speech before the Quebec Progressive Conservative Association—

Mr. Lefebvre: All two of them.

Mr. Turner (Ottawa-Carleton): There was a large crowd there and I have to assume that the entire political association of the Conservative party was present in one room at the same time.

Mr. Paproski: There were 2,500, at $75 a plate.

Mr. Turner (Ottawa-Carleton): The Leader of the Opposition was contending that three basic steps had to be taken to deal with the twin problems of inflation and unemployment. In the previous budget debate, the Leader of the Opposition said that there should be substantial cuts in personal income taxes to provide a stimulus for the economy and to break inflation by containing what he termed the expectation spiral.

• (2100)

While the Conservative leader has repeatedly proposed a cut in personal income taxes of up to 7 per cent, the reduction proposed in the budget is equivalent to almost twice that amount, between 12 and 13 per cent, and the cost in terms of reduced taxes represents $1.3 billion. In

addition, commodity taxes, tariff duties and sales and excise taxes were reduced by a further $200 million. Yet he says that these budgetary provisions are inadequate, and those are the terms of his motion.

The second action that the Conservative leader said was essential as a further means of containing inflation was adopting the proposal he borrowed from Europe for offsetting the impact of inflation on the progressive personal income tax system. As hon. members know, I proposed a system of indexing the personal income tax that will accomplish the objective advocated by the Conservative leader in a way that is workable and practical.

Mr. Baldwin: But our leader made the suggestion before the budget was introduced.

Mr. Turner (Ottawa-Carleton): The hon. member for Edmonton Centre (Mr. Paproski) accused me of stealing his leader's underwear. I did not steal his underwear; I took off the buttons and put on a zipper.

Some hon. Members: Oh, oh!

Mr. Paproski: And our leader speaks very highly of you, too, John.

Mr. Turner (Ottawa-Carleton): The third thing that the Leader of the Opposition wanted was for the government to cut the fat from government spending. The Leader of the Opposition said it was necessary, if we were to deal with the problem of inflation, that the government cut the fat from the spending program. Those were his words in Montreal at that remarkable meeting. Apparently, Mr. Speaker, we have cut too much fat for the liking of the Conservative party, to judge from the remarks of the hon. member for Edmonton West (Mr. Lambert), one of the three members who make up that party's financial troika. Every time I enter the House I am prompted to ask, will the real financial critic of the Conservative party please stand up? At any rate, the hon. member for Edmonton Centre bitterly complained that we had failed to provide for a sufficient increase in our spending estimates for next year and he tried to lift the book of estimates, and despite the help of the hon. member for Hamilton West (Mr. Alexander) and my help he could not quite throw it across the floor.

Mr. Paproski: You did not give it to me.

Mr. Turner (Ottawa-Carleton): I did not give it to the hon. member. But the hon. member for Edmonton Centre used a cleaver first before he tore up the book.

Mr. Paproski: On a question of privilege, Mr. Speaker, the minister is not being accurate. The Minister of Finance (Mr. Turner) suggests that I did not rip the blue book of estimates, that I used a cleaver first. I want to say that I did not use a cleaver before I ripped it.

Mr. Alexander: Withdraw.

Mr. Paproski: I should like the Minister of Finance to withdraw that statement.

Mr. Trudeau: Here is another book. Do it again.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will certainly withdraw that statement. I do not want to meet the hon. member in other circumstances after this debate is over.

In these three areas alone the budget has far more than matched what the Conservative leader was contending were the three essential steps to deal with the problems of inflation and unemployment. Given this position which the Leader of the Conservative party expressed on the night before the budget, surely it could have been expected that he and his party would have been left with no alternative but to welcome what I proposed in my budget speech. Introducing a sham motion and attempting to deny that position is nothing but a political travesty.

The fact is that on the night of Monday, February 19, the Conservative party was saying that the measures in the budget would do absolutely nothing to relieve the problems of unemployment and inflation. Yet these were measures which, on Sunday, they contended were the answers to these various problems. I leave it, Mr. Speaker, to members of this House and to Canadians generally to judge for themselves just how credible is the position now being taken by the Conservative party, a position of condemning as absolutely useless today what they argued to be absolutely essential on the day before the budget.

The position of the Conservative party has further been called into question by its entire position on the matter of price and income controls. In his speech, the hon. member for Don Valley (Mr. Gillies) said that if a Conservative government had been bringing down a budget—what a hope, what wishful thinking—it would have announced a 90-day freeze on all wages, prices, dividends and other incomes. Only a few days before, the Leader of the Opposition and the hon. member for Edmonton West, the seatmate of the hon. member for Don Valley, had said that the Conservatives would not hesitate to introduce controls if necessary to curb the development of inflationary expectations.

On the CBC program "Encounter" of February 8, the hon. member for Don Valley said—this was only three or four weeks before his subsequent statement—that a move toward controls could only be made on the basis of a "national emergency". Let me read from the transcript of that interview. The questioner asked:

Do you think that five per cent inflation would justify a national emergency?

The hon. member for Don Valley answered:

No, I'm not suggesting that.

In the next question, the hon. member was asked if he was really criticizing the Minister of Finance for not introducing an emergency measure to deal with 5 per cent inflation. "Was there any need for controls at the moment?" The hon. member for Don Valley replied "No, no" before a national television audience.

Mr. Baldwin: That was before the budget.

Mr. Paproski: The minister was merely quoting Ron Collister.

Mr. Turner (Ottawa-Carleton): I submit to Your Honour that nothing so demonstrates the erosion of Conservative

credibility as the almost total reversal of that party's position on the corporate measures I proposed in the budget last May to bolster the competitive position of Canada's hard pressed manufacturing and processing industries. While Conservative spokesmen now tend to find nothing good to say about these measures, last May they were expressing their approval, even grudgingly. Speaking on the budget debate on May 15, 1972, the Leader of the Opposition said specifically and repeatedly, as recorded at page 2265 of *Hansard*, that he was not criticizing these corporate measures. I will repeat the words he used as recorded at page 2265 of *Hansard*:

I am not objecting to this sort of encouragement being given to manufacturing and processing concerns, because I believe it will help them to be more competitive in the world as it actually exists.

Mr. Lewis: That is exactly what he said.

Mr. Turner (Ottawa-Carleton): He went on to say:

I have been for some time emphasizing the importance of Canadian corporations being able to compete in the world as it is.

Mr. Lambert (Edmonton West): But he said something else, too.

Mr. Turner (Ottawa-Carleton): Those were the words spoken by the Conservative leader, and any member with time on his hands can compare the words I have cited with the words reported originally in *Hansard*.

Mr. Lambert (Edmonton West): But he said something different afterwards, just as important.

Mr. Turner (Ottawa-Carleton): In his speech to the Empire Club in Toronto on October 19, 1972, the Leader of the Opposition reiterated his general philosophy when he said:

I am not opposed to the established practices of providing incentives to corporations through the various devices of accelerated depreciation write-offs, deferred profits and the like. My experience in government persuades me that these are not only acceptable, but are, in many instances, essential.

Mr. Lambert (Edmonton West): Come back to earth, John. The measures could be combined with others.

Mr. Turner (Ottawa-Carleton): The Leader of the Opposition spoke today as if he had a monopoly on the interests of small business in this country. I remind him that the measures he is criticizing in this motion reduce taxes for manufacturers and processors from 25 per cent to 20 per cent. The budget of February eliminates restrictions on the sources of income for any small business; that is, any small business with an income of less than $50,000 a year, or earned surplus of less than $400,000, can qualify. The Speech from the Throne, I remind hon. members, recommends that measures be brought forward to facilitate access to financing and to facilitate management counselling, and that the government expand and broaden the terms of reference of the Industrial Development Bank.

In his capacity as chairman of the Ontario Economic Council, the hon. member for Don Valley appeared before the Ontario Select Committee on Economic and Cultural Nationalism on February 17, 1972. It seems that in Ontario every committee is a select committee. He appeared to urge the adoption of a provincial tax incentive scheme to encourage exports by Ontario firms. This is his testimony before that committee; it appears on the records of the committee:

• (2110)

Surely, if DISC goes in the United States it would put our Canadian manufacturers at a terrible disadvantage in all markets unless we have something comparable to it. In other words, we are arguing that Canadian manufacturers ought to be in as competitive a position as any manufacturers in the world.

In other words, Canadian manufacturers ought to be in as competitive a position. DISC has gone into effect in the United States. Let no one be lulled into believing that because its immediate consequences have not been disastrous it would not leave Canadian manufacturers at a "terrible disadvantage", in the words of the hon. member for Don Valley, over the longer term unless we take positive steps to protect Canadian manufacturers and the jobs they provide.

As I have emphasized many times before, DISC is by no means the only threat to this vital sector of our economy. Our manufacturers and processors are jeopardized as well by the increasing competitiveness of the newly emerging giants on the international stage, Japan and the enlarged European Economic Community. They are threatened by the strong protectionist forces rampant in the United States, not the least of which are the member unions of the AFL-CIO that are strenuously pushing for passage of the severe trade restrictions proposed in the Burke-Hartke bill. Because they are the most exposed and the most vulnerable, Canadian manufacturers and processors are the most endangered by the renewed international monetary crisis, a crisis that of course also poses a threat to the future stability of world trade.

I say to Your Honour and hon. members there should be no misunderstanding about the fact that we in Canada are faced with an international situation that is difficult and dangerous. Until now we have weathered remarkably well the storms that are blowing all about us, which is evident from the fact that our currency has remained one of the most stable.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I would attribute that to a good portion of luck and some good management. In terms of good management, I would say the decision to float the dollar was a wise one at the time, in terms of maintaining a competitive exchange rate. The decision of the Canadian banks authorized under the Bank Act by myself to limit the top rate on short-term deposits to 5.5 per cent for 100 days, or 6 per cent for a year, has turned out to be the right decision for stopping the inflow of short-term money into Canada. I think the co-operation that we are eventually receiving from the provinces to use the Canadian capital markets where at all possible is beginning to bear fruit. As I said, we have had a remarkably stable position up till now, but if this international situation deteriorates, this government may have to propose even further measures beyond the ones we have already contemplated.

I am leaving the day after tomorrow to attend a conference of the major industrial nations in Paris on Friday,

which hopefully can come to grips with the problems that underlie the current crisis. No one, however, can yet be confident about the outcome. These developments only serve to underline the urgency of implementing the measures proposed to help reinforce the competitive position of Canadian manufacturers in a very uncertain world.

While the motion before the House expresses non-confidence in the government, what it really does is to demonstrate beyond any doubt why the Canadian people should have no confidence in the Conservative party.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh'!

An hon. Member: Go to the people now.

Some hon. Members: Resign.

The Acting Speaker (Mr. Boulanger): Order, please. I am not sure which side of the House is making the most noise, but the Chair is having a difficult time following the speech of the minister.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): This motion also demonstrates that the Conservative party, and I think this was admirably pointed out by the hon. member for York South (Mr. Lewis)—

Some hon. Members: Oh, oh!

Mr. Lewis: It's O.K., John.

Mr. Turner (Ottawa-Carleton): —has not the slightest intention, will or desire to make this parliament work to serve the best interests of the nation as a whole.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): This sham motion demonstrates that the Conservative party is prepared to play any game at all with the Canadian economy, the Canadian working man and woman, that might serve its own narrow, partisan interests.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): This motion demonstrates that the Conservative party is prepared to seek power whatever the price may be to the Canadian people. In short, this motion demonstrates that in its desperation the Conservative party has totally abandoned any sense of responsibility to Canadians that it might once have possessed.

Some hon. Members: Hear, hear!

Hon. Paul Hellyer (Trinity): Mr. Speaker, it was, as Your Honour suggested, difficult to follow the minister's speech both because of its content and the repartee in the House. It may be a hard act to follow, but I hope that the one I have to offer will be more constructive, not partisan and not in the nature of mere political bantering such as we just heard from the minister.

Some hon. Members: Hear, hear!

Effect of Budgetary Proposals

Mr. Hellyer: This afternoon I was very disappointed in the hon. member for York South (Mr. Lewis). As one who for many years held the New Democratic Party in some respect, believing that they were often true at least to principles that were comprehensible, I admit to particular disillusionment at this time.

• (2120)

The hon. member for York South seemed to be criticizing the Conservative party for huffing and puffing but not blowing down the house. But he should be reminded that just one small puff from him tonight, the big, bad wolf in sheep's clothing, and the house would fall. The hon. member insists upon being apologetically grateful for a few bones thrown by the government which enables him to rationalize his desire for self-preservation. He has given the House some examples of these bones, including reductions in personal income tax and increases in old age pensions. Let us examine these two briefly to see whether the Canadian people should be as grateful as the hon. member appears to be. First, the modest income tax cuts. The typical taxpayer, we are told, will add $1.97 a week to his take-home pay.

An hon. Member: Big deal.

Mr. Hellyer: That calculation is based on figures for a married man earning $150 a week, with two children under 16. But here is the rub. The same man will lose $445 a year through inflation. That amounts to $8.55 a week. Imagine it. The typical taxpayer loses $8.55 a week through inflation and gains $1.97 through the benevolence of the Minister of Finance (Mr. Turner) who spoke so eloquently earlier. This leaves the taxpayer, notwithstanding the eloquence of the Minister of Finance, with a net amount of $6.58 a week less than he might otherwise have had.

Is this the kind of situation which deserves the applause of the New Democratic Party? Is this the treatment they feel the average Canadian taxpayer deserves? Do they feel the average Canadian taxpayer is deserving of this $6.58 cut in take-home pay due to the maladministration of an imcompetent and inept Liberal government? Of course, the average "poor sucker" taxpayer would need a pay increase well in excess of $6.58 a week in order to break even, because any increase would be subject to both tax and to erosion due to inflation. Consequently, the average taxpayer earning $150 a week, with two children under 16, would need a wage increase well in excess of $6.58 a week in order to wind up the year where he started under the benevolence of this great Liberal party!

Some hon. Members: Hear, hear!

Mr. Hellyer: It is a sad story, and it applies to old age pensions as well. The increase in the old age pension is welcome. Our senior citizens have suffered too long at the hands of this unfeeling and unsympathetic government. Now the government is increasing the old age pension by an extra $13.39 in one year. It would have been increased automatically from $82.88 to $86.61 in April in any event, but now this benevolent government is going all out to add the extra $13.39 to bring the total to $100 a month. My hon. friend from Hillsborough (Mr. Macquarrie) pointed

out in the House the other day that the $100 a month does not even restore the purchasing power of the pension to the equivalent of what it was when the present government took office.

Some hon. Members: Hear, hear!

Mr. Hellyer: So the old age pensioners, too, are worse off as a result of inflation. Moreover, they have not shared in the increases in productivity which have taken place. They have not shared in the increases in national output. It is difficult to comprehend the political and moral bankruptcy of the New Democratic Party when it applauds tax cuts which are less by far than inflation losses and endorses, however reluctantly, increases in old age pensions which similarly fail to compensate for inflation losses, apart from failing to provide senior citizens with a share of productivity increases.

I must admit I find it unfair that the Leader of the Opposition (Mr. Stanfield) should be criticized for moving the traditional want of confidence motion. He is doing nothing different from what leaders of the opposition have done traditionally. He is following the prescribed course. He is doing what is expected of a leader of the Official Opposition. He is doing what every leader of the Official Opposition has done in every parliament since parliamentary democracy began. The only thing that is different tonight is that if the NDP vote with the official opposition, as they have often done in the past when they followed their consciences, the government would fall.

The Leader of the Opposition has been totally responsible. He is consistent, too. During the election campaign, members of this party and members of the NDP said we thought this government was a disaster for Canada. We still think so, and at least on this side we still act on the basis of our conviction. Do we have a duty to keep in office a government which allows the highest unemployment levels in more than a decade?

Some hon. Members: No.

Mr. Hellyer: Do we have a duty to keep in office a government which allows the highest inflation rate in more than 20 years?

Some hon. Members: No.

An hon. Member: Yes.

Mr. Hellyer: I believe we do not. I believe we have a solemn duty to defeat this mediocre government of proven incompetence and to replace it with one which is truly contemporary.

Some hon. Members: Hear, hear!

Mr. Stanfield: And one that tells the truth.

An hon. Member: Little David is getting cross.

Mr. Hellyer: You know the song.

Little David was small,

But oh my!

I think that is a little thing they used to play in the pops. One thing is obvious. The present government is not contemporary. Contemptuous, but not contemporary. The high rate of unemployment in Canada was government-induced. We all remember the television commercials, the Prime Minister (Mr. Trudeau) standing in front of the cameras and saying, "People say we do not have the guts to let unemployment rise to 6 per cent, but I say to them they are wrong." That is what the Prime Minister told the Canadian people. They are trying to forget it now.

The government induced high levels of unemployment by its tight money policy of 1969-70. As a matter of fact, the principal secretary to the Prime Minister admitted this during the election campaign until the campaign committee called him and told him to shut up and reverse his position. The hon. member for Verdun (Mr. MacKasey) believes it, too. I can see him smiling. He practically said as much tonight. That is where the unemployment came from—from the government's tight money policy of 1969 and 1970.

Mr. Lewis: And you were a member of the government.

Mr. Hellyer: No, I was not. I resigned before that, believe me.

Some hon. Members: Hear, hear!

Mr. Hellyer: I could see what was coming.

Mr. Paproski: David is getting hot.

• (2130)

Mr. Hellyer: If the combined annual rate of growth in employment from 1960 to 1966 of 3.1 per cent had been maintained, there would have been over one quarter of a million more employed people in Canada today. That rate compounded at 3.1 per cent during those years dropped to 2.5 per cent in the period 1966 to 1972. Therein lies the difference between a totally unacceptable, a totally immoral rate of unemployment and what might under other circumstances have been a reasonably acceptable rate of about half the present level.

The government's attempt to control inflation by monetary policy was not contemporary. The inflation, as has been stated by my colleagues in this House, is cost-push. It is something entirely different from classical inflation and requires entirely different treatment. The government's failure to come to the realization that only mandatory guidelines of some kind can cope with this situation is responsible for the fact that throughout all these years they have been trading off unemployment and inflation instead of pursuing the twin goals of low unemployment and stable prices. The government has stubbornly refused to face reality and so has the NDP, its bedmate in this situation. The results are unacceptable inflation and unacceptable unemployment, unemployment which is a national shame and a blot on the national conscience.

In face of this impossible situation, the Progressive Conservative party has grasped the nettle. It has put forward a three-pronged attack. First of all, we have proposed a much more expansionary budget than that brought down by the Minister of Finance. He has scoffed at the suggestion that we would increase the deficit beyond that forecast by him. He has stated that an additional cut in taxes of something of the order of $2 billion would be highly

inflationary. This, Mr. Speaker, is nonsense when one looks at the additional capital investment that is required to put 100,000 people to work. When one realizes that at least $25,000, and perhaps as much as $50,000, is required in capital investment for each person who is added to the labour force, one is given some idea of the magnitude of the problem we are facing and the capital expenditures that have to be made. So that additional expenditures and tax cuts of this kind are absolutely essential in order to reduce the unemployment rate by even as much as 1 per cent within a reasonable period of time.

The Progressive Conservative party has therefore proposed a further substantial reduction in taxes and a more expansionary budget that would not just maintain the status quo but would at the same time start at once to reduce the high level of unemployment to a more acceptable level. At the same time, the Progressive Conservative party has proposed, in conjunction with that expansionary budget, a temporary freeze on wages, prices and profits. Then after consultation with labour and management and the provinces, we would introduce mandatory guidelines which would do the job.

In addition, the Leader of the Official Opposition talked this afternoon about special incentives for small business to enable Canadians to invest in their own country. He referred to means by which Canadians could participate in business, means by which Canadian entrepreneurs could be more directly and rewardingly involved in the development of their own resources and industries. Surely this is a legitimate and basically essential part of any three-pronged attack.

I suggest that the only way to meet the problems of unemployment and the working poor is to have a three-pronged attack along these lines. We have to provide more jobs in order to get people off the unemployment insurance rolls, a matter which upset the hon. member for Verdun (Mr. Mackasey) so very much. We have to give them a meaningful opportunity to participate in the development of a greater Canada. At the same time, by the imposition of mandatory guidelines it would be possible to accelerate wages at the bottom end of the scale so the working poor can breathe and have enough take-home pay to look after their own requirements for food, clothing and shelter, without handouts by a benevolent administration.

If any real progress is going to be made toward the twin goals of full employment, in the definition given to us by the minister of jobs available for all those who would like to be gainfully employed, and at the same time stable prices, only a policy such as that brought down by the Progressive Conservative party can hope ever to achieve those goals.

It has been suggested that the policies put forward by the Progressive Conservative party were adopted as a matter of political expediency. I should like to set that rumour at rest. As one who sat in on the deliberations, I should like to say that this represents the soul-searching acceptance of reality in the second half of the twentieth century. The Progressive Conservative party is the first party to admit that we do not have a pure market economy. It is the first party to admit that big business and big unions can set inflationary expectations beyond realizable levels for the whole economy. It is the first party to admit that we have monopolistic power on the business side and monopolistic power on the union side which has to have some kind of mandatory control so that its actions meet the test of the public interest. To my hon. friends on the other side of the House may I say that this is what people at college used to call an old Liberal principle. I hope that they will reread it.

In taking this fundamental change in policy, the Progressive Conservative party has become the cutting edge of reform in Canada. As a Toronto *Sun* columnist, Douglas Fisher, says, it puts the Progressive Conservative party economically well to the left of the Liberals and the NDP. Without arguing the validity of the old labels of left and right, I should like to say that it is obvious that the Progressive Conservative party has been put at least ten years ahead of both the Liberals and NDP. As a matter of fact—

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

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, listening to members across the way and to the left this evening reminds me of a quotation that I saw recently to the effect that the only thing that ever consoles a man for the stupid things he has done is the praise that he always gives himself for having done them. The style of this government could best be categorized as a government by trial and error. Every time there is a trial there is another error. Unfortunately, Mr. Speaker, the succession of errors by this government is taking a tragic toll in human terms. This is so much more tragic when it is recognized that, notwithstanding the important principles borrowed from the Progressive Conservative party, neither the May, 1972 budget not the February, 1973 budget, nor the two of them put together will produce the solutions to Canada's unemployment or inflation problems.

• (2140)

On this fact, Mr. Speaker, many labour leaders and labour organizations wholeheartedly agree. Confidence by all Canadians in this government is at a low point in our history. Confidence by business is at an all-time low. This arises in large part from the unfinished business of government in such critical areas as taxation, competition and ownership. No corporation and no individual can act decisively or, at times, make any decisions at all when the rules of the game are constantly in the process of revision.

This condition is no less disturbing to business than it is to labour. The prosperity of labour and business go hand in hand. A golden opportunity exists today for strong leadership in Canada to bring together into a close working relationship labour, government and business. This government has steadfastly refused to play this role, thus contributing further to a serious reduction in confidence. This is what the government of this country must correct. Only a Conservative government can restore confidence to this nation at this time.

Some hon. Members: Hear, hear!

Mr. Bawden: The decade of the seventies presents the greatest challenges and, at the same time, some of the

greatest problems Canada has yet had to face in its history. Over a number of years I have had the opportunity to participate in the development of many other countries. I have seen their strengths and their weaknesses, both in their natural and their human resources. I have no hesitation in saying that Canada, its opportunities and its future potential are second to none. I am dismayed, indeed I despair when I see the terrible record of under-achievement written into our history during the Trudeau years.

The leader of the NDP, speaking in this debate, spoke of the failure of this government's policies to date, concluding therefore that a much bolder step should have been taken. In his words, "the government did not have sufficient guts and imagination to pour at least another $1 billion into the economy as it could and should have done". If he supports this government, where are his guts?

An hon. Member: He hasn't any.

Some hon. Members: Hear, hear!

Mr. Bawden: In conclusion, Mr. Speaker, I turn to the NDP and remind them of what their leader has said over and over again: we are not going to change our position whatever the consequences may be.

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Speaker: Order, please. It being nine forty-five o'clock, it is my duty, pursuant to section (9) of Standing Order 58 to interrupt these proceedings and forthwith put every question necessary to dispose of the motion now before the House.

[*English*]

Accordingly, the question is on the motion of Mr. Stanfield. All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

The House divided on the motion (Mr. Stanfield) which was negatived on the following division:

• (2150)

(*Division No. 14*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre
Arrol
Atkey
Baker
Baldwin
Balfour
Bawden
Beattie
(Hamilton Mountain)
Beatty
(Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Bell
Blenkarn
Carter
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Cossitt
Crouse
Danforth
Darling
Dick
Diefenbaker
Dinsdale
Ellis
Epp
Fairweather
Forrestall
Frank
Fraser
Gillies
Godin
Grafftey
Hales
Haliburton
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Higson
Hollands
Holmes
Horner
(Crowfoot)
Horner
(Battleford-Kindersley)
Howie
Hueglin
Hurlburt
Jarvis
Jelinek
Kempling
Knowles
(Norfolk-Haldimand)
Kuntz
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Lawrence
Lundrigan
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and The Islands)
MacInnis
(Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
Madill
Marshall
Masniuk
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Morgan
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
(Moose Jaw)
Nesbitt
Nielsen
Nowlan
Oberle
O'Sullivan
Paproski
Patterson
Reilly
Reynolds
Ritchie
Roche
Rynard
Schellenberger
Schumacher
Scott
Skoreyko
Stackhouse
Stanfield
Stevens
Stewart
(Marquette)
Taylor
Thomas
(Moncton)
Towers
Wagner
Wise
Woolliams
Yewchuk—108.

NAYS

Messrs.

Allmand
Andras
Barnett
Basford
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blaker
Blouin
Boisvert
Boulanger
Breau
Brewin
Broadbent
Buchanan
Caccia
Cafik
Campbell
Caouette
(Charlevoix)
Caron
Chrétien
Clermont
Comtois
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Dionne
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Firth
Fleming
Fortin
Foster
Fox
Gauthier
(Roberval)
Gauthier
(Ottawa East)
Gendron
Gilbert
Gillespie
Gleave
Goyer
Gray
Grier
Guay
(St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Harney
Herbert
Hopkins
Howard
Hymmen
Isabelle
Jamieson
Jerome
Knight
Knowles
(Winnipeg North Centre)
Lachance
Laflamme
Lajoie
Lalonde
Lang
Langlois

Messrs:

Laniel
Laprise
Latulippe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.)
Mackasey
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mather
Matte
McRae
Morin (Mrs.)
Munro (Hamilton East)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
Olaussen
Olivier
Orlikow
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Peters
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rodriguez
Rompkey
Rooney
Rowland
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stollery
Symes
Tétrault
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whelan
Whicher
Yanakis—147.

Division

Messrs:

• (2210)

Mr. Speaker: I declare the motion lost.

At 10.15 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, March 7, 1973

The House met at 2 p.m.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

UNEMPLOYMENT INSURANCE COMMISSION—TOTAL EMPLOYMENT

Question No. 27—**Mr. Coates:**

1. What was the total employment of the Unemployment Insurance Commission prior to the implementation of the new Unemployment Insurance Act and what was the cost in salaries and wages for the operations of the Unemployment Insurance Commission as of that date?

2. What was the total employment of the Unemployment Insurance Commission as of December 31, 1972, what was the total cost of operation of the Commission for 1972, and of that amount, what was the cost in salaries and wages of the employees?

3. How many persons were employed by the Unemployment Insurance Commission during 1972 either as part-time employees or full-time non-permanent employees of the Commission and what will be the estimated cost for such employees during the fiscal year 1972-73?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. 1970/71 was the last complete fiscal year subject to the old UI Act. Number of man years utilized in 1970/71, 5,895; Salary cost in 1970/71, $42,469,000.

2. Total employment at December 31, 1972, 12,594; Total man years utilized in 1972, 10,516; Total cost of operating U.I.C. in 1972 approximately, $119,587,000[1][2]; Of this amount $86,785,100 was for salaries and wages[3].

3. Number of casual man years utilized in 1972, 5,684; Salary cost of these employees approximately, $29,581,000[1]; Estimated cost of these employees for the fiscal year 1972/73, $31,282,720.

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[1] The Commission's accounts for 1972 are not finalized until the end of February.

[2] The increase in the total administration costs reflects the first year of operation in which the Commission was financed by a self-funded account. Included in the increased costs are the additional costs for services from other government departments and agencies which were previously provided without charge.

[3] Includes payments by the employer with respect to Superannuation, other Pension Plans and Unemployment Insurance premiums.

IRDIA—CASH GRANTS

Question No. 159—**Mr. Broadbent:**

1. What were the names of the corporations which received cash grants under the Industrial Research and Development Incentives Program (IRDIA), in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date and, in each case, what were the amounts of money committed and paid?

2. What are the objectives of the program?

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

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): 1. Section 13 of the Industrial Research and Development Incentives Act prevents the disclosure of this information.

2. (a) To encourage an increased growth rate in industrial research and development by: (i) Inducing Canadian corporations to undertake new and expand existing scientific research and development programs the result of which, if successful, will be exploited by the corporations; (ii) Inducing Canadian corporations to provide well equipped facilities for such work. (b) To encourage the establishment of independent research laboratories, research associations and technical consulting service whose purpose is to provide specialized support services for industrial research and development. (c) To encourage greater co-operation between industry and universities on research related to industrial problems.

3. The program is under continuous evaluation and review.

AUTOMOTIVE ADJUSTMENT ASSISTANCE PROGRAM—FEDERAL GRANTS

Question No. 176—**Mr. Rodriguez:**

1. What were the names of the corporations which received federal loans under the Automotive Adjustment Assistance Program (AAA) in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date, and what were the amounts in each case?

2. What are the objectives of the above program?

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

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): 1. The General Adjustment Assistance Board, which administers the Regulations, adheres to the policy of private term lenders of preserving the confidential nature of loan transactions and does not, without the borrower's consent, publish or otherwise reveal details of individual loans. From the inception of the program in August, 1965 however, 114 loans have been authorized for $100,315,010.

2. The main purpose of this program is to financially assist Canadian manufacturers of original equipment automotive parts, tooling, specified commercial vehicles and suppliers of material to adjust to the new market

environment created by the Canada-United States Agreement on Automotive Products.

3. This program is under constant evaluation and review.

1972 INCOME TAX FORMS

Question No. 440—**Mr. Hueglin:**

1. What was the cost of (a) printing (b) distributing 1972 income tax forms that were printed and then unused due to changes in the forms?

2. What was the cost of the media campaign to have people fill in their tax forms correctly for the 1972 returns?

3. Was there an increase in the staff of the Department of National Revenue during the period the 1972 forms were changed and, if so, by how much?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned: 1. No 1972 income tax forms were printed and then unused due to changes in the forms, therefore the cost of printing and distribution was nil.

2. Estimated Cost: $1,200,000.

3. Since the 1972 income tax forms were not changed, there was no increase in the staff of the Department of National Revenue, for that purpose.

COST OF LOCAL EMPLOYMENT ASSISTANCE PROGRAM

Question No. 521—**Mr. Reynolds:**

What will be the cost of the newly announced Local Employment Assistance Program?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Approximately $9.5 million for 1973-74.

OPENING OF PEOPLE'S REPUBLIC OF CHINA CONSULATES IN CANADA

Question No. 565—**Mr. Godin:**

Has a request been received by the government from the Chinese Benevolent Association objecting to the opening in Canada of a consulate of the People's Republic of China and, if so, what are the intentions of the government in this regard?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The views expressed by the Chinese Benevolent Association regarding the opening in Canada of a consulate of the People's Republic of China have been noted. The Chinese Embassy has expressed an interest in the possibility of establishing a Consular or trade office outside Ottawa. As we wish to negotiate a consular understanding with the People's Republic of China, we consider that it would be desirable to define the terms of our consular relations before giving more detailed consideration to the question of establishing a Chinese consular or trade office outside Ottawa.

[Mr. Gillespie.]

FEDERAL PURCHASES IN ONTARIO, QUEBEC AND BRITISH COLUMBIA, 1971 AND 1972

Question No. 587—**Mr. Mather:**

In 1971 and 1972, what, in dollars, was the amount of federal purchases of goods and services in Ontario, Quebec and British Columbia?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The following figures relate only to th year in which contracts were placed and not to the year or years in which the work was performed or payments made. Therefore, care must be taken not to infer trends or make conclusions on the basis of performance in one year. Further, the location of a company is often that of its administrative office rather than the location where the work or service was actually performed or rendered. The figures cover only DSS contracts and do not include contracting by other government departments or agencies under delegation by DSS.

Department of Supply and Services is tabulated on a fiscal year basis.

	Ontario	Quebec	British Columbia
1971-72	$459,574,000	$300,248,000	$35,259,000
April-December, 1972	361,985,000	269,145,000	32,168,000

EXPENDITURES UNDER PRAIRIE FARM ASSISTANCE ACT, 1972

Question No. 607—**Mr. Knight:**

1. How much money was paid out under the Prairie Farm Assistance Act in 1972?

2. How many farmers received payment?

3. What is the financial standing of the Prairie Farm Assistance Act?

Hon. E. F. Whelan (Minister of Agriculture): 1. The total amount of awards to farmers in 1972 was $4,496,322 and was paid to 16,912 farmers. The above payments include 469 awards made in December 1972 applicable to the 1972 crop in the amount of $134,750.

2. Answered in Question No. 1.

3. Total payments under the Prairie Farm Assistance Act from inception to December 31, 1972 were $393,298,-374. Total levies collected from farmers on grain sales in this period were $215,378,247. Total contributions by the federal government amounted to $177,920,126. The credit balance in the Prairie Farm Emergency Fund at December 31, 1972 was $14,910,286.

*SEALS—REGULATIONS FOR 1973 FOR EAST COAST OF CANADA

Question No. 610—**Mr. MacLean:**

1. What are the regulations for 1973 under which various species of seals may be taken on the East Coast of Canada and adjacent waters?

2. What quotas, if any, will be allowed to be taken?

3. What plans, if any, has the Department of the Environment decided upon for the conservation and management of the various species of seals on the East Coast of Canada for the next five years?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the answer to starred question 610 regarding the seal hunt is as follows. The answer to the first part is that regulations for 1973 remain the same as those set out in 1972. With regard to the second part respecting quotas, Canadian large vessels operating on front, 60,000; Norwegian large vessels operating on front, 60,000 and Atlantic landsmen sealers, this is an allowance of 30,000. With regard to the third part, conservation and management for harp seals, continued research on population status and continued study of the relationship between the gulf and front herds. With regard to hood seals, increased study of the hood seal population off the Labrador coast.

DEPARTMENT OF SUPPLY AND SERVICES—PURCHASE CONTRACTS BY REGIONS

Question No. 614—**Mr. McKenzie:**

1. In the fiscal years 1968-1969 to 1971-1972, how much money was contracted to each of the five regions of Canada by the Department of Supply and Services?

2. What was this in per capita terms for each region?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The following figures relate only to the year in which contracts were placed and not to the year or years in which the work was performed or payments made. Therefore, care must be taken not to infer trends or make conclusions on the basis of performance in one year. Further, the location of a company is often that of its administrative office rather than the location where the work or service was actually performed or rendered. The figures cover only DSS contracts and do not include contracting by other government departments or agencies under delegation by DSS. See Appendix "A" following.

TABLE A

Distribution of DSS Contracts Placed in Canada by Regions

Fiscal Years 1969/70[1] to 1971/72

	Atlantic	Quebec	Ontario	Prairies	British Columbia	Yukon and N.W.T.
	$'000	$'000	$'000	$'000	$'000	$'000
1969/70	33,978	380,807	305,365	54,528	23,706	690
1970/71	48,324	274,672	327,132	84,607	29,795	1,053
1971/72	73,777	300,248	459,574	93,107	35,259	1,117

Value of DSS Contracts-Per Capita Population by Regions

Fiscal Years 1969/70[1] to 1971/72

	Atlantic	Quebec	Ontario	Prairies	British Columbia	Yukon and N.W.T.
	$/Capita	$/Capita	$/Capita	$/Capita	$/Capita	$/Capita
1969/70	17	64	41	16	11	15
1970/71	24	46	43	24	14	20
1971/72	36	50	60	26	16	20

[1]The Department of Supply and Services was established on April 1, 1969.

Order Paper Questions

IMPORTATIONS UNDER THE UNITED STATES DISC LEGISLATION

Question No. 615—**Mr. McKenzie:**

What were the names of the products and the names of the U.S. corporations that have been found to be importing goods to Canada under the U.S. DISC legislation?

Hon. Robert Stanbury (Minister of National Revenue): Names of Products: The shipment of goods to Canada under the benefits of DISC legislation covers a whole range of commodities imported from the U.S. and it would be impracticable to provide a list of the products. Names of U.S. Corporations: The Customs Act prohibits the disclosure of information provided by exporters on Customs documentation; the release of names of individual corporations would, therefore, not be in conformity with the Act.

LABOUR UNION MEMBERSHIP IN CANADA

Question No. 628—**Mr. Crouse:**

1. What was the total labour union membership in Canada by December 31, 1972?

2. What were the three largest labour unions in Canada in terms of membership, by December 31, 1972 and how many members did each have?

3. How many man-days were lost in strikes and lock-outs under federal jurisdiction in 1972?

4. How many work stoppages were there in Canada in May, June, July, August, September, October, November and December of 1972 and how many man-days were lost in each month due to these work stoppages?

5. What percentage of Canada's labour force is supported either directly or indirectly by government payrolls?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Labour and Industry, Trade and Commerce as follows: 1. Labour union membership in Canada as of January 1, 1971 was 2,210,554. This is the latest information available.

2. The three largest labour unions in Canada in terms of membership, as of January 1, 1971 and their total membership: United Steelworkers of America (AFL-CIO/CLC) 156,000; Canadian Union of Public Employees (CLC) 138,088; Public Service Alliance of Canada (CLC) 121,877.

3. The number of man days lost in strikes and lockouts under federal jurisdiction in the first 10 months of 1972: (a) Federal Public Service, 48,440; (b) Federal Industries, 262,020; Total, 310,460.

4. Number of work stoppages and man days lost in Canada by selected months in 1972 are as follows:

	Number of Stoppages	Man-Days Lost
May	108	936,600
June	118	1,195,060
July	106	1,162,030
August	89	647,360
September	93	467,310
October	78	419,520

5. On the basis of a monthly sample survey of households by Statistics Canada, the percentage of the Canadian labour force reported to be working for all governments or government enterprises was estimated at 18.2 per cent in December 1972.

Answers to 1, 2, 3 and 4 are the latest information available.

NUMBER OF PEOPLE LIVING BELOW POVERTY LINE

Question No. 630—**Mr. Mitges:**

1. What percentage of families and of unattached individuals in rural areas of Canada lived below the Statistics Canada poverty line in 1969, 1970, 1971 and 1972?

2. What percentage of Canadian farmers were employed to some degree in a non-farm job in 1969, 1970, 1971 and 1972?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. An estimated 36 per cent in 1969 and 32 per cent in 1971 of all families living in rural areas of Canada had incomes below the low income line. Similar estimates for unattached individuals were 50.4 per cent and 56.1 per cent in 1969 and 1971 respectively. No data are available for 1970 and 1972. Units were below the low income line if their income was below:

1969	1971	
$1,894	$2,013	for unattached individuals
$3,157	$3,355	for families of two
$3,788	$4,026	for families of three
$4,420	$4,697	for families of four
$5,051	$5,368	for families with five or more members

2. Only data for 1971 are available at present. An estimated 50 per cent of census farm operators reported some earnings from non-farm sources in 1971. These earnings include wages and salaries and/or net income from non-farm self employment.

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE, FAIRS AND MISSION BRANCH PERSONNEL

Question No. 646—**Mr. Fortin:**

How many French-speaking, bilingual Francophone, English-speaking and bilingual Anglophone civil servants are employed by the Fairs and Mission Branch of the Department of Industry, Trade and Commerce and what is the salary and the duties of each?

[*Translation*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): The Fairs and Missions Branch of the Department of Industry, Trade and Commerce has a total of 45 employees. Of this group, none are unilingual French-speaking, five are bilingual Francophones, 33 are English- speaking and seven are bilingual Anglophones. The five bilingual Francophone employees occupy positions as follows: 1 Assistant Divisional Chief, $18,314-$24,098; 1 Project Assistant, $8,569-$9,415; 1 Financial Clerk, $7,496-$8,238; 2 Stenographers, $6,233-$6,849. The 33 English-speaking employees occupy the following positions: 1 Director, $22,000-$28,000; 4 Division Chiefs, $21,155-$26,445; 1 Assistant Division Chief, $18,134-$24,098; 7 Project Managers, $14,473-$21,281; 5 Project Managers, $10,578-$14,694; 1 Financial Officer, $11,262-$12,797; 1 Office Manager, $8,569-$9,415; 3 Project Assistants, $8,569-$9,415; 1 Project Clerk, $7,496-$8,238; 1 Filing Clerk, $5,486-$6,028; 1 Director's Secretary, $7,460-$8,200; 4 Divisional Chiefs' Secretaries, $6,676-$7,338; 1 Stenographer, $6,233-$6,849; 2 Stenographers, $4,027-$6,292. The seven bilingual Anglophone employees occupy positions as follows: 1 Assistant Divisional Chief, $18,314-$24,098; 3 Project Managers, $14,473-$21,281; 1 Project Manager, $10,578-$14,694; 1 Research Assistant, $8,569-$9,415; 1 Project Assistant, $8,569-$9,415.

[*English*]

*STUDIES ON THE COST OF GROUND—INSTALLED TELECOMMUNICATIONS

Question No. 693—**Mr. MacKay:**

1. Have any studies been conducted by the government on the cost of ground-installed telecommunications for the north versus satellite telecommunications such as Anik 1 and, if so, who conducted the studies and where can the results be found?

2. Did CBC spend any money on Anik 1 and, if so, what was the amount?

3. Does CBC own any Telesat common shares and, if so, how many and at what cost?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, in so far as Telesat Canada is concerned, (1) information and conclusions relating to telecommunications in the north are included in the following: "Upper Atmosphere and Space Programs in Canada", Science Secretariat Special Study No. 1,February 1967, "A Space Program for Canada", Science Council of Canada Report No. 1, July 1967, White Paper on "A Domestic Satellite Communication System for Canada". Hon. C. M. Drury, Minister of Industry, March 28, 1968. The three aforementioned studies are available at the Library of Parliament. A fourth study, "Satellite Communications in Canada", in five volumes was presented to the Department of Transport in June 1967, and the information was used in the preparation of the white paper mentioned above.

In so far as the Canadian Broadcasting Corporation is concerned, the answer to No. 2 is no and the answer to No. 3 is none.

CANADIAN OBSERVERS IN VIET NAM

Question No. 702—**Mr. Stackhouse:**

Will the Canadian observers on duty in Viet Nam have the right to inspect prisons in South Viet Nam and to report on the living conditions of political prisoners?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The answer to this question cannot be given in

categorical terms. While there is no direct supervisory role to be undertaken by the International Commission in respect of the treatment given to civilian internees, the International Commission of Control and Supervision may become involved in visiting prisons and other places of detention in South Viet Nam. Primary responsibility for carrying out Articles 8 and 9 of the Protocol on Prisoners of the Paris Agreement rests with the two South Vietnamese parties, the Republic of Viet Nam and the Viet Cong. These two parties have agreed to resolve the question of civilian internees between themselves. The basis of this agreement is the 1954 Viet Nam Ceasefire Agreement which formulated a definition of "civilian internees." In the Protocol on Prisoners, the two South Vietnamese parties agree to do their utmost to resolve this question within 90 days of the ceasefire. The observer teams of the International Commission of Control and Supervision are responsible for observing the return of detained civilians in South Viet Nam. This involves sending observer teams to the "last detention places from which these persons will be taken to the places of return" and to "each place in Viet Nam where these persons are being returned." However, the ability to carry out this supervisory function depends on the prior agreement of the two South Vietnamese parties regarding the location and operation of the ICCS teams, and other necessary arrangements to facilitate the operation of the teams. At present, the International Commission of Control and Supervision has made preliminary arrangements to form teams to carry out this supervisory function and is awaiting the required decisions by the South Vietnamese parties. Therefore, the ability of the International Commission of Control and Supervision to discharge its responsibilities concerning prisoners cannot be separated from the matter of the responsibilities of the South Vietnamese parties on this question and their co-operation in laying the groundwork for the release and return of prisoners.

STATISTICS CANADA—PUBLICATION "ESTIMATES OF EMPLOYMENT BY PROVINCE AND INDUSTRY"

Question No. 707—**Mr. Gillies:**

1. Does Statistics Canada intend to resume publication and distribution of "Estimates of Employees by Province and Industry", catalogue number 72-008 and, if so, by what date?

2. What are the reasons for not publishing this folder in the past?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. Yes. It is now expected that publication and distribution of "Estimates of Employees by Province and Industry" will be resumed late this year.

2. Problems developed in the interpretation of the questionnaires used for the small firm monthly employment sample survey as well as with the newly developed computer systems and programs used in the tabulation of this series. More recently, these problems were compounded by difficulties related to a shift from Unemployment Insurance Commission to Department of National Revenue employer registrations as the source for updating the universe on which this small firm sample is based.

Order Paper Questions

IMPORTS OF COFFEE, OIL AND BINDER TWINE FROM ANGOLA

Question No. 762—**Mr. Rowland:**

1. Is the government now permitting the importing of goods such as coffee, oil and binder twine from Angola?

2. Is this in violation of a United Nations' trade embargo?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): 1. Yes.

2. There is no United Nations' embargo on trade with Angola.

ANNOUNCEMENT OF LOCAL INITIATIVE PROJECT BY QUEBEC MINISTER OF MUNICIPAL AFFAIRS

Question No. 778—**Mr. Lambert (Bellechasse):**

Is the Quebec Minister of Municipal Affairs authorized to communicate via the media that a local initiative project has been approved, without the federal government having given its approval and, if not, what action does the government intend to take to stop this practice?

[*Translation*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): The Quebec Minister of Municipal Affairs may announce to the public, through the media, that a local initiatives project has been cleared by the province; but the decision to approve a project rests with the federal Minister of Manpower and Immigration, under whose auspices the program functions.

[*English*]

NUMBER OF FEDERAL BUILDINGS CONSTRUCTED IN OTTAWA AND HULL

Question No. 800—**Mr. Fortin:**

1. Since 1968, how many federal buildings were constructed in the regions (a) of Ottawa (b) of Hull?

2. What was their estimated cost?

3. What was their actual cost?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. (a) 7 buildings in Ottawa; (b) 1 building in Hull.

2. (a) $91,000,000; (b) $12,128,886.

3. (a) $81,445,913; (b) $12,941,233.

EXPORT DEVELOPMENT CORPORATION

Question No. 821—**Mr. Stevens:**

Who were or will be the various Canadian suppliers who benefited or will benefit as a result of Export Development Corporation financing under (a) Agreement No. 72-1 signed February 7, 1972 between the Export Development Corporation and Comision Federal de Electricidad of Mexico for some $4 million, repayable, commencing on August 1, 1974, in 21 semi-annual payments with interest at 7¼ percent per annum (b) Agreement No. 72-9 signed March 22, 1972 between the Export Development Corporation and Panafrican Paper Mills (S.A.) Limited of Kenya for some $3.9 million, repayable commencing on June 30, 1975 in 16 semi-annual payments with interest at 7½ percent per annum (c) Agreement No. 72-16 signed June 14, 1972 between the Export Development Corporation and Furnas-Centrais Electricas S.A. of Brazil for some $10 million, repayable commencing on June 1, 1975 in 25 semi-annual payments with interest at 7¼ percent per annum?

Order Paper Questions

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Export Development Corporation states that: The principal Canadian suppliers who have benefited, or who will benefit, as a result of its financing, in each case mentioned below, are the respective companies listed for each such case; (a) its agreement signed February 7, 1972 with Comision Federal de Electricidad, Mexico: Combustion Engineering Superheater Limited, Montreal/Sherbrooke; Orenda Limited, Toronto; Trench Electric, Scarborough; Sangamo Company Limited, Toronto; (b) its agreement signed March 22, 1972 with Panafrican Paper Mills (E.A.) Limited, Kenya: Babcok & Wilcox of Canada Limited, Galt; Boston E & S Limited, Montreal; FMC of Canada Limited, Toronto; Foresteel Industries, Montreal; Graham Manufacturing, Fort Erie; Nicholson Murdie Machines Limited, Victoria; Otis Elevator Co. Limited, Hamilton; Whiting Equipment Limited Welland; Clarke Equipment Co. Limited, St. Thomas; Canada Wire and Cable Limited, Toronto; S. W. Hooper and Co. Limited, Sherbrooke; J. Rene Hebert Limited, Montreal; (c) its agreement signed June 14, 1972 with Furnas-Centrais Electricas, S.A., Brazil: Canadian General Electric Co. Ltd., Toronto, Ontario, is so far the only successful Canadian bidder in the buyer's international tender call. The EDC financing was made availabe to cover any contracts won by Canadian electrical equipment suppliers thereunder.

EXPORT DEVELOPMENT CORPORATION—LOAN AGREEMENT WITH CAISSE ALGERIENNE DE DEVELOPMENT

Question No. 822—**Mr. Stevens:**

Has the Export Development Corporation an outstanding re-lending loan agreement with Caisse Algerienne de Development of Algeria for approximately $10 million and (a) if so (i) what are the terms of the agreement (ii) on what date was it executed (iii) what are the names of the exporters in Canada who will benefit from the agreement (b) if not, does the Export Development Corporation intend to execute such an agreement and, if so (i) what will be its likely terms (ii) what are the names of exporters in Canada who will benefit directly or indirectly from such an agreement?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Export Development Corporation states that: (a) it does not have an outstanding re-lending loan agreement with the Caisse Algérienne de Développement of Algeria; (i) N/A; (ii) N/A; (iii) N/A; and (b) it is prepared to make an agreement for a re-lending loan if discussions with the Caisse Algérienne de Développement of Algeria can reach a mutually satisfactory conclusion; (i) an agreement would establish the right of the borrower to propose one or a series of purchases from Canada, financing for which would be provided by EDC, and the terms would be negotiated and established in the agreement; (ii) since no agreement exists, no purchases have been proposed, and so it is not possible to say what exporters in Canada would benefit.

PUBLIC WORKS—CONSTRUCTION OF POST OFFICE, NEWMARKET, ONTARIO

Question No. 846—**Mr. Stevens:**

Has the government any immediate plans to build or rent a new post office in Newmarket, Ontario and (a) if so (i) on what date does the government intend to call for tenders for the construction of the new building or for rental proposals (ii) what do they plan to do with the present post office facility if it is no longer required for post office purposes (b) if not, does it plan to have the present facility renovated and on what date do they anticipate the renovation will begin?

Hon. Jean-Eudes Dubé (Minister of Public Works): The government has no immediate plans to build or lease a new post office at Newmarket, Ontario. However, the Post Office Department has indicated a requirement for improved and expanded accommodation at Newmarket which is tentatively planned for implementation in 1975/76. (a) (i) This has not yet been determined (ii) The future use of the existing building will be determined at a later date when a decision has been made regarding the provision of the proposed improved accommodation; (b) No renovations are planned pending provision of improved accommodation.

PUBLIC WORKS—ACQUISITION OF LAND IN CAMPBELLTON

Question No. 907—**Mr. Coates:**

Has the Department of Public Works acquired a piece of land in Campbellton, east of Cross Point Bridge in Campbellton and, if so, from whom and for how much?

Hon. Jean-Eudes Dubé (Minister of Public Works): The Department of Public Works has not acquired any land in Campbellton, east of Cross Point Bridge in the last 30 years and are not negotiating any purchases at this time.

COST OF IMPLEMENTING POSTAL CODE TO DATE

Question No. 908—**Mr. Dinsdale:**

1. What is the total cost of implementing the postal code system to date?

2. What part of this expenditure represents the cost of installing the computer system?

3. What computer system has been selected for installation, and by whom is it manufactured?

4. What other computer systems were considered by the Post Office Department and (a) in each case what was the estimated cost of installation of these systems (b) where were each of these computers manufactured?

Hon. André Ouellet (Postmaster General): 1. $4,980,000.

2. $2,900,000.

3. The main letter sorting and computer equipment will be supplied by ITT Canada Ltd. The first two letter sorting machines were manufactured in Belgium. The balance of the order is being manufactured in Guelph, Ontario.

4. The Department also considered, for the first installation, equipment offered by Plessey Canada Ltd. Telefunken and GEC Elliott Ltd. Only equipment offered by ITT and Plessey was considered for the balance of the system. (a) Because of different speeds and configuration of equipment and because of various amounts which would have to be ordered no accurate total cost of installation of each of these systems can be made. However, in the case of Plessey and ITT, bids for the full system, assuming that the maximum amount of equipment would be ordered and installed, the cost of ownership of each system over

15 years in budget dollars would be, Plessey $98,660,408 and ITT $70,811,221. (b) Plessey offered equipment made in Great Britain, Australia, Japan and Canada. ITT offered equipment made in Belgium and Canada. Telefunken offered equipment made in Germany and Canada and GEC Elliott offered equipment made in Great Britain and Canada.

DEPARTMENT OF SUPPLY AND SERVICES REPORT COST

Question No. 940—**Mr. Andre:**

1. What was the cost of production, printing and distribution of the Report for the fiscal year ended March 31, 1972, for the Department of Supply and Services?

2. How many copies of the Report were distributed?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The cost of the 1971-72 Annual Report of the Department of Supply and Services was $5,193.

2. 1,850 copies have been distributed to date.

DEPARTMENT OF NATIONAL REVENUE, CUSTOMS AND EXCISE—COST OF ANNUAL REPORT

Question No. 942—**Mr. Andre:**

1. What was the cost of production, printing and distribution of the Report for the fiscal year ended March 31, 1972, for the Department of National Revenue, Customs-Excise?

2. How many copies of the Report were distributed?

Hon. Robert Stanbury (Minister of National Revenue): 1. The Department of National Revenue spent $3,060 for the production and printing of the "Report of the Department of National Revenue, Customs, Excise and Taxation" for the fiscal year ended March 31, 1972. Information Canada handled all distribution except for 300 copies which came to this Department.

2. 1,175 copies.

DEPARTMENT OF EXTERNAL AFFAIRS—COST OF ANNUAL REPORT

Question No. 944—**Mr. Andre:**

1. What was the cost of production, printing and distribution of the Report for the year ended December 31, 1971 for the Department of External Affairs?

2. How many copies of the Report were distributed?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The cost of producing and printing the Annual Report of the Department of External Affairs for the year ending December 31, 1971, was $5,417.36 ($3,095.23 for the English edition and $2,322.13 for the French edition). Detailed figures are not available for distribution costs, but they are estimated to be about $1,000.

2. 4,600 English and 2,500 French copies were distributed.

SUPPLY AND SERVICES—CONTRACT FOR FILE FOLDERS

Question No. 950—**Mr. Hales:**

1. Was a contract, GX.66600-2-W280, for file folders in the amount of $20,090 awarded to Rapid Data Systems and Equipment Ltd., Ottawa, Ontario?

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

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

4. Where were the goods used and by what department of government?

5. How were suppliers notified of government requirements?

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

2. (a) Yes. The following firms submitted tenders: Ben Sanders Co. Ltd., Ottawa, $14,010. Rapid Data Systems & Equipment Ltd., Ottawa, $20,090. Pathfinder Systems Design Ltd., Ottawa, $21,952. The Shannon Ltd., Toronto, $22,050. Canadian Filing Equipment Ltd., Don Mills, $23,226. Office Analysts and Business Systems Ltd., Ottawa, $31,850. (b) No. The second lowest. Lowest tenderer did not meet specifications.

3. No.

4. Hanging file folders required for use by all government departments and are stocked items at DSS Suppply Centre at Ottawa and Port Credit.

5. By competitive Invitation to Tender call.

SUPPLY AND SERVICES—CONTRACT FOR PRINTING SERVICES

Question No. 951—**Mr. Hales:**

1. Was a contract, GP.2552517, for printing services in the amount of $90,000 awarded to Ronalds Federated Ltd., Montreal, Quebec?

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

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

4. What was the nature of the work and by what department of government?

5. How were suppliers notified of government requirements?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes. A Standing Offer Contract. The total requirement was for $140,000 and standing offers for this total were also issued to: Alphatext Ltd., Ottawa, $30,000; Richardson Bond & Wright Ltd., Owen Sound, Ont., $30,000.

2. (a) Yes. Competitive tenders were called and the following firms submitted tenders: Ronalds Federated Ltd., Montreal; Alphatext Ltd., Ottawa; Richardson Bond & Wright Ltd., Owen Sound; Fast Typesetters Ltd., Montreal; Howarth & Smith Ltd., Toronto; McLean Computer Graphics Ltd., Montreal; Cooper & Beatty Ltd., Toronto; Alpha Graphics Ltd., Toronto; Mono Lino Typesetting Co., Ltd., Toronto; (b) Ronalds-Federated Limited, Alphatext Limited and Richardson Bond & Wright Limited submitted the lowest second lowest and third lowest aggregate bids respectively. Having regard to the com-

plexity of the work involved it was considered advisable to place three offers which would provide maximum flexibility thus ensuring satisfactory service to the User Department. Under this agreement the lowest tenderer will be employed to the maximum of its capability and subsequently the second and third as necessary depending on current workloads and delivery.

3. No.

4. Cold type composition layout and make up, and illustrations as required to convert edited manuscript copy to reproducible camera ready copy for various technical publications for delivery to Ottawa, Ontario, on an "as and when required basis" up to March 1973. The requirement is for the Department of National Defence.

5. By competitive Invitation to Tender.

SUPPLY AND SERVICES—CONTRACT FOR PUBLICATION

Question No. 952—**Mr. Hales:**

1. Was a contract, GX.67051-P536-1, for publications in the amount of $140,651 awarded to Graphic Centre (Ontario) Inc., Toronto, Ontario?

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

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

4. What was the nature of the work and by what department of government?

5. How were suppliers notified of government requirements?

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

2. (a). Yes. The following firms submitted tenders: Graphic Centre (Ontario) Inc., Toronto; $140,650. Rolph-Clark Stone Ltd., Bramalea; $148,424. Montreal Lithographing Ltd., Chomedey, Laval; $152,518. Pierre des Marais Inc., St. Laurent; $153,410. London Printing & Lithographing Co., Ltd. London; $157,492. Ashton-Potter Ltd., Toronto; $158,274. The Lawrence Lithographing Ltd., St. Laurent; $159,275. McLaren Morris & Todd Ltd., Mississauga; $172,470. Richardson Bond & Wright Ltd., Owen Sound; $173,103. Ronalds-Federated Ltd., Montreal; $173,167. Universal Printers Ltd., Winnipeg; $181,826. Gaylord Lithographing Ltd., Toronto; $190,436. Condor Printing Inc., Montreal; $196,977. Regal Stationery Co. Ltd., Toronto; $202,198. (b) Yes.

3. Yes. Author's alterations totalling $480.

4. 144 page booklet entitled "Adventure Tours off the Trans-Canada Highway". Required for Canadian Government Travel Bureau.

5. By competitive Invitation to Tender.

CBC—EXPENSES SINCE 1968

Question No. 966—**Mr. Matte:**

1. By year, what were the total expenses of the Canadian Broadcasting Corporation since 1968?

2. By year, what were the total expenses (a) of the French network (b) of the English network, since 1968?

[Mr. Goyer.]

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. The corporation's total operating expenditures since 1968 were as follows: 1967-68, $190 million; 1968-69, $196 million; 1969-70, $207 million; 1970-71, $218 million; 1971-72, $237 million.

2. It has not been customary to require the CBC to disclose detailed figures showing that portion of the above total CBC expenditures allocated to French and English radio and television networks. However, over the five-year period in question, the percentage breakdown of the portion of expenditures allocated to the networks was approximately 40 per cent for French networks and 60 per cent for English networks.

INTERNATIONAL JOINT COMMISSION—STATUS ON POINT ROBERTS, U.S.A.

Question No. 980—**Mr. Reynolds:**

What is the status of the International Joint Commission on Point Roberts, U.S.A.?

Hon. Mitchell Sharp (Secretary of State for External Affairs): On April 21, 1971 the governments of Canada and the United States submitted a reference to the International Joint Commission requesting it to investigate and recommend measures to alleviate certain conditions of life of residents of Point Roberts. In October 1971, the International Joint Commission appointed an International Board to conduct the investigation. The Board held a public hearing in Point Roberts in December 1971 and has submitted two semi-annual progress reports to the International Joint Commission in the course of 1972. The Board is exploring all possible long term solutions and is also looking into the possible alleviation of current problems affecting the Point. It hopes to submit its final report to the International Joint Commission by October 1973.

ESTABLISHMENT OF LAND MARINE PARK

Question No. 1,026—**Mr. Nelson:**

Does the Department of the Environment have any plans to establish a land marine park in the Indian Arm area in conjunction with the Provincial Parks Branch of the Department of Recreation Conservation?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): The Department of the Environment is represented with the Department of Indian Affairs and Northern Development on a federal-provincial task force investigating the possibility of Marine National Parks in the whole of the Strait of Georgia area. The task force recommendations are not available to date.

*APPRAISAL REVIEW BOARD—LOTS ON BLOCK 37

Question No. 1,032—**Mr. Clark (Rocky Mountain):**

1. Does the final report of the Appraisal Review Board for Banff released February 13 make any reference to the Lot or Lots on Block 37 in Banff and, if not, for what reason?

2. Who are the leaseholders for the Lot or Lots on Block 37 in Banff?

3. How much rent will be paid by each leaseholder for each Lot on Block 37 in Banff?

4. What is the appraised value of each Lot on Block 37 in Banff?

5. What was the appraised value of any property exchanged for a Lot or Lots on Block 37?

6. What was paid as an upset price for each Lot on Block 37?

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, the answer to part 1 is the report of the Appraisal Review Board for Banff does not refer to any lots in block 37. Lots one to seven are leased on the basis of the Crown receiving a percentage of the lessee's gross receipts and there is no rental review involved.

2. The leaseholder of the lots under lease in Block 37 is Big Horn Inn Ltd.

3. The specific terms and conditions of any lease is privileged information which we cannot divulge without the consent of the lessee. If a lessee so directs, we will release any information requested.

4. Because the land is not subject to rental review as explained in No. 1, there was no formal appraisal made of the value of the lots in Block 37.

5. The lots exchanged were appraised for rental purposes at a total value of $76,155.

6. No upset price was paid. The exchange of leasehold lands and the percentage of gross return to the Crown were negotiated as a "package" for the lease on lots 1 to 7, Block 37.

*ASSESSMENT OF DRUG QUALITY

Question No. 1,197—**Mr. Rynard:**

In response to the recent press reports concerning drug products on the Canadian market, and my previous question, is the Minister of National Health and Welfare now in a position to assure the House that the Health Protection Branch adequately fulfils its responsibility in assessing the quality of drugs on the Canadian market?

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, under the Food and Drugs Act and regulations, all drug manufacturing and distributing facilities, large or small, are inspected by staff of the Health Protection Branch. Detailed and exhaustive examinations are made of the manufacturing process, the facilities and quality control procedures including storage and record-keeping systems and the source of raw materials. This testing may be done by the firm itself or by a competent analytical laboratory.

Newspaper articles alleged that four small Montreal companies were marketing drugs after only minimal testing. Recent inspections which took place before these articles appeared showed that the products sold by these four companies were subjected to a satisfactory level of testing, including appropriate methods for the identity, purity and potency of the product, disintegration of the tablet and, where applicable, expiry date and stability.

The four firms mentioned are only distributors and neither manufacture, label nor package drugs. Their operations involve storage of packaged drugs and distribution only. They maintain the records required by law. Their products are manufactured, packaged and labelled for them by pharmaceutical manufacturers who comply with the requirements of the Food and Drugs Act regulations. Firms such as the forementioned are expected to ensure that their storage and distribution facilities are acceptable, and these four companies have been so inspected and found satisfactory. It was alleged that the Health Protection Branch did not know of the existence of some of the products of these four companies. This is untrue. These companies and all their products are well known to the Health Protection Branch. The newspapers' claim that Laboratoires Anger Ltée produces ten products is not substantiated either by company records or our own, which list seven.

Some hon. Members: Order!

Mr. Cafik: Mr. Speaker, it will take another three minutes to finish the answer, but if it is the will of the House we could take it as having been read.

Some hon. Members: Agreed.

Mr. Speaker: Order. I think it is a well established practice that with the consent of the House an oral answer to a starred question can be tabled or made an order for return. When a parliamentary secretary has an answer which appears to be rather long, perhaps the suggestion might be made at the beginning that it be made an order for return or that it be tabled. Is that agreed in this instance?

Some hon. Members: Agreed.

Mr. Cafik: It had been my original intention to ask for such permission but since the hon. member who had raised the starred question was not present in the House at that time I decided it would be inappropriate to do so.

Mr. Rynard: I was held up, Mr. Speaker. When I came in, the hon. member was in the middle of reading the answer. Yesterday he promised he would give me a copy so that I would know what was on that paper.

[*Editor's Note: The balance of the above answer follows:*]

This was verified after the newspaper article appeared.

Health protection branch has complete information on the number of drugs sold by each of these firms, and on the name, composition, manufacture and testing of each one. This information was obtained by actual inspections of each firm within the last 12 months, and by the filing with the branch of information on each product as required of every firm by the food and drug regulations.

Branch records are based on the drug notification forms which by law must be submitted by each manufacturer for every one of his products within 30 days of his commencing sale of that products within 30 days of his commencing sale of that product. We are giving consideration to the possibility of reducing this time period.

Health protection branch monitors the pharmaceutical industry to ensure that essential tests are carried out. These tests, which usually number more than four, are those considered essential to ensure that drugs will be safe and effective when used as directed, and can by no means be considered minimal.

Appropriate tests must also be carried out to ensure that a particular product meets necessary manufacturing

and testing specifications unique to it. Bioavailability tests are not at present mandatory. This whole field is very much in the developmental stage, with the clinical significance of bioavailability data still not fully understood. To put this in perspective we have commissioned an advisory committee of non-governmental medical experts to consider all aspects of it and report within the next few months.

I trust that this information will reassure hon. members that the activities of the health protection branch do provide the needed assurance that drugs on the Canadian market are safe and effective.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF LABOUR—CONTRACTS FOR RESEARCH, DEVELOPMENT AND CONSULTING SERVICES

Question No. 127—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Department of Labour on contracts to outside persons and organizations for research, development and other consulting services?

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

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

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

DEFENCE RESEARCH BOARD—CONTRACTS FOR RESEARCH, DEVELOPMENT AND CONSULTING SERVICES

Question No. 136—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Defence Research Board on contracts to outside persons and organizations for research, development and other consulting services?

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

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

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

DEPARTMENT OF SUPPLY AND SERVICES—EXPENDITURES FOR GOODS AND SERVICES

Question No. 142—**Mr. Grier:**

1. How much has the Department of Supply and Services spent purchasing goods and services in each province for each of the past three fiscal years?

[Mr. Rynard.]

2. How much has the Department of Supply and Services spent purchasing goods and services in foreign countries, by country, for each of the past three fiscal years?

Return tabled.

PROGRAM FOR EXPORT MARKET DEVELOPMENT

Question No. 175—**Mr. Rodriguez:**

1. What were the names of the recipients of grants or loans under the Program for Export Market Development in each of the fiscal years 1971-72 and 1972-73 to date, and what were the amounts in each case?

2. What are the objectives of the above program?

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

Return tabled.

CANADA MANPOWER TRAINING PROGRAM—TRAINING-IN-INDUSTRY AND ON-THE-JOB TRAINING

Question No. 193—**Mr. Orlikow:**

1. What were the names of employers who entered into contracts with the Department of Manpower and Immigration under the Canada Manpower Training Program for the purpose of training-in-industry and on-the-job-training, in each of the fiscal years 1967-68, 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 to date?

2. In each case and in each fiscal year, what were the amounts spend and for 1972-73, what is the amount committed?

3. What are the objectives of the Program?

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

Return tabled.

DEPARTMENT OF COMMUNICATIONS—BILINGUALISM POLICY

Question No. 464—**Mr. Beaudoin:**

1. Has the Department of Communications adopted a definite policy on bilingualism?

2. What number and total percentage of that deparment's employees are (a) English unilingual (b) French unilingual (c) bilingual?

3. In 1960, 1962, 1964, 1966, 1968 and 1970, what was the number and total percentage of employees of the same department who were (a) English unilingual (b) French unilingual (c) bilingual?

4. By year since 1960, what was the total budget allocated for the development of bilingualism in that department?

Return tabled.

NATIONAL DEFENCE—WIRELESS ELECTRICAL COMMUNICATIONS EQUIPMENT

Question No. 598—**Mr. Gillies:**

1. What was the value of wireless electrical communications equipment, in dollars, that was purchased by the Department of National Defence during each fiscal year beginning 1968-69?

2. How much of this equipment, in dollars, was purchased by the Department from firms operating in (a) Canada (b) the United States of America (c) Britain (d) Japan (e) all other countries?

Return tabled.

HOMES ON INDIAN RESERVES

Question No. 722—**Miss MacDonald (Kingston and The Islands):**

1. Among Indian families living on reserves across Canada in 1968, 1969, 1970, 1971 and 1972, how many lived in houses of three rooms or less?

2. What percentage of Indian homes on reserves were equipped with electricity in 1968, 1969, 1970, 1971 and 1972?

3. What percentage of Indian homes on reserves were equipped with sewer services or septic tanks in 1968, 1969, 1970, 1971 and 1972?

4. What percentage of Indian homes on reserves were equipped with running water, indoor baths and indoor toilets in 1968, 1969, 1970, 1971 and 1972?

Return tabled.

PENITENTIARIES—NUMBER OF INDIANS INCARCERATED

Question No. 725—**Miss MacDonald (Kingston and The Islands):**

How many Indians were incarcerated in Canadian penitentiaries in 1968, 1969, 1970, 1971 and 1972?

Return tabled.

EXPERIMENTAL FARM, LACOMBE, ALBERTA—SALE OF CATTLE AND SWINE

Question No. 760—**Mr. Hollands:**

1. During the year 1972, what was (a) the number of cattle sold by the Experimental Farm at Lacombe, Alberta (b) the value of the cattle and to whom they were sold?

2. What was the number of swine sold, to whom were they sold and what was the value per head?

Return Tabled.

SUPERINTENDENTS OF NATIONAL PARKS

Question No. 1,033—**Mr. Clark (Rocky Mountain):**

1. Since 1960, who have been the superintendents of each national park in Canada and, in each case, what were the reasons for any changes?

2. Is it the policy of the government for an individual to have a minimum and/or maximum length of service as superintendent of a particular park and, if so, what is (a) the general minimum (b) the general maximum?

Return tabled.

• (1410)

MOTIONS FOR PAPERS

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 160 is acceptable to the government subject to the usual reservations concerning confidential documents and the authorization of the government authorities concerned.

Motions for Papers

[*Translation*]

Mr. Speaker: Subject to the reservations expressed by the parliamentary secretary, is it the pleasure of the House that notice of motion No. 160 be deemed to have been adopted?

Some hon. Members: Agreed.

Motion agreed to.

[*English*]

CORRESPONDENCE BETWEEN GOVERNMENT AND CONSTITUENCY OF COMPTON RELATING TO FEDERAL BUILDINGS

Motion No. 160—**Mr. Latulippe:**

Than an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all briefs, correspondence and other documents exchanged from January 1, 1968 to date, between the government and any municipality, agency and individual in the constituency of Compton, relating to the construction of post offices or other federal buildings in the said constituency.

Motion agreed to.

Mr. Reid: Would you be so kind, Mr. Speaker, as to call notices of motions Nos. 7, 9, 10, 11, 16, 23, 28, 29, 44, 122, 123, 125, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, and 155.

EVALUATION REPORT OF INDUSTRIAL DESIGN ASSISTANCE PROGRAM

Motion No. 7—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the latest evaluation report of the Industrial Design Assistance Program (IDAP).

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the evaluation report is of a confidential nature, and I would therefore ask the hon. member to withdraw his motion.

Mr. Broadbent: Mr. Speaker, I should like the question to be put.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

EVALUATION REPORT OF PROGRAM TO ENHANCE PRODUCTIVITY

Motion No. 9—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the latest evaluation report of the Program to Enhance Productivity (PEP).

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The same objection, Mr. Speaker.

Mr. Broadbent: The same comment, Mr. Speaker.

Mr. Speaker: Transferred for debate.

Motions for Papers

EVALUATION REPORT OF INDUSTRIAL RESEARCH AND DEVELOPMENT INCENTIVES PROGRAM

Motion No. 10—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the latest evaluation report of the Industrial Research and Development Incentives Program (IRDIA).

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The same objection, Mr. Speaker.

Mr. Broadbent: Ditto, Mr. Speaker.

Mr. Speaker: Transferred for debate.

EVALUATION REPORT OF PROGRAM OF THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY

Motion No. 11—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the latest evaluation report of the Program of the Advancement of Industrial Technology (PAIT).

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The same objection, Mr. Speaker.

Mr. Speaker: Transferred for debate.

EVALUATION OF SUBSIDIES PROGRAM UNDER EMERGENCY GOLD-MINING ASSISTANCE ACT

Motion No. 16—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the latest evaluation report of the Subsidies Program under the Emergency Gold-Mining Assistance Act (EGMA).

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The same objection, Mr. Speaker.

Mr. Speaker: Transferred for debate.

Mr. Broadbent: On a point of order, Mr. Speaker, in his comments on motion No. 7 the parliamentary secretary said that there was such a report but that it was of a confidential nature. I want to be clear about the other ones, whether there is such a report and if it is being retained for the same reason, or is there no report?

Mr. Reid: Mr. Speaker, my understanding is that in the case of all of those to which I have said there is the same objection there is an evaluation report but it is confidential as an internal government document.

Mr. Speaker: These motions are transferred for debate.

EVALUATION REPORT OF THE GENERAL ADJUSTMENT ASSISTANCE PROGRAM

Motion No. 23—**Mr. Rodriguez:**

That an Order of the House do issue for a copy of the latest evaluation report of the General Adjustment Assistance Program (GAAP).

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The same objection, Mr. Speaker.

[Mr. Speaker.]

Mr. Rodriguez: Transfer for debate.

Mr. Speaker: Transferred for debate.

EVALUATION REPORT OF THE CANADA MANPOWER MOBILITY PROGRAM

Motion No. 28—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the latest evaluation report of the Canada Manpower Mobility Program.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The same objection, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

EVALUATION REPORT OF CANADA MANPOWER TRAINING PROGRAM

Motion No. 29—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the latest evaluation report of the training-in- industry and the on-the-job-training components of the Canada Manpower Training Program.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there is no evaluation report of the training-in-industry and the on-the-job-training components of the Canada Manpower Training Program. I would therefore ask the hon. member to withdraw his motion.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Speaker: This motion is dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT BY BANK OF CANADA CONCERNING EFFECTS ON CANADIAN ECONOMY OF FLOATING DOLLAR

Motion No. 44—**Mr. Gillies:**

That an Order of the House do issue for a copy of the latest evaluation report prepared by the Bank of Canada concerning the effects on the Canadian economy of the floating dollar.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, in the regular and frequent meetings that the governor of the Bank of Canada and the Minister of Finance have they exchange information and views on a wide range of economic and financial matters, including the impact on the Canadian economy of developments in international trade and payments and the exchange rate. These meetings are regarded as confidential, as are the internal documents which serve as the basis for the discussions. I would ask the hon. member to withdraw his motion.

Mr. Gillies: Agreed.

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT OF 1972 LOCAL INITIATIVES PROGRAM

Motion No. 122—**Mr. Leggatt:**

That an Order of the House do issue for a copy of the evaluation report of the 1972 Local Initiatives Program.

Mr. Knowles (Winnipeg North Centre): Stand.

Mr. Speaker: The motion stands.

EVALUATION REPORT OF 1972 OPPORTUNITIES FOR YOUTH PROGRAM

Motion No. 123—**Mr. Rose:**

That an Order of the House do issue for a copy of the evaluation report of the 1972 Opportunities for Youth Program.

Mr. Knowles (Winnipeg North Centre): Stand.

Mr. Speaker: The motion stands.

CORRESPONDENCE RELATING TO LOCAL INITIATIVES PROJECT NO. 211-1970 FOR 1971-1972

Motion No. 125—**Mr. Lambert (Bellechasse):**

That an Order of the House do issue for a copy of all papers including correspondence, contracts and payroll stubs relating to local initiatives project No. 211-1970 for the fiscal year 1971-1972.

[*Translation*]

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, it is the policy of the department to regard all correspondence and other such documents pertaining to local initiatives projects as confidential and I therefore regret they cannot be produced. In view of this, I would ask the hon. member to withdraw his motion.

Mr. Lambert (Bellechasse): Agreed.

Mr. Speaker: Motion dropped.

Order discharged and motion withdrawn.

• (1420)

[*English*]

CORRESPONDENCE RELATING TO NEW POSTAL CODE

Motion No. 136—**Mr. Dinsdale:**

That an Order of the House do issue for a copy of all correspondence, telegrams, memoranda and other documents received by the government on the subject of the new postal code and the replies thereto.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, it is physically impossible to gather all this correspondence. It would take at least six man-months of research, assembly and copy time and the cost would be enormous. Under the circumstances I would ask the hon. member to withdraw his motion.

Mr. Dinsdale: Mr. Speaker, I can understand that the protests are voluminous. Could the motion be transferred for debate, please?

Mr. Speaker: Transferred for debate.

Motions for Papers

EVALUATION REPORTS BY TREASURY BOARD OF COUNSELLING ASSISTANCE TO SMALL ENTERPRISES PROGRAM

Motion No. 137—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the evaluation reports prepared in the past two years by the Treasury Board of Counselling Assistance to Small Enterprises Program (CASE), administered by the Department of Industry, Trade and Commerce.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there is no known Treasury Board evaluation report of Counselling Assistance to Small Enterprises Program (CASE). Therefore I would ask the hon. member to withdraw his motion.

Mr. Broadbent: Agreed.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

EVALUATION REPORTS BY TREASURY BOARD OF DEVELOPMENT OF MANAGEMENT COURSES PROGRAM

Motion No. 138—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the evaluation reports prepared in the past two years by the Treasury Board of Development of Management Courses Program (DMC), administered by the Department of Industry, Trade and Commerce.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there is no known Treasury Board evaluation report of Development of Management Courses Program. Therefore I would ask the hon. member to withdraw his motion.

Mr. Broadbent: Agreed.

Mr. Speaker: Motion dropped.

Order discharged and motion withdrawn.

EVALUATION REPORTS BY THE TREASURY BOARD OF DEFENCE INDUSTRY PRODUCTIVITY PROGRAM

Motion No. 139—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the evaluation reports prepared in the past two years by the Treasury Board of the Defence Industry Productivity Program (DIP), administered by the Department of Industry, Trade and Commerce.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there is no known Treasury Board evaluation report of the Defence Industry Productivity Program. Therefore I would ask the hon. member to withdraw his motion.

Mr. Broadbent: Agreed.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

Motions for Papers

EVALUATION REPORTS BY THE TREASURY BOARD OF THE PROGRAM FOR EXPORT MARKET DEVELOPMENT

Motion No. 140—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the evaluation reports prepared in the past two years by the Treasury Board of the Program for Export Market Development (EMD), administered by the Department of Industry, Trade and Commerce.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there is no known Treasury Board evaluation report of the Program for Export Market Development. I would therefore ask the hon. member to withdraw his motion.

Mr. Broadbent: Agreed.

Mr. Speaker: Motion dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT BY THE TREASURY BOARD OF PROGRAM FOR AUTOMOTIVE ADJUSTMENT ASSISTANCE

Motion No. 141—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the evaluation reports prepared in the past two years by the Treasury Board of the Automotive Adjustment Assistance Program (AAA), administered by the Department of Industry, Trade and Commerce.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there is no known Treasury Board evaluation report of the Automotive Adjustment Assistance Program. I would therefore ask the hon. member to withdraw his motion.

Mr. Broadbent: Mr. Speaker, it is because there was a suspicion that these notices of motions appeared on the order paper, and it may be that there was some reason for suspicion. These answers lend a great deal of substance to the whole critique of the propriety of the so-called corporate rip-off we have talked about.

Mr. Baldwin: And you voted for it.

Mr. Speaker: This motion will be transferred for debate.

EVALUATION REPORT BY TREASURY BOARD FOR PROGRAM FOR BUILDING EQUIPMENT, ACCESSORIES AND MATERIALS

Motion No. 142—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the evaluation reports prepared in the past two years by the Treasury Board of Building Equipment, Accessories and Materials Program (BEAM), administered by the Department of Industry, Trade and Commerce.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there is no known Treasury Board evaluation report of Building Equipment, Accessories and Materials Program. I would therefore ask the hon. member to withdraw his motion as these evaluation reports are continuing and not specific.

Mr. Broadbent: Agreed.

[Mr. Speaker.]

Mr. Speaker: Motion dropped.

Order discharged and motion withdrawn.

EVALUATION REPORT BY TREASURY BOARD FOR PROGRAM FOR SHIP CONSTRUCTION SUBSIDY

Motion No. 143—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the evaluation reports prepared in the past two years by the Treasury Board of the Ship Construction Subsidy Program (SCSP), administered by the Department of Industry, Trade and Commerce.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there is no known Treasury Board evaluation report of the Ship Construction Subsidy Program. I would therefore ask the hon. member to withdraw his motion.

Mr. Broadbent: Mr. Speaker, I do not want to take up any more of the time of the House for these totally useless answers. If it is agreed by the parliamentary secretary that his answer is going to be the same, I would let it be known now that they could all be transferred for debate.

Mr. Speaker: Is it agreed that motion Nos. 143 to 151 be transferred for debate?

Some hon. Members: Agreed.

Transferred for debate.

EVALUATION REPORT BY TREASURY BOARD FOR PROGRAM TO ENHANCE PRODUCTIVITY

Motion No. 144—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the evaluation reports prepared in the past two years by the Treasury Board of the Program to Enhance Productivity (PEP), administered by the Department of Industry, Trade and Commerce.

Transferred for debate.

EVALUATION REPORT BY TREASURY BOARD FOR PROGRAM FOR ADVANCEMENT OF INDUSTRIAL TECHNOLOGY

Motion No. 145—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the evaluation reports prepared in the past two years by the Treasury Board of Program for the Advancement of Industrial Technology (PAIT), administered by the Department of Industry, Trade and Commerce.

Transferred for debate.

EVALUATION REPORT BY TREASURY BOARD FOR PROGRAM FOR MOTOR VEHICLE MANUFACTURERS' REMISSION

Motion No. 146—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the evaluation reports prepared in the past two years by the Treasury Board of Motor Vehicle Manufacturers' Remission Program (MVM), administered by the Department of Industry, Trade and Commerce.

Transferred for debate.

EVALUATION REPORT BY TREASURY BOARD FOR PROGRAM FOR MACHINERY REMISSION

Motion No. 147—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the evaluation reports prepared in the past two years by the Treasury Board of the Machinery Remission Program (MACH), administered by the Department of Industry, Trade and Commerce.

Transferred for debate.

EVALUATION REPORT BY TREASURY BOARD OF INDUSTRIAL RESEARCH AND DEVELOPMENT INCENTIVES ACT

Motion No. 148—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the evaluation reports prepared in the past two years by the Treasury Board of Industrial Research and Development Incentives Act (IRDIA), administered by the Department of Industry, Trade and Commerce.

Transferred for debate.

EVALUATION REPORT BY TREASURY BOARD FOR PROGRAM FOR INDUSTRIAL DESIGN ASSISTANCE

Motion No. 149—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the evaluation reports prepared in the past two years by the Treasury Board of the Industrial Design Assistance Program (IDAP), administered by the Department of Industry, Trade and Commerce.

Transferred for debate.

EVALUATION REPORT BY TREASURY BOARD FOR PROGRAM FOR GENERAL ADJUSTMENT ASSISTANCE

Motion No. 150—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the evaluation reports prepared in the past two years by the Treasury Board of the General Adjustment Assistance Program (GAAP), administered by the Department of Industry, Trade and Commerce.

Transferred for debate.

EVALUATION REPORT BY TREASURY BOARD FOR PROGRAM FOR EMPLOYMENT SUPPORT

Motion No. 151—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the evaluation reports prepared in the past two years by the Treasury Board of the Employment Support Program (ESP), administered by the Department of Industry, Trade and Commerce.

Transferred for debate.

Mr. Speaker: No. 155.

Mr. Reid: Mr. Speaker, I would ask that the motion stand as well as the remaining motions for papers.

Mr. Howard: Mr. Speaker, I rise on a point of order. Before today's proceedings 61 notices of motions for the production of papers had been transferred for debate, to which we must add those that have been transferred today. The great bulk of those motions were transferred for debate at the insistence or the request of the government on the stated ground that the information or papers sought to be produced were confidential, or some such similar designation. A number of instances have arisen in the past when the government refused to produce documents on the basis that they were confidential and subsequently they became public, thereby proving they were not in fact confidential.

I submit what is happening here is that the government is misusing its authority to transfer items for debate. There are 61 on the order paper now, so many of them will never come up for debate, let alone a vote. I think it is an abuse of the rules of the House to permit the government to hide behind this kind of sham answer of confidentiality.

Mr. MacEachen: Mr. Speaker, perhaps I might comment on the very important point of order raised by the hon. member with regard to the question of notices of motions for the production of papers. I have been very conscious of the very large number of such motions that have appeared on the order paper both in the last and the present parliaments. I have also examined as well as I could the grounds upon which the government has been obligated from time to time to refuse the production of various papers. It places the parliamentary secretary in an unenviable position to have the job each Wednesday of refusing what to hon. members appear to be legitimate requests for information.

The government has reviewed the grounds very carefully, based upon parliamentary practice and based on its willingness to make available as much information as possible to hon. members. I hope that at an early date, when we are debating one of these motions that have been transferred for debate, it will be possible for me to discuss in some detail the grounds upon which we are reaching these decisions and also to table for the benefit of hon. members the guidelines that are being used. It seems to me that if these guidelines, which we think are based upon good practice, are fully understood by hon. members, maybe there will be a better understanding of this question on the part of private members and the government. I would like to have it debated on an appropriate occasion when we are dealing with one of these motions and put before the House, the guidelines that we have brought up to date and are following and are asking departments to follow. The fundamental principle we have adopted is to make as much information as possible available. Only where the refusal can be founded on solid grounds is the request refused.

I make these comments because I believe it is important to indicate that we have considered the matter and are willing at a later date to debate the whole question of notices of motions for papers.

Mr. Fairweather: On the point of order, Mr. Speaker, I think the House is entitled to see the guidelines the minister speaks about. I am of the view that it is the security of the government and not the security of the state that motivates the government in making so much of this material confidential.

Some hon. Members: Hear, hear!

Mr. Fairweather: I hope the minister will fulfil his undertaking and bring this matter forward at the earliest opportunity. There is much too much restricted information at the present time.

Mr. Speaker: Is the hon. member rising on the same point of order?

Mr. Howard: Yes, Mr. Speaker. The revelation by the government that it at least recognizes that a problem exists is welcome, but I suggest that a course might be followed in respect of this matter that might afford parliament an opportunity to make a determination. That would be for the minister, not just in a debate on one of these notices of motions for the production of papers because that would be inconclusive and leave the government's position intact, to agree now to table the guidelines that have been developed so that we could examine them. Following that, representatives of the parties could discuss the guidelines with the minister and come to some conclusion in a co-operative way on whether or not they are proper. Otherwise, the government will still be in the position of making these decisions, and we know from experience that their decisions have been wrong and absurd and have been made for the purpose of preventing the government from being embarrassed rather than to provide information to the public.

• (1430)

Mr. Speaker: Order, please. Is the hon. member for St. Catharines seeking the floor on the same point of order?

Mr. Morgan: Yes, Mr. Speaker, I should like to ask that the guidelines be tabled now so that, as the hon. member for Skeena said, some parliamentary group can discuss them or so that the debate will at least have some meaning when it occurs. We will then be able to debate the guidelines with some degree of knowledge.

Mr. MacEachen: Mr. Speaker, I was hoping that next Thursday when we would be debating this question I would make a statement and make the guidelines available to the House at that time. It would certainly be agreeable to me that when the Standing Committee on Procedure and Organization meets it consider these guidelines because, in so far as we have been able to ascertain, they are based on solid grounds and upon good practice that has been followed in other jurisdictions. It is a matter that should be considered in order to bring about a better common understanding of what is involved in producing some of these papers.

Mr. Hees: Mr. Speaker, I wish to rise on the same point of order.

Mr. Speaker: Order, please. A number of hon. members are seeking the floor on the same point of order. There is, of course, no objection to pursuing the debate for a while, but I am wondering whether some hon. members may not feel that we are anticipating the debate that I gather is to take place later today, particularly in regard to the terms of reference that will be considered by the Standing Committee on Procedure and Organization. It was the opinion of the Chair that this was the very purpose of the debate called for this afternoon. It might be better to continue with our normal routine proceedings and eventually come to orders of the day when an opportunity will be afforded to hon. members to discuss this very point.

Mr. Hees: I rise on the point of order, Mr. Speaker, and I will be very brief.

Mr. Speaker: Order, please. The hon. member may be very brief and I will recognize him, but other hon. members also want to take part and I will recognize them also.

Mr. Hees: Would it not facilitate things greatly if the government House leader simply disclosed the fact that the government's guidelines are that it refuses to disclose anything that could be in any way embarrassing to the government?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member may have been brief but he was also out of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on the point of order to make one suggestion. My suggestion is that, when we come to the debate on Thursday afternoon on one of these motions for the production of papers, the government having indicated its guidelines, arrangements be made for that motion to stay at the top of the list until the next appropriate Thursday so that there can be a vote on that particular motion. This will give the House the opportunity to say whether or not it agrees with the guidelines.

Mr. Baldwin: Mr. Speaker, I was going to make the same point and I put it directly to the minister. Will he give his undertaking to the House that once the guidelines have been revealed the House will have a chance, in one form or another, to express its views about their correctness and any possible amendments to the guidelines by a recorded division?

Mr. MacEachen: I believe it would be much better for the Standing Committee on Procedure and Organization to examine the guidelines. If it felt, after consideration, that changes should be made, it would be agreeable to the government to have the changes considered. I believe it would be a bit hasty to have a vote on this matter without the Committee on Procedure and Organization having had an opportunity to consider it. If I may say so to the hon. member for Prince Edward-Hastings, I purposely precipitated this discussion because I am concerned about this question. I am concerned about making the greatest amount of information possible available and that when information is denied a clearly stated ground will be available for hon. members to consider. I hope that out of that debate we will have that conclusion.

ORAL QUESTION PERIOD

POWER

JAMES BAY HYDROELECTRIC PROJECT—MINISTER RESPONSIBLE FOR CO-ORDINATING FEDERAL GOVERNMENT'S INTERESTS AND RESPONSIBILITIES—REQUEST FOR STATEMENT ON POLICY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Minister of Energy, Mines and Resources. Are he and his department acting as co-ordinator of the federal government's over-all interests and responsibilities regarding the James Bay project and, if so, when was he given that responsibility.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have been assigned, within cabinet, the responsibility of co-ordinating my colleagues' efforts in this regard. I cannot recall the exact timing of it. I would have to go back and check the record.

Mr. Stanfield: Would the minister, at his very early convenience, make a statement on motions as to what the over-all policy of the government of Canada is with respect to this project, because the government's over-all policy seems to be very murky and obscure?

Mr. Macdonald (Rosedale): Perhaps I might remind the hon. gentleman that we had a very full debate on this question on an opposition day in the last session, and I suggest that as a starting point he might do a little research there.

Mr. Stanfield: I should like to direct my next supplementary question to the right hon. Prime Minister and ask him whether the appointment of the Minister of Energy, Mines and Resources to this co-ordinating role, in view of his reputation for liking to push people around, indicates—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I am sure the Leader of the Opposition will appreciate that a question in those terms is hardly in order.

Mr. Stanfield: Mr. Speaker, I apologize for exciting my hon. friends so much. I should like to ask the Prime Minister whether the appointment of the Minister of Energy, Mines and Resources to this co-ordinating role indicates that the government of Canada attaches more importance to the energy aspects of this project than it does to the human values involved in it?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. I am sure the hon. member would be able to ask that kind of question no matter who was co-ordinating. There are always some aspects that must prevail in certain circumstances, but a co-ordinator is just that, a person who takes into account all aspects.

JAMES BAY HYDROELECTRIC PROJECT—PLANS TO DEFEND RIGHTS OF NATIVE PEOPLE

Miss Flora MacDonald (Kingston and The Islands): Mr. Speaker, my supplementary question is for the Minister of Indian Affairs and Northern Development. In light of the Prime Minister's statement regarding the human aspects of the matter, and as the government knows that the James Bay project will be irreversible as of July 1, 1973, can the minister tell the House what contingency plans are being made to actively defend the way of life and the constitutional rights of some 8,000 native people in the James Bay area, or is the government prepared to abandon these people to cultural genocide?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, yesterday morning I had the opportunity of answering the hon. member's questions on this subject for two hours; I think the committee was satisfied with government initiatives to protect the Indians in this case. The latter have now submitted their case to the courts, and we have helped them as much as was in our power. I can assure hon. members that we are continuing to take an interest in all aspects of the problem and that although the matter is now before the courts, we are in continuous contact with the government of Quebec and the Indians to try to find an agreement that would suit all those involved.

• (1440)

[*English*]

Miss MacDonald (Kingston and The Islands): Mr. Speaker, in light of the—

Mr. Speaker: Order, please. I apologize to the hon. member for Kingston and The Islands. The hon. member for Skeena seeks the floor on a point of order.

Mr. Howard: Mr. Speaker, my point of order is that the minister has just said, as I understood the translation, that the Standing Committee on Indian Affairs and Northern Development was satisfied with the responses he gave yesterday. That is not correct. The minister, in response to a series of questions about this matter yesterday, was evasive and indirect and indicated that the government was not concerned about doing anything in a real way to protect the interests of the James Bay Indians.

Mr. Speaker: Order, please. I would hope the hon. member would appreciate that this is debate rather than a point of order. If the minister claims or suggests that the answers he gave were satisfactory and the hon. member says they were not, I wonder whether that is not debate rather than a point of order.

Mr. Howard: Mr. Speaker, the only members of that committee to whom the attitude of the minister was satisfactory were his own colleagues in the Liberal party, and nobody else.

Mr. Speaker: Order, please. I think that right at the beginning of the question period I should remind hon. members that if we spend half the question period on the very first question a number of hon. members will be

disappointed. The hon. member for Kingston and The Islands has a supplementary.

Miss MacDonald (Kingston and The Islands): Mr. Speaker, since the minister seems to be well satisfied with what he said yesterday, can he now tell the House if the government is prepared to present a formal brief outlining the government's views either to the interlocutory injunction hearings or to the government of the province of Quebec?

[*Translation*]

Mr. Chrétien: In connection with the current legal proceedings, Mr. Speaker, I have explained several times that we have given the Indians every possible assistance in bringing their views before the courts. I should not like to be paternalistic or to take over what the Indians have started; I just want to help them.

With regard to our getting in touch with the government of Quebec, I must say that we have made many representations; I have myself met the premier of Quebec several times, and it was even my pleasure to speak with him on the matter this morning.

JAMES BAY HYDROELECTRIC PROJECT—INDEMNIFYING OF NATIVE PEOPLE

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a supplementary question.

Can the Minister of Indian Affairs and Northern Development say whether the federal government and the Quebec government are now considering the possibility of compensating the natives of the James Bay area for the land that they are going to lose to the hydroelectric development in that area?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, about two years ago I began asking the Quebec authorities and the James Bay Development Corporation to offer a fair and reasonable compensation to the Indians for the development of that area.

[*English*]

JAMES BAY HYDROELECTRIC PROJECT—FEDERAL APPROVAL OF BRIDGE OR OTHER WORKS—POSSIBLE WITHHOLDING UNTIL INTERLOCUTORY INJUNCTION PROCEEDING DECIDED

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I wish to direct a supplementary question to the Minister of Transport. Since the federal government has clear jurisdiction in the James Bay area under the Navigable Waters Protection Act, has the minister issued any approval under that act that would allow the corporation to proceed with bridge building or any other developments, which will be irreversible even if the native people do succeed in obtaining an interlocutory injunction?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I know of no such authorization, but I will inquire in the department to see if there was some discussion before I became Minister of Transport.

[Mr. Speaker.]

Mr. Clark (Rocky Mountain): Mr. Speaker, may I ask the minister whether it is the intention of the government to withhold any approvals that he would be required to give under that act until the decision on the interlocutory injunction hearings is finally made in the James Bay case?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, the hon. member will not get from me, either directly or indirectly, any legal opinion on what the province may do. However, I shall inquire about negotiations that may have taken place between the department and the Quebec government.

[*Later:*]

[*English*]

Mr. Clark (Rocky Mountain): On a point of order, Mr. Speaker, I am afraid both the Minister of Transport and I had difficulties with the translation device. My question to him, which I think was misunderstood, did not have to do with the legal powers of the province of Quebec but rather with the intention of the government of Canada regarding use of its powers under the Navigable Waters Protection Act in a way that would prohibit any further development of the James Bay area until the conclusion of the interlocutory injunction hearings. That was my question, and I am sure the minister would want to reply.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, the hon. member assumes that the legal question has been clarified and that our rights in that area are well established. There are still some unclarified points. I have been informed by the Minister of Justice that certain matters which should have been clarified were not and that is why I cannot give a definite answer, since the Minister of Justice himself has not been able to take a definite stand in the matter.

* * *

[*English*]

CONSUMER AFFAIRS

FOOD PRICE INCREASES—ESTABLISHMENT OF PROGRAM UNDER ACT TO PROMOTE CONSUMERS' INTERESTS

Mr. David Lewis (York South): Mr. Speaker, I want to direct a question to the Minister of Consumer and Corporate Affairs arising out of a reported statement by him that he has no power to do anything about food prices. I want to ask him whether he or his department has set up any machinery under section 6(1) of the Department of Consumer and Corporate Affairs Act giving him authority, among other things, to "initiate, recommend or undertake programs designed to promote the interests of the Canadian consumer"—other powers are set out which you would not want me to read now, Mr. Speaker—in relation to food prices or any other prices?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, with respect to the hon. member's question, in the statement to which he referred I did say

that there were powers given to me under the terms of the Combines Investigation Act where the prices in question were affected by unlawful restraint of trade. With respect to his reference to the section in the departmental legislation, any action under it would obviously have to be taken not by me in isolation but as part of my work as a member of the cabinet and as part of government policies. Certainly I am always in consultation with my colleagues as to appropriate methods of expanding the terms of reference of the department.

Mr. Lewis: Mr. Speaker, in view of the fact that the same section, in another subsection, gives the department authority to do certain things, for example, to provide inspection services as the Governor in Council may direct, may I ask the minister whether he has made any recommendation to the Governor in Council with regard to inspection of prices across the country, particularly food prices, or has he taken any other step under that section of the act under which he functions?

Mr. Gray: Mr. Speaker, the department does in fact maintain inspection services with respect to such matters as quality of food at the retail level, adequate weight of food, and so on. But with respect to the hon. member's more specific inquiry, to answer it would in effect call upon me to discuss confidential matters within the purview of cabinet. Therefore I am not able to give a more complete response at this time.

Mr. Lewis: Mr. Speaker, the minister cannot just fob this off with that kind of answer. I am asking him, as the minister responsible for the department which was set up by the Department of Consumer and Corporate Affairs Act, to inform the House whether he has set up any machinery or initiated any program, which under various parts of section 6 he has authority to do, with respect to prices or anything related to prices—a research program, a monitoring program, an inspection program or any other kind of program in that area which he has authority to undertake?

Mr. Gray: Mr. Speaker, I think we have already informed the House about the contingency planning work in the field of prices and incomes control. This work has been carried on under the jurisdiction of my department. With respect to the creation of other programs, this obviously would be a matter of over-all government policy and would be announced in the House in the usual manner.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. Before he made his decision that there was no national consensus that there was in fact an emergency situation with respect to rising food prices, did the minister hold discussions with his provincial counterparts and did he discuss the government's contingency plan with them? Since there is no reply—

Mr. Speaker: Order, please. A number of hon. members wish to ask supplementaries. The Chair will recognize the hon. member for Villeneuve and return to this matter later.

• (1450)

Mr. McGrath: On a point of order, Mr. Speaker, my question is very important. I submit to you, Sir, that perhaps it escaped the minister's attention. If the minister did not hear the question, I will be glad to repeat it.

Mr. Speaker: The hon. member for Villeneuve.

Mr. McGrath: Mr. Speaker, perhaps I could repeat the question. It is very important.

Mr. Speaker: Order, please. Perhaps the Chair might recognize the hon. member for Villeneuve. We have not finished the first round of questioning. In fairness I think we should, before the end of the question period, allow one representative of the hon. member's party to ask a question, and then I will give all the time hon. members require in order to pursue this matter further.

* * *

[*Translation*]

EXTERNAL AFFAIRS

ASSASSINATION OF DIPLOMATS—MEASURES TO PROTECT CANADIAN REPRESENTATIVES

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

Following the foul murder of three American and Belgian diplomats over the weekend by Palestinian terrorists, can the minister tell the House whether he intends to implement special security measures in order to protect Canadian diplomats against the murderous and undiscriminating madness of Palestinian commandos?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the safety of diplomats in foreign countries is, of course, the responsibility of the government of the country to which they are accredited, just as we have responsibility for ambassadors who are accredited to Canada. We do, whenever it seems appropriate, apply special security precautions to diplomats from other countries who might be threatened with attack. I hope other countries do the same for our diplomats.

* * *

CONSUMER AFFAIRS

FOOD PRICE INCREASES—NUMBER OF INQUIRIES UNDER COMBINES INVESTIGATION ACT

Mr. Ron Atkey (St. Paul's): Mr. Speaker, may I direct a question to the Minister of Consumer and Corporate Affairs. It is supplementary to that asked by the hon. member for York South. Will the minister tell us how many inquiries, since he became minister, he has directed under section 8(c) of the Combines Investigation Act, which permits him to initiate investigations on his own? If the answer is none, would he indicate why?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have been following the same

practice in this regard as has been followed by previous governments, including that of the hon. member's own party.

Mr. Hees: When we were in office there was no Department of Consumer and Corporate Affairs.

FOOD PRICE INCREASES—FEDERAL JURISDICTION OVER PRICING AT WHOLESALE LEVEL AND TRANSPORTATION COSTS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a further supplementary question to the Minister of Consumer and Corporate Affairs. May I ask the minister if it is his contention that in the area of food prices he has no jurisdiction over pricing at the manufacturer's or wholesale level or over the transportation component of prices of goods that move imterprovincially or are exported from Canada?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member may be asking me for a legal opinion, but as far as I am aware I have only that jurisdiction over prices given to me by parliament. Parliament has not yet given me or my department any general authority to regulate prices. The only authority is that contained in the Combines Investigation Act.

* * *

UNEMPLOYMENT INSURANCE

ALLEGED DIFFICULTIES IN MONTREAL OFFICE—REQUEST FOR INVESTIGATION AND STATEMENT AND ADDITIONAL OFFICES

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, the urgency of my question, directed to the Minister of Manpower and Immigration, is based on charges involving corruption, incompetence and a reign of terror in the Montreal Unemployment Commission offices and that officials are not helping the unemployed but are merely meeting quotas and arbitrarily throwing eligible claimants off lists of claimants eligible for benefits. In view of these charges, will the minister make a statement relating to the eviction of UIC workers in the Montreal area, and does he intend to investigate this whole matter and report to the House.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, my preliminary investigation would indicate that the premise of the hon. member's statement is really quite incorrect.

Mr. Grafftey: Mr. Speaker, my supplementary question is based on the nearly complete breakdown of the administration of unemployment insurance claims in the Montreal area. Will the minister now open and reopen offices in rural and small town areas outside Montreal, where once there were UIC offices, and put an end to the callous, cruel and inhuman administration?

Mr. Speaker: Order, please. The hon. member will appreciate, I am sure, that a question asked in those terms is an assertion or declaration rather than a question.

[Mr. Gray.]

Mr. Grafftey: Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Speaker: May we have order, please. The hon. member should be given an opportunity to ask his supplementary question.

Mr. Grafftey: Thank you, Mr. Speaker. The urgency of my supplementary question is based on the fact that eligible claimants, often because of the lengthy waiting periods encountered under the present administration, are thrown on to the welfare rolls of the province of Quebec. In view of this incredible situation, will the minister now open and reopen offices in small towns and rural areas? It is a simple question, Mr. Speaker.

Mr. Andras: Mr. Speaker, as I have said countless times in the House, I am not satisfied with the administration of the Unemployment Insurance Act and I suspect that anybody else holding my portfolio would not be satisfied until we achieve absolute perfection, which I doubt will ever come about. Having said that, I am sympathetic to the concerns of all members about delays in processing claims for benefits. I think the commission is doing all in its power to improve the service and overcome the difficulties that it faced during the past year, which are well known. I would appeal to all hon. members to give the commission a fighting chance, a fair chance, and not to make the job of the commission that much more difficult through accusations and innuendoes unsupported by facts.

Mr. John Rodriguez (Nickel Belt): I have a supplementary question, Mr. Speaker. In view of the days of wine and roses in the Unemployment Insurance Commission offices in Montreal, will the minister agree to make a statement on motions as soon as possible so as to clarify and clear up a situation which is detrimental to the efficiency of the organization on which hundreds of thousands of workers have to rely for prompt and fair treatment?

Mr. Speaker: Order, please. I have the impression that the hon. member's question is the same as the one asked originally by the hon. member for Brome-Missisquoi.

Mr. Rodriguez: A supplementary question, Mr. Speaker. Will the minister inform the House how the Commission plans to deal effectively with the hundreds of thousands of unemployment insurance claims when it cannot even properly handle its own unemployed staff?

Mr. Speaker: Order, please. That question, of course, is out of order.

[*Translation*]

STUDY ON DECENTRALIZATION OF OFFICES—REQUEST FOR REPORT

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Can he tell the House whether he intends to publish the recommendations of the study now being made by his department on the timeliness and urgency of decentralizing Unemployment Insurance Commission offices? If so, does he intend to make those recommendations available to hon. members?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, there is an examination of the idea of decentralizing the services of the Unemployment Insurance Commission. This was made well known when I appeared before the committee at the time miscellaneous estimates were being examined. When I have had a full opportunity to join with the chairman of the commission in making a decision on implementation and to assess all the implications of so doing, I will be glad to make that decision known to the House. I might say that some of the delays to which my hon. friends opposite are referring and screaming about came about as the result of their deliberate hold-up of funds—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

[*Translation*]

Mr. Fortin: Mr. Speaker, I would like to put a supplementary question to the Minister of Manpower and Immigration.

In view of the reply he just gave us—Mr. Speaker, if our Progressive Conservative friends could be as polite to us as we are to them—

Mr. Speaker: Order.

Mr. Fortin: I thank you, Mr. Speaker.

As the minister has just told us that he was considering the possibility of hastening the issuance of these cheques, could he tell us when exactly he will come to a decision about decentralizing this inhuman, provocative and unfair system as far as claimants are concerned?

[*English*]

Mr. Andras: Mr. Speaker, again I take exception to the use of the term "inhuman system". In reply to the question, may I say that I will be doing it just as quickly as is humanly possible.

• (1500)

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to direct a supplementary question to the Minister of Manpower and Immigration related to the general policy of centralization and computerization which was instituted a couple of years ago. Can the minister say whether this particular program, which we were assured would save administrative costs, has resulted in the administrative costs tripling in the past three years despite the other problems to which reference has been made?

Mr. Speaker: Order, please. The hon. member for Yorkton-Melville.

PROVISION OF APPEAL PROCEDURE FOR CLAIMANTS WHERE OVERPAYMENT IS ALLEGED

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. In view of the complaint that I believe a number of members have received that a claimant cannot appeal an overpayment made to him or her by the Unemployment Insurance Commission, is it the intention of the minister to introduce an amendment to the act so that the claimant will have the right of appeal in a situation where he is overpaid by the commission?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, whether I have to do it by regulation or amendment to the act, that matter bothers me too. I want to look into it to see if we can alleviate any injustice that may have been inadvertently perpetrated.

* * *

GRAIN

WHEAT—POSSIBILITY OF PURCHASE FROM UNITED STATES TO MEET CANADA'S EXPORT COMMITMENTS

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I wish to direct a question to the Minister of Justice who is in charge of the Wheat Board. Will he inform the House and the country how many million bushels of wheat Canada is prepared to buy from the United States in order to meet our export commitments?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am happy to assure the hon. member, as I have about 55 times previously, that we have several hundred million bushels of unsold wheat on hand at this time and we are not intending to buy any wheat from anywhere else.

Mr. Horner (Crowfoot): Is the minister aware that in the state of Montana Canadian buyers are prepared to pay 50 cents a bushel more to American farmers than they ordinarily receive for wheat to be moved into Canada to meet our export commitments?

Mr. Lang: No, Mr. Speaker, I am not aware of that. I am aware that a certain amount of publicity is being put out in the state of Montana about the fact that Canadian prices are about 40 cents higher than American prices and urging that American prices be brought into line.

Some hon. Members: Hear, hear!

Oral Questions

ACTION TO AVOID POSSIBLE LAKEHEAD GRAIN HANDLERS STRIKE—REQUEST FOR ESTABLISHMENT OF TRANSPORT CONTROLLER

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is for the Minister of Labour. In light of the warning that negotiations at the Lakehead with grain elevator workers are at an impasse at the present time and that the situation could lead to a strike next month when the shipping season opens, can the minister inform the House whether he personally has been in touch with both parties to the dispute to encourage productive negotiations and assess what initiatives the government should take to avoid any possibility of a strike next month?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, depending, of course, on the seriousness of the situation, everyone in this House is aware of the ultimate action that government and parliament can take. In the meantime, officials of my department have been available to the parties involved and are doing their very best to assist in arriving at a settlement.

Mr. Murta: A supplementary question—

Mr. Speaker: Order, please. I again bring to the attention of hon. members that we will be running short of time. We do get into difficulty from day to day when there are too many supplementaries to every question asked. I seek the co-operation of hon. members in this respect. The hon. member for Lisgar will be recognized for one last supplementary.

Mr. Murta: Mr. Speaker, I wish to direct a short supplementary to the Minister of Agriculture. In order to improve the credibility of Canada as a wheat exporter, is the government giving serious consideration at the present time to introducing legislation to establish a grain transportation controller with adequate powers to ensure that grain transportation will not be disrupted in the future?

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MANPOWER

LOCAL EMPLOYMENT ASSISTANCE PROGRAM—REQUEST FOR STATEMENT ON PROGRESS AND RECEIPT OF APPLICATIONS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Will the minister advise the House if there is any progress in the planning of the local employment assistance program and if his department is now receiving applications? Also, is it a fact that the staff are now in the field, ready to go into operation on April 1?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I expect to be making a statement on this matter very shortly. I will be glad to furnish that information to the hon. member just as quickly as I can.

[Mr. Lang.]

INCOME TAX

PRACTICE OF DISCOUNTING TAX REBATE CHEQUES—REQUEST FOR GOVERNMENT REGULATION

Mr. Doug Rowland (Selkirk): Mr. Speaker, I wish to direct a question to the Minister of National Revenue in connection with the current deplorable practice conducted by some small businesses, especially in the west, of discounting income tax rebate cheques. Is the minister considering implementing regulations similar to those implemented by the Unemployment Insurance Commission last year to prevent the assignment of rebate cheques to such businesses?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I have been giving consideration to this problem which other members as well as the hon. member for Selkirk have drawn to my attention. It would probably require an amendment to the Income Tax Act to correct this. We want to be cautious so that we do not create any hardship for people who might have quite substantial refunds coming to them and would like to deal with reputable financial institutions. However, if there are cases, even under the present law, where this kind of usury is being practised, I think charges could be laid without an amendment to the Income Tax Act. I might say, Mr. Speaker, that I believe the practice in my department is not to make cheques payable to anyone but the taxpayer, so that it would be necessary for the taxpayer to sign some kind of legal assignment or power of attorney in order for anyone else to get the benefit of the refund.

Mr. Rowland: Mr. Speaker, I wish to direct a supplementary question to the Minister of Justice. It is my understanding that the Department of Justice did take legal action in respect of discounting of unemployment insurance cheques last year in Alberta. Can the minister indicate to the House the status of that case at the moment?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I will be glad to gather this information and report directly to the hon. member.

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HARBOURS

LADNER, B.C.—REQUEST FOR DREDGING TO ASSIST FISHERMEN

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is to the Minister of Public Works. It relates to an answer to an order paper question last week regarding Ladner harbour. The minister's answer was that dredging of this harbour would start in April. As I toured the area over the weekend, as the report I received from his department is that they cannot start until July, and as the mouth of the harbour is almost closed and the fishing season starts on March 15, can the minister assure the House that he will ensure that the department dredges the harbour so the fishermen can enter and leave it in order to earn their living?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I have heard the representation made by the hon. member.

Mr. Speaker: Perhaps we might allow the hon. member one supplementary and then recognize the hon. member for Hamilton Mountain.

Mr. Reynolds: Mr. Speaker, this is a very serious issue in my constituency. Just to have heard the representation is not good enough. Will the minister look into this matter and give us an answer, because it involves the livelihood of a number of fishermen in Ladner? I toured the area by boat last weekend with the fishermen and the boat became stuck in the silt.

Mr. Speaker: Order, please.

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THE CANADIAN ECONOMY

GOVERNMENT POSITION ON WAGE AND PRICE CONTROLS

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my question was for the Prime Minister, but he must have been able to read my mind because he has bolted. It refers to a statement made by the Minister of Finance on Monday. Was the minister enunciating government policy when he stated to the Canadian Labour Congress that he was certain there was no nationwide demand or interest in wage and price controls?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that was on my mind, which I can read a little better than the hon. gentleman.

Mr. Beattie (Hamilton Mountain): The minister also stated at that meeting that there was no consensus among the provinces relating to wage and price controls. Can the minister inform the House when the provinces were consulted?

Mr. Turner (Ottawa-Carleton): At the last meeting I had with the provincial ministers of finance, Mr. Speaker.

• (1510)

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[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

Can he tell us whether the new program to send messages of public interest in the envelopes containing the old age pension and family allowances cheques is supposed to make up for the lack of efficiency of that white elephant Information Canada?

Mr. Speaker: Order. A question put in those terms is hardly in order.

[*English*]

ENERGY

SECURITY OF OIL SUPPLIES FOR EASTERN CANADA—NEGOTIATIONS WITH UNITED STATES

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Bearing in mind the continuing concern with regard to the security of oil supplies for Montreal and the eastern part of Canada, did the minister make any progress in his negotiations yesterday with United States officials?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I can confirm that Canadian and United States officials did meet yesterday to discuss the question of the insecurity of overseas supplies. No agreements were arrived at, but the officials are to meet again within the next several weeks to continue the discussions.

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LABOUR RELATIONS

ELEVATOR CONSTRUCTORS' STRIKE—REQUEST THAT MINISTER OF LABOUR CONVENE MEETING WITH PROVINCIAL MINISTERS TO ACHIEVE SETTLEMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Labour a question. On February 26 I asked the Prime Minister a question with reference to the continuing strike of members of the International Union of Elevator Constructors. This strike is going on in ten provinces, or at least in nine with a slowdown in the province of Quebec. In light of the fact that this work stoppage is affecting apartment blocks and 748 projects across Canada, and the minister having taken the position that under the constitution this is a provincial matter, inasmuch as the Prime Minister said he would look into my suggestion, would the minister call together the ten provincial ministers of labour in order to come to grips with the problem and bring this terrible strike to an end?

Hon. John C. Munro (Minister of Labour): What is the question?

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): Mr. Speaker, I heard the statement of the hon. member. I am not sure whether he put a question. The hon. member may be referring to an editorial which appeared in the *Globe and Mail*. The fact is, though, that this is a provincial matter. On several occasions we have indicated our concern over the serious economic implications of a continued strike of this kind and its adverse effect on the country and the hardship caused to employees. If the province of Ontario, where the major problem resides, wishes to call upon us for assistance, we shall be pleased to respond positively. We have received no such request. It is their responsibility to find a settlement and I would hope, as I am sure all members would hope, that they would go about getting it.

Some hon. Members: Hear, hear!

Mr. Woolliams: I do not wish to take up too much time on this matter. I will put my question very briefly. This strike is affecting houses, apartment blocks and new construction. When I asked the Prime Minister the same question, he said: "Mr. Speaker, I will certainly consider the request." Even hiding behind the constitutional question the minister is trying to hide behind—

Some hon. Members: Order.

Mr. Woolliams: —will the minister bring together the ten provincial ministers of labour in an effort to put an end to this strike which is affecting ten provinces, not one?

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): Again, I would say to the hon. member that, as anyone knows who is familiar with this strike, the major impact of this continued dispute is in the province of Ontario. It seems apparent that if the strike is settled there, it will be settled elsewhere throughout the country. That is where the initiative has to be taken. If the hon. member would agree with that conclusion, it seems to me he must also agree that the primary obligation rests there, and that to bring the ministers of labour together would not provide a satisfactory solution—

Mr. Woolliams: The Minister of Labour is misrepresenting the facts. It is true that the strike is going on in Ontario, but it is also going on in British Columbia; it is going on in Alberta; it is going on in Saskatchewan; it is going on in nine provinces.

Mr. Speaker: The hon. member is rising on a question of privilege, after which the Chair will have to call orders of the day.

Mr. Woolliams: I rise on a question of privilege.

Mr. Speaker: Order. Will the minister resume his seat?

Some hon. Members: Order!

Mr. Woolliams: If the minister wishes to misrepresent the facts—

Some hon. Members: Order!

Mr. Speaker: Order, please. I am sure the hon. member for Calgary North will agree with me that a dispute as to facts, which is the basis of this question of privilege, cannot found a question of privilege. There may be a point of dispute or debate with the minister, but I would not think it could be considered by the House as a question of privilege.

Mr. Woolliams: With the greatest respect, Mr. Speaker, surely the minister is not permitted to come here and deliberately misrepresent the facts. This strike is going on in ten provinces, not one. He is trying to leave the impression that it is going on in only one province where there happens to be a Conservative government. I want him to accept his national responsibility and stop hiding behind the constitution.

Some hon. Members: Hear, hear!

[Mr. Munro (Hamilton East).]

Some hon. Members: Oh, oh!

Mr. Speaker: Order. As I pointed out a few moments ago, no question of privilege arises. The hon. member claims he is not satisfied with the response given by the minister. It is well established that such a situation cannot found a question of privilege. The hon. member may have a protest or feel there is a question of debate. Further, it is unparliamentary to accuse another hon. member—the rule does not refer to a minister but to any hon. member—of deliberately misrepresenting the facts. I am sure that these words went beyond the intention of the hon. member for Calgary North. It is well agreed that in debate hon. members can suggest that other members misrepresent the situation, misrepresent the facts or give incorrect facts, but it is not in accordance with the well established traditions and practices of the House respected by all members that we should accuse one another of wilful misrepresentation. I would hope the hon. member for Calgary North would agree with me on that point.

Some hon. Members: Withdraw!

Mr. Woolliams: Mr. Speaker, for you, who are so gracious, I will withdraw the word "deliberate", but either through illiteracy or negligence he is still misrepresenting the facts.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Woolliams: I do not know how else to put it.

Mr. Oberle: On a point of order—

Mr. Speaker: Order. Before calling orders of the day I will recognize the hon. member for Prince George-Peace River. May I say that I am sure all hon. members will agree that I hear complaints from time to time about the question period. I have complaints, too, about the question period.

Some hon. Members: Hear, hear!

Mr. Speaker: I am not sure that this is the occasion on which to indicate what my complaints are, but certainly I suggest that too much time is taken during the question period on points of order and questions of privilege, that there are too many supplementaries, and that too many questions are asked day after day by the same members. I think this is unfair.

Some hon. Members: Hear, hear!

Mr. Speaker: This is not really a difficulty for the Chair because it is as easy for the Chair to recognize a frontbencher as a backbencher. But I feel it is not entirely fair to some of our colleagues who do not have the honour to be Privy Councillors or to sit in the front row that day after day they are given a secondary role during the question period. I am always anxious, from day to day, to give them a chance but it seems that when we spend 20 or 25 minutes on the first two or three questions asked it becomes an impossible task to give a fair break to hon. members who do not happen to sit in the front rows.

Some hon. Members: Hear, hear!

Mr. Speaker: I would seek the co-operation of hon. members.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): On a question of privilege—

Mr. Speaker: Order, please. I have to apologize to the hon. member who has risen on a point of order, but he has lost his precedence because we now have a question of privilege.

Mr. Munro (Hamilton East): Mr. Speaker, a lot of statements and charges were made by the hon. member for Calgary North, in connection with which I could take offence. There was, I think, a deliberate misinterpretation of my answer. But I find it so difficult to take the hon. member seriously at any time that I am prepared to let the matter drop.

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member for Prince George-Peace River rises on a point of order.

Mr. Oberle: Mr. Speaker, I welcome the opportunity to agree with you today and disagree with my hon. friend from Calgary North.

Some hon. Members: Hear, hear!

Mr. Oberle: The point is the same. I interpret it to be a point of order. I concur with my hon. friend that the minister is misleading the House when he says there is an elevator strike in Ontario only.

An hon. Member: He did not say that.

Mr. Oberle: The problem is quite as grave in British Columbia; it is as much a problem there as elsewhere. These people do not know what is going on in British Columbia or they would not make these statements.

Some hon. Members: Hear, hear!

Mr. Speaker: We shall have another 40 minutes tomorrow to pursue the debate. Orders of the day.

• (1520)

GOVERNMENT ORDERS

HOUSE OF COMMONS

COMMITTEE REVIEW OF AND REPORT ON STANDING ORDERS AND PROCEDURE—AUTHORIZATION TO TRAVEL OUTSIDE OF CANADA DURING STUDY

Hon. Allan J. MacEachen (President of the Privy Council) moved:

Standing Orders and Procedure

That the Standing Committee on Procedure and Organization be authorized to consider the standing orders of the House and procedure in both the House and its committees with special regard to all the matters that Mr. Speaker suggested during the twenty-eighth and twenty-ninth parliaments that may require the consideration of the said committee, and to report to the House its views on any facets thereof that may require reform and to recommend what manner of reform may be required;

And that the committee be authorized to travel outside of Canada during consideration of the aforementioned subject.

He said: Mr. Speaker, the events of the last hour and a half have provided an excellent backdrop to the discussion that we hope will continue for the rest of the afternoon and culminate in the acceptance of this motion and an early beginning by the Standing Committee on Procedure and Organization of its deliberations.

There are many problems and issues that can be raised in commencing discussion of this motion, particularly the list of items which Your Honour has put together from time to time as subject matter for study by the Standing Committee on Procedure and Organization. I should like to confine my remarks to brief comments about the process of parliamentary reform in Canada; second, to general comments about the operation of the House of Commons; third, the question period; fourth, Standing Order 43; fifth, the supply procedures; sixth, the committee system; and finally, any other matters that may be of interest to the House.

The process of parliamentary reform in Canada has in recent years become a continuing one. What was once a very sporadic effort has become a continuing process. Hon. members will know that the original rules adopted in 1867 were first revised in 1876. It was then 30 years before further revisions were made in the rules of the House of Commons. The 1906 reforms were followed by further amendments in 1910 and 1913. There were further revisions at approximately 15-year intervals—in 1927, 1940 and 1955.

The present process of continuing reform that is proposed in this motion began about ten years ago. Provisional reforms were adopted in 1964, and work by special committees culminated in the adoption of very major revisions to the rules in 1968. At that time the notion of a permanent Standing Committee on Procedure and Organization was embedded in the Standing Orders. Since 1968, only two amendments have been made to the Standing Orders, the 75A, 75B and 75C rules which are well know to hon. members, and the statutory instruments committee rule.

We, like the British House of Commons, have been constantly aware of the need to reassess and re-examine whatever changes we have made in the recent past, and also to reassess and re-examine old rules that may not have been revised in recent years. It stands as an axiom that the operation of parliament and the operation of the House of Commons requires the constructive co-operation of the members of all parties in the House of Commons. Each one of us may on one day or another behave improperly but we are sustained by the common, constructive balance that is usually maintained by the other members of the House of Commons. Because of that the House is able to operate effectively and to conduct its business.

There is great controversy at times in the House. Yesterday was a raw day so far as debate was concerned, but it was a good day for the House of Commons. The strong tempers that were displayed were healthy, but a daily diet of that explosive and tense atmosphere could hardly make for a continuing operation in the House of Commons.

The House is maintained by the Standing Orders, the rules and the Speaker. But as was pointed out in the report of the special committee that travelled to Westminster in 1968, it is also maintained by a subtle understanding of the spirit of parliament that is deeper than the rules and institutions. It is the deepening of that subtle understanding of the spirit of parliament that probably will engage the attention of the members of the standing committee.

The House of Commons is always working against time. The standing committees are always working against time. Time is the most precious commodity; it is precious not only to human beings generally but it seems to be more important to Members of Parliament and to the institution itself. When the members of the special committee visited Westminster in 1968, two observations were heard most frequently from members of the British House of Commons. One was, "We have decided that there are only 365 days in the year". The second was, "We have decided that in debate there comes a time when enough is enough". That was the sentiment that was expressed, not by members of the government but by members of the opposition.

Because of the more frequent changeover in government in the United Kingdom, the people we discussed problems with had experience both in government and in opposition. Their most frequent refrain was, "Time is precious; time is of the essence. There are only 365 days in the year, and if Members of Parliament are going to discharge their responsibilities to their constituents, there must be a predictable, regular way of dealing with parliamentary business".

It was in the light of examining that experience in the United Kingdom as well as our own experience that the special committee made its report to the House, as found in *Journals* for March 13, 1968. I had the honour of chairing that committee and other hon. members, including the hon. member for Peace River (Mr. Baldwin) and the hon. member for Winnipeg North Centre (Mr. Knowles), were distinguished members. That report, in essence, was the foundation for the general revision of the rules that was undertaken in 1968. It was the foundation and contained the philosophy upon which the subsequent committee built its conclusions.

• (1530)

Referring to the comments heard in Westminster, that there are only 365 days in a year and that time is of the essence, the question has been asked as we look at the calendar on March 7, particularly by the media, "What has been accomplished in this twenty-ninth parliament of Canada?" We have now spent two months in the House of Commons and we have operated under the rules. It is interesting to observe how strongly bound is the operation of this House by the rules which we ourselves adopted.

[Mr. MacEachen.]

We spent eight days on the throne speech debate. In view of the fact that almost 100 new members have seats in this House, it would be unrealistic to expect that less than eight days should be spent allowing them and other members to express their views in the House of Commons. As I say, that debate took eight days. Then we spent four days on establishing the prices committee. Was that too long? Surely it was a good debate and brought to the attention of the country a most important question. We spent four days on the controversial unemployment insurance bill removing the so-called ceiling. This provided to members of the House a wide-ranging debate on the whole question of unemployment insurance.

Then the government had to come to the House of Commons looking for $1,300 million in supply. That took nine days. Perhaps that was too long, but certainly it was an opportunity for members to examine the additional spending program of the government in the standing committee. Then, without any time allocation and with the freedom given to hon. members both on second reading and in committee on the clauses and schedules, we used up nine days. Then we had six days on the budget debate.

An hon. Member: Seven days.

Mr. MacEachen: It was six days if you do not count yesterday. We had two opposition days, two days on old age security, and four days on the important question of capital punishment. So that is what has taken up the time of the House.

If hon. members want the House to move faster, then they have to strike out days from the budget debate and the address in reply. If they want the House to move even faster, then they have to adopt even more stringent supply provisions than we have at the present time. But that is what the House has done. Those in the media who ask what we have been doing obviously have less than a full understanding of the nature of the House of Commons and the purpose of Members of Parliament. In the words of the right hon. member for Prince Albert (Mr. Diefenbaker), "It is not a sausage factory." It is not a sausage factory in any sense. That is how we have spent our time since we returned here on January 4.

The immediate cause of accelerating this reference is the operation of the oral question period. Hon. members and Mr. Speaker have on this very day expressed their frustration with the operation of the oral question period. We are not exactly flying blind when we discuss the oral question period in the House of Commons, because on previous occasions the House, through its standing or special committee and in debate in the House, has focused on the operation of the question period. Certainly the 40-minute question period is a result of a recommendation of the standing committee which was unanimously adopted by the House of Commons.

I am sure if hon. members re-examine in the committee the matter of the time of the question period, they will find inexorably that there is no final solution to the operation of the question period by extending it by 10 minutes or 20 minutes. In fact, Mr. Speaker has been more than generous in not seeing the clock during the question period. As I listened to the question period today, I had in front of me the report of a special committee of the House

on procedure and organization in April, 1964. That committee was chaired by the then Speaker. That report, which was later concurred in by the House as a whole, had a number of important points to make about the operation of the question period. It reads in part:

Your committee believes that the so-called orders of the day question period should be tightened up.

It continues:

Your committee believes that the implementation of Standing Orders 39(5) and 39-A, as noted above, will provide a basis for more effective use of the right of members to ask questions—

That was a reference to what is now embodied in our practice as the "late show." It goes on to say:

Your committee recommends that the House accept and support the following guidelines. (1) Questions asked prior to orders of the day should be governed by the provisions of Standing Order 39(1).

That is our present Standing Order 39(5) which makes this very clear when it provides:

—questions on matters of urgency may be addressed orally to ministers of the Crown, provided however that, if in the opinion of Mr. Speaker a question is not urgent, he may direct that it be placed on the order paper—

That is the Standing Order and it relates to the question of urgency. The guidelines went on to state:

(2) Such questions should

(a) be asked only in respect of matters of sufficient urgency and importance as to require an immediate answer;

(b) not inquire whether statements made in a newspaper are correct;

(c) not require an answer involving a legal opinion;

(d) not be asked in respect of a matter that is sub judice;

(e) not be of a nature requiring a lengthy and detailed answer;

(f) not raise a matter of policy too large to be dealt with as an answer to a question.

Then recommendation No. 3 reads:

Answers to questions should be as brief as possible, should deal with the matter raised, and should not provoke debate.

We know perfectly well as we observe the question period that these guidelines, especially the one in respect of provoking debate, are observed more in the breach: answers contain debating material and questions contain debating material. It is as certain as the fact that night follows day that any member who adduces an argument or controversy in his question will receive an argument and a debate in the reply if the person replying is at all sensitive to the kind of political forum in which we operate. So it works both ways.

• (1540)

I have every sympathy with the idea of undertaking a further study of the question period, but why do we not go back and look at what we have done already, what we have concurred in already and what we have asked Mr. Speaker to place before us as the rules of the House? I have great sympathy for Mr. Speaker during the daily question period, who with patience attempts to be reconciliatory and solve the impossible task of recognizing every hon. member who rises in his place to ask a question.

Perhaps I may conclude this reference by referring to observations that were made in the report of the special committee of 1968, at page 765. These have not yet been adopted by the House of Commons. In its report the committee stated as follows:

Another topic that engaged our attention was the question period. At Westminster no questions are asked without notice.

Then it goes on to say:

The effect of a notice requirement in discouraging trivial questions and trivial answers is valued highly by your committee.

We did not recommend the full adoption of the British question period system because I believe our question period is more lively, more entertaining and has many more of the characteristics of the theatre than the British question period. I do believe, however, that we probably could improve the operation of the question period if we relied more on notice, because once a minister has been given notice of a question he is bound, certainly by a sense of duty, to give a much more detailed and much more helpful answer to a question.

I commend the work already done by the committee in respect of the question period, the views of the other committees which examined the matter, and also the possibility that we might take a slight step forward if we adopted the practice of notice, on a trial basis or on a voluntary basis if it is not embedded in the rules.

The suggestion has been made that questions are asked during the oral question period because they are not answered quickly enough by the government when they are placed on the order paper. There may be some validity to that claim, although questions in the oral question period are not entirely for the purpose of seeking information; they are for the constructive purpose of embarrassing the ministry or showing weaknesses, if any exist, in the ministry and scoring political points. However, in my humble opinion the number of questions which appear on the order paper has really gone quite out of sight. If hon. members wish prompt answers to questions which appear on the order paper, it would seem to me that they should be selected in such a manner that pressure could be put on the department to get the answers out as quickly as possible.

In 1968-69 there were 189 sittings which produced 2,723 questions. So far this session we have had 1,420 questions asked in 44 sittings, 329 of which have been answered. This is a very large increase, and the response in 329 cases is not a bad response. Certainly I and other ministers are pushing the departments to get answers out. Sometimes it is like pulling teeth to get information out of departments on time. It is not entirely a matter of ill-will. It seems to me that much has to be done to improve the servicing of parliament by departments. During the last few weeks I have devoted a good deal of time to examining this whole question. It is not an easy one. I believe there is something which can be done to accelerate the process.

Standing Order 43 is a relatively new phenomenon. Why was it brought in? It is a strange thing, but there is a sort of balance which occurs in the House of Commons. When we had Standing Order 26 in respect of questions of urgency, mini-debates developed under the guise of points of order. This was obviously irritating to the Chair and to members of the government, because into the so-called point of order there was bootlegged a whole baggage of political material. This was most unsatisfactory, but that was the way it worked and everybody realized it.

The change was not imposed upon hon. members unwillingly. They accepted it. We introduced the "late show" and introduced Standing Order 26 in a new form in order to make it more efficient. Since it does not provide the opportunity for political debate, it is hardly used at all. The technique now has shifted to the use of Standing Order 43. The use of Standing Order 43 has increased very remarkably. In this session, 107 such motions have been presented. Five of these have been accepted for one reason or another. There were 107 matters of "national emergency", or 2.2 "national emergencies" presented every sitting day of the House of Commons. This is the point we have reached. Of these motions, 41 sought to send matters for study, investigation or examination to standing committees of the House, committees that are already sagging from overwork.

Mr. McGrath: Two-thirds of them have not yet started meeting.

Mr. MacEachen: The burden will be there. The estimates are ready for the consideration of the committees. I shall say a little more about the committee system later. What do we do about Standing Order 43 every day. I say "No". I become embarrassed saying "No". Why do I say "No".? It is not because I am unsympathetic to the efforts of hon. members to have investigations, but it seems to me that if the House of Commons is to pass a motion it should do so after some deliberation and thought. I instinctively recoil against that as a matter of policy and of inappropriateness for the House of Commons. That is one reason which is perhaps a matter of taste. The other reason is that our operation could become bogged down, because if these motions are to be debated they would supersede government business. They could go on all day, and the next day and the next day—and when would we be able to complete our legislative program and give expression to the needs of the nation as contained in the government's program?

• (1550)

If hon. members continue to put up motions, if that provides an outlet, fine. But we on this side, because of the reasons stated and unless the matter is of universal interest, will continue to use that unhappy expression, "No". It is really not the way to run anything, let alone parliament. I may say that I hope the standing committee will find a way of providing some kind of mini-debate that could capture the interest of the House—occasionally—on the orders of the day or thereabouts, that would give expression to opinions and in which there could be a good interchange. The present system is most unsatisfactory for members as a whole, in my opinion, and if something could be done and the committee could come up with another system, I think it would be most useful.

The supply procedures that were adopted by the House in 1968 were unanimously adopted.

Mr. Lambert (Edmonton West): You mean "clubbed".

Mr. MacEachen: No, unanimously adopted. My friend, the hon. member for Edmonton West (Mr. Lambert) was one of the hon. members on the other side of the House who took, not so much exception to the general pattern of supply, not so much to the predictability and the certainty that was introduced into the supply system, but basically to the abolition of the committee of supply and to the fact that estimates were totally withdrawn from the committee of supply.

Mr. McGrath: Good for him.

Mr. MacEachen: Yesterday the right hon. member for Prince Albert, in the remarkable intervention which he made on a point of order, said as recorded at page 1943 of *Hansard*:

> I think of that awful scene of a few months ago when we voted through $16 billion in four and a half hours because the rules imposed by closure had actually determined the denial of the right of parliament to examination.

That requires a certain amount of clarification, because the rules under which we are operating were generally approved by the House.

Mr. Lambert (Edmonton West): No.

Mr. MacEachen: The rules of supply. I am afraid my hon. friend is mistaken on that point. However, I will not get into an argument on it except to say that under the present supply procedures, patterned basically upon the British system, we send the estimates to the standing committees, rightly or wrongly, and there they are examined, witnesses and ministers are called and individuals present briefs. Many hours are spent on the examination of the estimates. Then they are reported to the House.

It is true that when the guillotine falls it seems appalling that billions of dollars must go through when the Chairman of the committee of the whole House calls the clauses and schedules without debate, but behind that scene—which the right hon. gentleman described as awful—is the enormous amount of study and investigation that took place before. Is it good, or is it bad? I think that is the subject that must be studied.

The hon. member for Peace River mentioned the other day the possibility of bringing some estimates into a committee of the whole. I think that could be examined by the standing committee, because I believe it was beneficial to have had the supply bill for $1.3 billion before the House and before the committee of the whole. I think it provided an excellent debate. It provided hand-to-hand fighting between the opposition and the government, and that is very healthy.

I have not discussed this with anybody else, and I speak only for myself, but I believe that is an aspect that should be considered, namely, whether we should not, with the proper safeguards and maintaining the predictability and the certainty that supply will be granted at certain intervals and the vote will be taken, be given some opportunity under carefully worked out safeguards to debate the estimates in a committee of the whole.

That was one of the issues raised by the hon. member for Edmonton West and the Leader of the Opposition (Mr. Stanfield) in December, 1968. The most dedicated advocate of the new supply procedures in that debate was the hon. member for Winnipeg North Centre who concluded, based upon his experience and the studies in the United Kingdom, as did the government, that this was an

improvement. It was a real improvement, in my opinion. But it could be further refined to meet the requirement of examination of estimates in a committee of the whole.

I would like to say a few words about the operation of the committee system. It could be said, with regard to the operation of the committee system, that more changes have been made in the format and the role of House of Commons committees in the past decade than in all the preceding years combined. Beginning in 1962 and culminating in the extensive reorganization of 1968, the committees have taken over more and more of the responsibilities which previously belonged to the House of Commons as a whole.

The rationale of our committee system is fairly straightforward. The committee system allows us to break down the membership of a large group for the sake of efficiency. It allows us to sort our parliamentary workload into more manageable parcels of detail, and it allows members to develop a greater degree of specialization in particular areas of interest. That is the theory, at least.

Hon. members who have been here for the past several years will be aware of the evolution, or perhaps revolution, of our committee system since the early 1960s, but perhaps for new members—there are quite a number of them in the House—I might be able to say a word or two about the major changes that have taken place. The main one, of course, is the requirement that all estimates and all bills, except for budgetary items, be referred to an appropriate committee for detailed study unless the House orders otherwise.

For example, in the last parliament we ordered that a number of bills—I believe the public order bill, and certainly the government reorganization bill—be examined in committee of the whole. Prior to that it was up to the government of the day to decide whether, and when, estimates should go to standing committees. At the same time, the number of standing committees was increased from 14 to 21, and the twenty-second was added in the last session. The average membership was cut in half, from 40 members per committee to about 20.

Another major change was the procedure in changing the membership of committees. Prior to 1968 that was a relatively rigid procedure. Today it happens quickly. You notify the whip and the clerk of the committee, and suddenly you could have a brand new committee.

• (1600)

Mr. Lambert (Edmonton West): The taxi squads.

Mr. MacEachen: I would suggest that the procedure committee may want to look at our substitution system to see whether we have exchanged an overdose of rigidity by an overdose of flexibility.

I think it is fair to say that in practice the amount of material referred to standing committees, apart from estimates and legislation, has increased substantially. There seems to be no end to the appetite to send more things to the standing committees. Whether it be members or ministers, it seems that a standing committee is the outlet, forgetting all the while that the time of Members of Parliament is at a premium and that at present the committee system is overloaded.

Virtually all standing committees, in the course of the previous and current parliaments, have had subject matters of substantial significance and public interest referred to them. We have had committees studying such things as the televising of House proceedings, the question of aboriginal rights, our northern waters' icebreaking services, veterans' pensions and services, tax reform, external affairs and defence policies, regional transportation services, the role and responsibilities of the Auditor General and his department, the question of bilingualism in the public service, election expenses, plus literally dozens of others, major and minor.

Mr. Baldwin: You missed the Happy Hooker.

Mr. MacEachen: I do not think that anyone, particularly any member who was here prior to the 1965-68 changes, will question the motives behind those changes. Parliament acted with the best intentions and in the sincere belief that what we were doing would strengthen our system and add to the ability of members to do a more effective job.

Mr. Woolliams: Would the minister permit a question? He has given an intelligent summary of what happened previously, but would he not agree that when the changes were made in 1968 there was some political motivation behind them, particularly because at that time there was a majority government, just as we in this party had at one time? Would he not agree that some of the weaknesses in the rules may be showing up in the new atmosphere of a minority government? I think he should weigh that point.

Mr. MacEachen: The point is a valid one. The problem is a different one in a minority government. Some of the points I will put on the record. Some of the information I have here was collected long before this debate, because this was a matter of concern to me before the end of the twenty-eighth parliament. I believe that some of the things I will mention will indicate how dramatically we have changed the committee procedures. It may be that experience will have shown that we have gone a bit too far, and that perhaps we have not gone far enough in other directions. Certainly the increase in the number of committees, as well as the growth in business transacted by committees, places a very heavy burden on Members of Parliament.

It might be of interest to note that in the second session of the twenty-eighth parliament, committees held 759 regular meetings at which legislation, estimates and other matters referred to them by parliament were examined. Contrast this with the second session of the preceding parliament, the twenty-seventh parliament, when the figure was 218. The increase in the number of meetings is in the neighbourhood of 300 per cent.

If we calculate these statistics in hours and relate them to the number of days on which the House sat, the result is even more dramatic. In the two sessions of the twenty-seventh parliament the House sat for 405 days and committees sat for a total of 1,450 hours, approximately—an average of 3½ hours of committee meetings for every day that the House sat. In the first two sessions of the twenty-eighth parliament the House sat for 353 days and committees sat for approximately 3,000 hours. This works out to

an average of 8½ hours of committee meetings for every day that the House sat. As a matter of interest, I might note that in the last two sessions of the previous parliament the House sat for 335 days and our committees logged 2,175 hours, for an average of 6½ hours for every day the House sat.

So far this session committees are sitting an average of two hours for every day the House sits, which is a pretty high ratio for the beginning of a session when only a few committees are operating. A similar pattern is shown for committee attendances. In the second session of the twenty-seventh parliament there were 3,105 committee attendances by hon. members, and by the second session of the twenty-eighth parliament this had increased to 9,909.

I said earlier that the new committee system places a particularly heavy onus on members. It places an even heavier onus on government members, more so than on non-government members and for understandable reasons. If committee attendance is down and business cannot get under way, that deficiency reflects more upon the government than it does upon the opposition. Regardless of which government has been in office, this has been the case. This government has been in office during the new committee regime and the heavier onus is upon government members, particularly government backbenchers who, with opposition members, are the real workhorses of the committee system.

I will not complain about the present situation. We are facing it as well as we can in manning committees with government members. When ministers, because of other meetings, are not able to sit on standing committees, government members have to carry an extra burden. I will not go into the statistics, but if one examines the attendance record of the last parliament you will see there is no question about it; government members had a very high attendance record, higher than any other group. That is because of the nature of the opposition, the nature of the House, the nature of the political process and for other reasons that I have mentioned.

Committee activity has increased. The volume of work has increased. We have to ask ourselves whether this increased activity on the part of the committee system has detracted from the image and impact of parliament itself. If the answer is yes, then do we want it that way? If it is no, then what do we do to remove some of the difficulties in the present committee system? I have the impression that not all of the changes have lightened the parliamentary load. In some cases they have duplicated the parliamentary load. I have one table here at least, Mr. Speaker, giving a summary comparison of committee activities in the second session of the twenty-seventh parliament and the second session of the twenty-eighth parliament. The figures I have already given show that the workload of committees has increased tremendously, as has the burden on private members.

There is no doubt, in my opinion, that that is one of the reasons why private members in the last parliament and in the present one have asked for greater assistance in their constituencies and in this House. It is because of the demands made upon their time in committees and in the House of Commons.

The hon. member for St. John's East (Mr. McGrath) has asked why I, as government House leader, allow committees to meet while the House is meeting, especially in committee of the whole. There is no way in which we can operate this system unless we permit committees to meet when the House is sitting. In the last session, seven or eight committees met while the House was sitting. I made it a rule that unless there was a desperate emergency, no more than four committees should sit while the House was sitting. This matter must be considered if we are to clear the estimates away and clear away our legislative program. Members not in the House are in committee, or in their offices working, or in their constituencies. That applies to most of them. There are faithful servants of parliament in this House, members who go to committees, who attend in the House and who really make this place live. I will come back to my point. We cannot avoid committees sitting when the House sits.

• (1610)

In the previous parliament we established, with the co-operation of other parties, a scheduling system that attempted to reduce, I think successfully, the number of conflicts that might arise, so that members could be given the opportunity of attending three or four committees without obvious conflict. We are proposing to re-establish that system during the present session. I have many ideas about how the committee system might be changed and improved and I hope at some point to be given the opportunity to make my view known to the Standing Committee on Procedure and Organization.

I have mentioned some of the problems that have arisen in the operation of our parliamentary system. There are many others. I believe that the work of the procedure and organization committee is of great importance. The work done by the hon. member for Winnipeg North Centre, the hon. member for Edmonton West and by others in renovating the rules was prodigious. They sat on subcommittees and brought together all the material and information that resulted in the system we have today. The system is not perfect but it is an improvement.

I hope the committee will take on the big job of doing justice to the items that Mr. Speaker has drawn to our attention. If it has more time, and an appetite for difficulties, it might take on the question of supply procedures and of the committee system. These, however, are very big problems indeed. I apologize to the House for the time I have taken and thank hon. members for paying such close attention to what I have said.

Mr. MacDonald (Egmont): Mr. Speaker, may I direct a question to the government House leader with respect to one item that was extensively studied by the committee last year and referred to in this year's Speech from the Throne? I am talking about the whole matter of broadcasting the proceedings of the House and of committees. As the minister did not mention this item when cataloguing those things that the committee might deal with—perhaps his omission was wise—could he indicate, since this was such an important concern of the committee, particularly in its last year of activity in the previous parliament, when, how or in what way one might expect to see some action on this, bearing in mind the fragility of

this parliament and the need for progress to be made on this important matter?

Mr. MacEachen: Mr. Speaker, I will be happy to answer that question. I was as disappointed as other members that we did not have an opportunity to deal with the report of the committee. I am proposing at some time to put on the order paper a motion to the effect that the House of Commons either agrees or disagrees with the televising of its proceedings. Once a decision is reached in principle, if it is favourable the Standing Committee on Procedure and Organization can come to grips very quickly with the technical requirements. I hope that the standing committee will not deal again with the question of television unless a decision either pro or con has been reached by the House of Commons.

As soon as possible I should like to put this matter before the House and let the House decide whether it wants television in this chamber. If we decide that we do, I think it will be relatively easy for the committee to put the matter in a form that can be implemented readily. It is a complex issue. I realize that there are strong views on the question of television and not everybody behind me, I am sure, or in front of me agrees that it is a good idea to televise our proceedings.

Mr. Horner (Crowfoot): Mr. Speaker, may I ask the minister a question? After referring the matter to the House, as he suggested, does the minister not think that we should allow a free vote on the question?

Mr. MacEachen: Mr. Speaker, I have not discussed that with my colleagues, but I hope we would not make the matter of television in the House a matter of party discipline. The British House has dealt with the question a couple of times. I feel that every member should decide this for himself and then we will know where we stand on the matter.

Mr. Lambert (Edmonton West): The last time the question arose there the answer was a resounding no.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I thank the President of the Privy Council (Mr. MacEachen) for his useful and interesting contribution. Speaking as a House leader, I may say that our relations have always been cordial and reasonable, unlike those I experienced before his elevation to this office. While I may say some unpleasant things about the government, I want to except the minister from those statements because in the very difficult hot-house sort of atmosphere in which the various House leaders live he has been very accommodating and reasonable. I extend the same remarks to the hon. member for Winnipeg North Centre (Mr. Knowles), limiting them, of course, to his capacity as House leader. I also extend them to the hon. member for Lotbinière (Mr. Fortin) in the same context.

I will not deal with all the questions raised by the minister. Some of my colleagues will deal with certain aspects of the problem to which he referred, and other issues will be mentioned. Before continuing, I wish to refer briefly to the question period. The real problem with the question period stems from the obvious difficulties which the government has constructed for itself. I agree with the President of the Privy Council that during the question period we are not necessarily seeking factual information. During that period the adversary system under which this House operates comes to the fore. Those who suggest that the adversary system is passé should take a hard look at the structure of our society. For that reason, and for other reasons which the minister mentioned, the question period is the crowning jewel in the diadem of our parliamentary life. I admit that problems have been created during the question period and that members of opposition parties do not always ask questions which are consistent with the rules. However, the real difficulty—I say this genuinely—comes from the application by the government of the three "D's" in government answers: there is too much deception, deviousness and delay.

Your Honour may recall that back in 1958-59 the ministers of the day came to this House well prepared to answer questions. The hon. member for Prince Edward-Hastings (Mr. Hees), who was responsible for several important portfolios in the cabinet of the right hon. member for Prince Albert (Mr. Diefenbaker), always came to this House well briefed. There was hardly a question to which he did not have the answer. The answer did not necessarily satisfy the questioner, but at least he was aware of the subject and had part of the answer. The same cannot be said for members of this government. I suggest, as other hon. members have suggested, that ministers of the Crown in the present government enter the House unprepared to answer a question which must have been obvious, and incapable of giving an answer. The answer may not contain all the facts which may be asked for, but at least it should be adequate.

• (1620)

Time after time we hear the statement, "We will wait until we are able to find the information and the hon. member will be informed in due course." These are the characteristics of those on the treasury benches which drive members of the opposition to frustration, anger and cause them to perpetrate, sometimes unconsciously and certainly unwillingly, infractions of the rules with regard to the question period. That is all I am going to say about it. I think the hon. member for Egmont (Mr. MacDonald) will deal with this later. It is a very important part of our parliamentary life. It is the time when the government, under the full glare of the spotlight of publicity, must meet the challenge, scrutiny and questioning of hon. members from all sides of the House who have been sent here to deal with government problems, government delays and government prejudices.

I am sometimes taken aback by the calm assumption of so many people, including many Members of Parliament, as to the sacrosanct quality and irreversible nature of the democratic process and rule of law as if having once achieved these things, sometimes by force, they will never be lost or even diminished, that the present eclipse of parliament and its function is merely temporary. These are dangerous assumptions to make. Those who believe in them are living in a fool's paradise. The human race has taken over half a million years to achieve the present position, and democratic institutions are 100 or 200 years old. This is certainly not a very long time in the context of

the history of mankind, certainly not long enough to have become part of the bloodstream and nerve centre of social evolution.

This very delicate and fragile institution is under continuous attack from executive government. The ever-hungry, monolithic monster of bureaucracy keeps chewing away at the few rights which remain to parliament, and on these they are receiving the very loyal and enthusiastic support of the elected branch of the executive, the cabinet. Certainly this is the case in Canada.

I could not do better than chronicle some of the highlights of this session's activities as a litany of the incidents of use or abuse of the executive power, uses that have caught the attention of this House over the past two months. There is the Vietnamese situation wherein the Secretary of State for External Affairs (Mr. Sharp) calmly asserted that parliament may be given some very brief and innocuous right of discussion long after the event. He refused to bring back for discussion and decision the motion launched under his name.

There is also the matter of the Unemployment Insurance Commission. There is the question of not only the deprivation of the right of scrutiny of this House by taking away certain changes in this legislation, but what we see going on day after day and what has been the subject of a very searching and intelligent cross-examination today as to the kind of rules and changes which are being made at the whim of the minister.

There are serious problems regarding unemployment insurance. I know that the government faces some of those. Why in heaven's name does the government not seize the nettle, bring the question into this House and let the House decide? We are the people who have been elected by our constituents all over Canada. We know what will be the impact of programs of this kind and of changes that are envisaged. Let this House look at the situation and decide.

The department of immigration has given away hundreds of millions of dollars to LIP and OFY programs which are sanctioned and spent without one bit of approval by this House until long after the event. With regard to the auto pact, all we are able to do is contained in the question period with the not-so-artful dodging of the Minister of Industry, Trade and Commerce (Mr. Gillespie). Hundreds of millions of dollars are being spent, and if we include the provincial contribution it is probably billions of dollars, on the construction of airports for which this parliament is not asked for one bit of advice. There is the James Bay project, which engaged the attention of the House today, and other matters.

These indicate beyond any doubt what is happening. They demonstrate the means employed by this government to downgrade, bypass, ignore or overrun the legislature. In each instance it is an example of the mishandling of arbitrary executive authority to create or intensify problems. This is not only happening in Canada. In the United States today, the President is locked in a conflict with Congress as to appropriations. There were the problems with regard to the Viet Nam war, the resolution following the Bay of Tonkin incident and the powers given to the President at that time. We are not isolated in these instances, although we have a government composed of people who have become very skilful in their adoption of these executive powers.

[Mr. Baldwin.]

It would be bad enough to surrender more and more power to the government even where the exercise of these powers results in greater efficiency and brings benefits to the people who are ruled, but such is not the case, certainly not in Canada where we see misrule, inefficiency and incompetence grow in direct proportion to the increase in authoritarianism. This debate is an opportunity for members of the House to dig in their heels and say, "Enough!"

This minority government seemed to give us one last chance to regain some of the rights which had been wrenched away, but in light of the conduct of my friends in the New Democratic Party, I am beginning to wonder. I say as rationally as I can and quite objectively, it is becoming quite clear that we do not have a minority government in this House. We have an actual, practising coalition, so much so that I sincerely wonder about the right that may well be asserted by the New Democratic Party to move a motion on an allotted opposition day. I point out to members of this House that under the Standing Orders, this right is reserved to those who are, and I quote, "in opposition to the government". There is a strong reason to suspect, and certainly Your Honour can take judicial notice of this, that the members of the New Democratic Party are anything but in opposition to the government.

I have heard it said by both the Prime Minister (Mr. Trudeau) and by the leader of the New Democratic Party that they are going to try to make parliament work. I welcome this statement. I try to believe it. I work hard at believing it. However, having observed these distinguished gentlemen in action, I have my doubts. Making parliament work for them seems to have a very different meaning than it has for me and most members of this House. For the Prime Minister it means making it work in such a way that he can look in the mirror every day and ask, "Mirror, mirror on the wall, am I still the biggest of them all?" then come here and take his place in the Prime Minister's seat. For the hon. member for York South (Mr. Lewis) it is not quite as satisfactory. For him, making parliament work means his ability to come into the House every day, look at the Prime Minister sitting in his seat and say to himself, "There, by the grace of David Lewis, sits Pierre Elliott Trudeau." The more I watch these two distinguished members of this House—I say this with due apology to both of them—the more I notice how much they resemble each other.

• (1630)

The fact of the matter is, there has developed a sort of collusive understanding to deny to the Progressive Conservative party, Her Majesty's Loyal Opposition, all real opportunity to have any point of view accepted by the House. The events of the last few weeks have demonstrated this to be the case beyond any shadow of doubt. So much so, indeed, that if our party were to put forward a motion proposing a revision of the prayer with which the proceedings of this House open, I anticipate that the Minister of Finance (Mr. Turner) and the leader of the New Democratic Party would rise in their places and scream that this, too, indicated a lust for power in our ranks.

Despite these misgivings, I have the duty to put before the House for the consideration of the committee on procedure some views with respect to what might be examined by the committee, on what should be done and on what course might be taken with regard to this motion. Certainly I agree with the President of the Privy Council that the whole question of supply and of opposition days as related to the consideration of departmental estimates ought to be closely examined in light of the experience of the last four or five years. This experience demonstrates beyond any reasonable doubt that committees can never be a substitute or an alternative for the House of Commons. They must be ancilliary to rather than in substitution for this chamber.

I do not say that committees cannot be used as an excellent means of providing an occasion for the examination of witnesses, of hearing evidence from ministers and from senior officials, of allowing the presentation of briefs by interested citizens throughout the country, because they are valuable means of obtaining the views of representatives of sectors of the public affected by issues which demand parliamentary attention. These things simply cannot be done in the House itself. Committees, used in the way I have described, are extremely effective in conjunction with the operation of the Commons.

I have already suggested, however, that the right should be reserved to this House, either in committee of the whole or through the revival, in a limited way, of the committee of supply, to deal with several departments of government, those departments to be selected by the opposition. The leader of the House has been good enough to indicate some acceptance of this view, subject, I agree, to certain safeguards as to the time to be taken and the manner of the proceedings. I should like to make a firm suggestion to the President of the Privy Council right now. We would not be unwilling to agree, as an experiment, during this session, even while the standing committee on procedure is considering the matter, to allocate some of the opposition days during which the estimates of several departments might be examined. Hon. members to my left, as well as members of the Créditiste party, might agree to co-operate, and maybe one or two government days could be made available for this purpose.

The committee on procedure would then have an opportunity to examine the experiment actually in progress and be in a better position to bring proposals back to the House. The government has nothing to lose by accepting a proposition of this kind. It might be a useful way of coming to grips with this question. I agree with the minister that there has been a good deal of misunderstanding shown in the media and elsewhere as to the manner in which the present rules apply. Among the most important functions of this House is the granting of supplies of money to government to enable it to carry out its programs and operations. It is at this point that the right of the opposition to voice grievances and seek redress is available to hon. members. But these opposition days upon which such grievances can be raised are not chosen by us. They are granted by the government. The government has every right to say to us: You will take this day, or that day. It is true that the minister has done his best to be accommodating, but the government has the right to say to the opposition: These are the days on which you will bring forward your motions.

The problem too often arises that on those particular days reports are not yet forthcoming from committees examining the estimates. For example, the estimates are just going before the committees, now. It might well be that intelligent and hard working opposition members will ascertain, having followed the evidence and cross-examination of witnesses in those committees, that there are certain aspects of the estimates which might well be the subject of an opposition day. But this is not an opportunity which is presented to us at the present time. One of the steps which might be taken is this: the days might be fixed by the government in consultation with the opposition so that at least we should be able, from time to time, to indicate much more strongly than at present that we have certain views of our own as to what days should be selected.

We moved a motion last Monday and we moved a motion yesterday, not necessarily because we wanted those particular days but because those days had been chosen by the government. The choice of subject matter was ours, of course. When the Minister of Finance was dealing with the motion yesterday he was, in my opinion, guilty of the most nauseating and juvenile hypocrisy when he suggested we were taking up the time of the House improperly by dealing with the motion and, in effect, preventing the House from attending to other matters.

Mr. Speaker, we were debating that motion yesterday because the government had directed that yesterday was a day upon which we would be able to bring down a motion on an opposition day. The reason is plain. Two or three days ago the government introduced supplementary estimates. Those estimates must be passed by the Standing Committee on Miscellaneous Estimates and reported to the House. Only after this has been done can there be an appropriation bill voting supply to the government. Considering the course on which we are now launched, this cannot be done until the last of the seven opposition days has gone by. So the government must ensure that those seven days are taken before the end of March, perhaps even earlier than March 26, if my recollection is correct, bearing in mind that the appropriation bill must go to the Senate, and one never knows how long the other place will take to consider a bill dealing with estimates.

I will go further. Let us admit it, on many of the opposition days when motions have been put down which do not involve the question of confidence, no matter how entertaining the subject matter, no matter how effective the debate, no matter what status is enjoyed by the hon. members who participate, by the time three speeches have been made all interest peters out. There have been one or two exceptions, but that is our experience. Interest falls off, not only among those whose duty it is, or should be, to report these proceedings, but among many hon. members as well.

I should like to suggest to the committee on procedure that consideration is given to making it possible for there to be a vote at the end of each of the opposition days. I do not suggest that each one of these will be a non-confidence motion. I am in definite agreement that there must be some limitation in that regard. But I do suggest that if

there were to be a vote with respect to each of these opposition days, it would permit all members—that is, all members genuinely in opposition to the government—to bring down motions and compel the House to divide on the issue.

• (1640)

As I have pointed out, this need not involve the question of confidence. It may well be that some of them will be passed. However, I think it would present an opportunity that does not exist now and would raise these opposition days' discussions to a level they do not possess at the present time. I realize there are some practical difficulties, but it would do a lot to improve interest. I hope the committee will look at that issue.

Another issue is one we have discussed in the House but which has never erupted openly. I refer to what we in this party assert is the sole prerogative of Her Majesty's Loyal Opposition, namely, to introduce motions of non-confidence. This results from the procedure which was adopted on supply days. If there is to be a motion of non-confidence, I submit with respect it is the prerogative of Her Majesty's Loyal Opposition to so move. This leaves the other opposition parties quite free to move amendments. This was the procedure adopted when we had supply motions and it worked very effectively and was satisfactory to all parties. I hope that the committee on procedure will take a look at this matter as well.

The matter of supply relates directly to problems that have been experienced in the operation of the committees. The minister recognized this during the course of his speech and some of my colleagues will have more to say on the matter. There is no doubt at all that our experiences over the last few years have not been happy ones. For example, there are questions such as the size of committees, the number of members and committees, the chairmanship of committees, areas of responsibility, the right to make reports, the right of debating and dealing with reports, and the opportunity to come to a firm decision in the House on such reports rather than have them expire on the order paper as is now the case.

Once a motion to adopt a report has been debated for one day, it becomes a government order and it is only at the option of the government that it can be revived. This is a highly unsatisfactory system, one that is most frustrating to members who have a keen interest in the subject matter. I think it should not be possible for the government to frustrate and to deprive the members of the House who have served on the committee in question of the chance to have the House debate the committee report to a conclusion so a decision may be arrived at.

I should like to make a strong suggestion regarding a new facet of the committee system. I would suggest that the Standing Committee on Procedure and Organization collaborate with the Joint Standing Committee on Regulations and Other Statutory Instruments with a view to building up a jurisprudence for the operation of that committee. In my opinion, this joint committee could well become, depending upon the wisdom of the members who compose the committee from both places, the chairmanship of the committee and the tolerance of and assistance given by members of this House and the other place, the most important committee in this parliament.

However, some rules will have to be laid down, and probably introduced into the Standing Orders of this House and of the other place, permitting the joint committee once it gets underway to bring into the House for debate from time to time some of its reports, views and recommendations regarding its review of government by order in council and decree. There will have to be some way by which parliament, and certainly this House, can under certain circumstances have a power of review, with even a power of amendment if necessary and of disallowance where it has been established that there have been abuses by government when it proceeds to govern by way of decree, order in council and regulation.

I should now like to make a few proposals regarding the rights of private members. I do not think there is any doubt that there is a great deal of frustration and unhappiness on the part of private members, particularly the new members, with regard to the limited extent that they are able to debate to the point of decision in the House measures and proposals that they put forward in the form of private members' public bills or notices of motions. I say this recognizing, of course, that there must always rest with the government in the main the right to initiate legislative and spending proposals.

Under the constitution and in accordance with the practice that has been built up in this House, we have the safeguard that no member of the House other than a minister of the Crown can introduce measures which have any monetary consequences. In order to comply with the constitution and the practice of the House, there must be a recommendation by the Crown in this regard. So I suggest there would be no harm done if private members' public bills were allowed to come to a decision. The difficulty is, of course, as the minister said, finding the time. I suggest we can find means to permit, at least in some number, private members' public bills being debated to the point of decision. I think we should get away from the involuntary hypocrisy, the frustration and fraud that exists in the House today—through no one's fault—because of the practices that have been built up.

I think this can be done in such a way as not to deprive the government of the time it requires to transact government business. My view has been, at least over the last two years, that taking the hour between 5 and 6 p.m. for private members' business often results in a loss of time. I can think of innumerable occasions when the House was debating a government measure, every opportunity for debate had about been exhausted, and where I am convinced that had the debate continued until six o'clock it would have been concluded and the question put or the bill passed without question.

I suggest that the committee give some consideration to retaining the hour between five and six o'clock for government business and that private members' hour be taken either from 7.30 to nine o'clock or from 9.30 to 11 p.m., giving an hour and a half instead of the hour as at present. I must say at this point that I think there has to be some kind of limitation on the number of private members' public bills that are in fact introduced. I am not going to deal with this arbitrarily or lay down any specific

number, but I do think that this business of one member putting down 30, 40 or 50 bills in the hope that he may—

Mr. Lefebvre: There is already an agreement on that matter.

Mr. Baldwin: I recognize that, but I should also like to see in the rules some limit placed on the number of bills. Then I propose that there be a ballot for, say, 20 bills. Or better still, we could follow the British and, I think, the Australian practice and have a ballot for 20 members. Those who were successful in the draw would receive a certain priority on the clear understanding, through a change in the Standing Orders, that the bills that they see fit to introduce would, within the one and a half hour period devoted to private members' public business, be brought to a clear decision. All questions would have to be put within that hour and a half so that second reading would be completed.

I now go beyond that, Mr. Speaker. I would assume that these bills would go to a committee where some would fall by the wayside. I would not expect that those 20 bills would pass the acid test of committee approval. A fair guess would be that ten might emerge from the committee. Then ten days should be provided for another draw when the private members' public bills which were completed in the committee would be brought into the House for report stage and third reading.

• (1650)

This would mean that over the course of the average parliament of four sessions, we might well see anywhere from 20 to 35 private members' public bills pass this House at all stages. I do not know what would happen to them in the other place. I have every reason to believe this would be of great inspiration and would do a great deal, not only for private members but for the people in the country who delegate their members to bring forward certain issues in an attempt to obtain remedial legislation. No one would suffer and the government would lose no time, as I have worked this out. Some hon. members would be compelled to sit additional hours from time to time. I do not suggest this should be every day, but I put it forward in the hope that the committee will look at my suggestion.

I am going to direct my attention now to one more question before I sit down. In doing so, I am not in any sense underrating the other issues which have been referred to in the terms of reference. Other hon. members will deal with them. I would point out that there is available, through the courtesy of the Chair, a direction in the terms of reference, if one goes behind it, to the time and place in *Hansard* where these issues were discussed. That is a starting point when the committee considers these other issues.

I want to deal with the question of reasoned amendments. I am particularly concerned about this, because of the nature and the type of legislation which is now brought forward by governments. In the earlier days, when the precedents in respect of reasoned amendments were laid down, an examination of the kind of bill then brought forward would show a rather simple measure with a clearly defined principle, in this country and elsewhere, and it was easy to say that this was the principle involved, have a debate on second reading and when the legislature passed or rejected the measure it was dealing with a clearcut and discernible principle. That is not the case today. Today, virtually all legislative bills are composite and deal with a number of subject matters which are complex and frequently highly technical in nature. Virtually all include very large regulation-granting sections. It is just impossible to say in respect of most of these bills that there is only one principle involved.

I do not wish to take up the time of the House, because one need only go down the index of statutes to see the kind of legislation that is deemed necessary today to introduce to this House. For that reason I have sought, together with some of my colleagues in all opposition parties, over the last few years to move the type of reasoned amendment which would permit a division in the House on second reading beyond the simple yea or nay limitation which is now being inflicted upon us, the motion for six months' hoist or the other motion which can be moved in referring the subject matter to a committee.

I am sure it will not have escaped the attention of the Chair, as it has not escaped my attention and the attention of my colleagues in all opposition parties, that this has been done and that the Chair has so far both determinedly and successfully been able to resist our efforts to put forward reasoned amendments of the type frequently accepted in the United Kingdom. Yet the anomaly, Mr. Speaker, is that the precedents in Erskine May's which have been preserved and brought forward into Beauchesne's are precisely the same precedents which today exist in England.

I have put on the record here on a number of occasions a dozen or more illustrations of amendments of the type which have been moved and accepted in the United Kingdom, yet attempts to move similar motions here have been rejected. Frequently the government has resorted to what I call the nit-picking rule. I say with regret that such arguments have been too often accepted by the Chair in rejecting these amendments.

The plain fact is that many bills introduced in this House deal with a number of subjects and in many instances we accept particular parts as being proposals that are necessary, essential and good for the country, our constituencies and the economy; but the bills often contain other measures which are repugnant, do nothing for the country and to which we object. What is the House to do on second reading, in that event? If we are limited to the simple procedures I have detailed to the House, we must accept or reject the entire bill. If we reject it, then we reject some proposals we find quite acceptable. If we accept it, we include in it certain proposals which we do not like and feel should not be included.

The reasoned amendments which are put in the United Kingdom so often—I have placed these on the record of this House—usually say that while accepting the principle, or the need to do certain things, the House rejects other aspects, philosophies or principles of the bill. These amendments are very simply worded and permit the House to have an interesting and informative debate on a particular issue, and they permit the opposition party or a

member of the government to compel the House to divide on the issue.

I would therefore ask the standing committee which will look into this matter very seriously to consider the question of reasoned amendments. There is just no way in which the House, asked to deal with the kind of detailed and complex legislative proposals which come before us, can cope with these on second reading. In fact, I should like to go further: I see no reason why we should not consider the proposition that second reading be limited only to reference to a committee. Why should there be a question of principle involved at all? Why not say second reading is merely the examination of a piece of legislation and an opportunity to debate it at first blush, with the only result being the passage of the motion and reference to the committee?

Under the procedures on the basis of which we operate today, it is only after a bill has gone to a standing committee, perhaps been amended, and comes back to the House for the report stage and third reading that this House sees the final form completely before it and completely exposed. At that time, of course, there is no escape and hon. members must divide on the issue if they see fit. I would suggest that the committee might very seriously consider recommending that second reading be relegated to a much less important phase of the legislative process than is the case today.

Before I leave that matter there is a related aspect which I should like to raise. It is probably not squarely within the terms of reference, but because we have had this dispute in a good humoured way between the Chair and hon. members it seems to me there should be some way in which the House might, where there is a continuing division of opinion between the Chair and hon. members, be provided an opportunity, without going through the process of recommendations from the Standing Committee on Procedure and Organization, to obtain the views of members of the House. By this I mean that the last substantive rule changes of any consequence were made in 1968, and we are now in the year 1973.

• (1700)

I would like to think that even if an election should intervene, the deliberations of this committee would be forwarded on to the committee which will be established in the next parliament. It may well be a year and a half from now before any rule changes have been recommended by the Standing Committee on Procedure and Organization and have become part of the operative conduct of this House. There is a very simple procedure which I would hope might be used. I want to make abundantly clear that I am not suggesting that we revert to the old practice of appeals to rulings of the Speaker. However, I believe there is a very simple way to make use of the device of a stated case. If we do not do this, I think there is a danger from the procedural aspect because the House might become locked in positions of absolute inflexibility, which is not a good thing.

If an issue should arise it might be that the Chair itself might direct a stated case. It may be that a minimum number of members would be required to give a reply, but the process of a stated case would be that the Chair would state the facts, the statutes and the precedents which prompted the Chair to give a decision, and there would be limited debate. On that basis I think there would be a freshness and vitality in our proceedings which seem to be lacking at the present time. In this way there would be guidance to the Chair in respect of making decisions and giving rulings on this aspect.

This has been a limited contribution, although I am afraid it has been long as to time. This is one of the difficulties in this House. As the President of the Privy Council pointed out, there is so much to do and so little time in which to do it. The government might give consideration to the idea of a new calendar which would provide 15 months and 36 hours in each day.

I come now to a proposition I have previously put forward in this House. I agree with those who say that this is not a House of perfection. I would like to add that I hope it never will be. We are here to serve as a mirror for the hopes, aspirations, fears and anxieties of the people we represent. We are these people, warts and all, with their defects as well as their genius. Despite that, there is far more hope to be found in the House of Commons, with all its imperfections, comprised as it is of men and women who are in continuous and daily contact with the people in their constituencies in all parts of Canada, than in all the ivory palaces of the bureaucracy filled with the theoreticians, the bureaucrats, the schemers and the fixers.

The problem we face, as always, in so arranging our rules of conduct in this House with due regard to the adversary system is that our debates and our decisions will truly reflect the demands of the aggregate of all our constituents in Canada, for within them lies the true, ultimate political wisdom.

Mr. Jerome: Mr. Speaker, would the hon. member permit a question?

Mr. Baldwin: Yes.

Mr. Jerome: Allowing that the considerations the hon. member has put forward in his brief intervention in this debate are valid considerations on behalf of opposition members, and allowing his suggestions in respect of expanding the privileges of opposition members when asking questions and in tabling amendments, as well as generally involving themselves in the proceedings of the House, and allowing for the fact that this would require an expansion of what already represents about 60 per cent of the time of the House being allowed to opposition members, would he feel that the committee might consider measures which would provide a counter-balancing reduction in other time and suggest the introduction of a new system of control over the time of debate on government measures?

Mr. Baldwin: I would not agree to such a program. The hon. member is incorrect in the assumption he made. I think he did so deliberately. My proposal in respect of private members' hour would be such that in fact no time would be lost to the government. If the hon. member would examine what I said, he would see that it is simply a question of moving the time and perhaps providing a little extra time after ten o'clock. It did not involve a

reduction of the time the government presently has for government business.

Mr. Watson: Mr. Speaker, would the hon. member accept another question?

Mr. Baldwin: Yes.

Mr. Watson: The hon. member during his speech this afternoon said that this House should look at programs in depth, such as the UIC, LIP and problems like the James Bay development. Presumably when he was talking about the House he was also talking about the committees of this House. The other day I made a suggestion in the House that we adopt the automatic referral to committee of all annual reports of the various departments and of the Crown corporations as a practice. I should like to ask the hon. member through you, Sir, what his reaction to that kind of suggestion would be.

Mr. Baldwin: I think it might well be a very good suggestion. I believe, in fact, that with certain safeguards it would probably be very useful. Certain matters could be presented before a committee at a much earlier stage than might otherwise be the case. I wish to correct the hon. member in respect of one statement he made concerning what I said about such things as the UIC, and so on.

My fear is that the government, by taking control of issues of this kind, could deprive parliament of the chance to deal with them and that therefore the democratic process would be pushed to a very dangerous stage. The great difficulty today in respect of the legislative process is that if one examines the statute books of this country, one will find that 60 per cent or 70 per cent of the statutes are amendments. The trouble—I think this applies to all provincial governments as well—is that there is incompetence, inability in respect of drafting amendments and an unwillingness to take into account legislative programs and spending proposals. This is what besets us today. Governments which are unable to contemplate these things and take unto themselves this power really place the democratic process in a very difficult position. That is the point I was trying to make.

Mr. Doug Rowland (Selkirk): Mr. Speaker, I rise with some trepidation this afternoon following such distinguished hon. members as the two House leaders who preceded me. I cannot rival them in experience and I certainly cannot rival them in eloquence. In addition, according to the rules of this House I cannot even rival them in length of time. I do not wish to detract from the contribution they made by mentioning the length of time they spoke, because I believe the information presented to us by the government House leader and the suggestions presented to us by the House leader of the Official Opposition will be of considerable use to the committee when it examines the procedures and organization of the House.

• (1710)

My party welcomes this opportunity to discuss procedure and organization. It is entirely appropriate that at least once in a parliament this House should take the time to examine its method of operation with a view to ensuring that we are capable of so ordering our business and our time that we are able to discharge our duty to the Canadian electorate with the greatest possible efficiency and effectiveness.

I use the word "efficiency" with some reluctance because all too often critics of parliament tend to base their assessment of its efficiency upon criteria which are better suited to time, speed and motion studies in industry than to a legislative body. Parliament should not be viewed as some kind of legislative assembly line producing bill after bill and the only judgment made upon its efficiency being the time it takes to complete the process. Rather, parliament's efficiency in terms of legislation should be judged upon the degree to which opportunity is given for the various views within the country to be expressed and considered, the degree to which items before the House relate to the needs and desires of the people of the country, needs and desires both real and imagined, and the degree to which the resulting legislation satisfies those needs and desires.

I would hope that in its re-examination of our rules and procedures, the Standing Committee on Procedure and Organization will take considerable pains to ensure that its work is based upon a realistic assessment of the current role of individual members and a realistic appraisal of what we can legitimately expect the legislative assembly to accomplish in today's positive state, rather than upon theoretical expressions of the role of the legislature and its members or upon a nostalgic desire to return to the good old days or to some golden age of parliamentary democracy which probably has never existed in any case.

Traditionally, the role of the legislature has been to devise laws for the governing of the country, to decide upon means of raising the revenue necessary to implement those laws, and to supervise expenditure in order to ensure that money is spent in a way desired by the legislature. Traditionally, also, the legislature was to provide a means of redress of grievance for citizens adversely affected by the state.

In a modern state, because of the multiplicity of its interests and the highly technical considerations involved in meeting those interests, initiative in three of the four areas mentioned above—legislation, taxation and supervision of expenditures—has gravitated almost naturally into the hands of the executive, the cabinet and the bureaucracy which serves it. I doubt very much that we could operate effectively as government were the situation otherwise. Thus, a realistic assessment of the potentiality of the legislature would seem to be that it be able to offer advice to the executive in each of these three areas—legislation, taxation and supervision of expenditures—advice which would, hopefully, be listened to by the government, and that in addition the legislature be able to effectively hold the government accountable for governmental action.

It is in this sense of accountability that I believe parliament should exert its control of the executive. Bernard Crick in his book "The Reform of Parliament" had this to say about parliamentary control:

> The only meanings of parliamentary control worth considering, and worth the House spending much of its time on are those which do not threaten the parliamentary defeat of a government, but

which help to keep it responsive to the underlying currents and the more important drifts of public opinion. All others are purely antiquarian shufflings. It is wholly legitimate for any modern government to do what it needs to guard against parliamentary defeat; but it is not legitimate for it to hinder parliament, particularly the opposition, from reaching the public ears effectively as it can. Governments must govern in the expectation that they can serve out their statutory period of office, that they can plan—if they choose—at least that far ahead, but that everything they do may be exposed to the light of day and that everything they say may be challenged in circumstances designed to make criticism as authoritative, informed and as public as possible.

Thus, I would like to assert that in looking over rules and procedures in the House the standing committee should dedicate its efforts to ensuring that parliamentary control of the sort mentioned by Bernard Crick in that passage is possible. Similar considerations apply to the individual member. His traditional role was to devise policy for the government of the country, to decide upon means of raising revenue and to supervise expenditures. Those were considered to be his major duties and they were expected to occupy the bulk of his time in this institution.

Therefore, the procedures and the organization and the services provided to members were designed to assist them in fulfilling those specific roles. Moreover, the services, organization and procedures were to a large extent determined in a period when the House dealt with matters lacking the complexity of the issues with which the House is obliged to deal today. The role of the member has changed. More and more of the member's time is devoted to assisting individual constituents with their problems, and this fact must be acknowledged when changes in services and rules of procedure and organization are contemplated by the standing committee.

With that sort of general approach as background to my remarks, I would like to offer some fairly precisely defined suggestions for the consideration of the standing committee, suggestions which I believe would greatly assist this chamber and its individual members effectively to discharge their duties as currently defined by practice rather than theory.

First, following the line taken by the two previous speakers, I should like to take some time to look at the question period which is one of the greatest causes of frustration to all members of the House, I might add, especially to backbench members. This situation is extremely unfortunate because the question period is potentially one of the most effective means of exercising control over executive actions in the sense of bringing them to the light of day; it is also one of the most effective potential methods of securing redress of grievances.

It is my impression that over the past number of years the question period has developed into an occasion for a mini-debate which is invariably dominated by the front-bench members of all parties. It is no longer an occasion for eliciting information from the government or drawing to the attention of the government the adverse effects of their policies and the shortcomings in their administration of those policies on a broad range of issues.

Beyond that, the question period should be a much more effective vehicle than it is now for drawing to the attention of the government matters of national policy and the results of national policy which are of concern to individual members and their constituents. It is in this regard, with a view to increasing the number of potential participants in each question period and to increasing the variety of issues which might be raised in the House in any question period, that I would strongly urge the standing committee to give serious consideration to discovering a means of permitting Mr. Speaker to limit the number of supplementary questions permitted an individual member and the number of supplementary questions permitted on any given topic on any given day.

Another current cause of frustration for backbench members arising out of the current method of organizing our question period is that many questions are taken as notice by ministers. This is an entirely acceptable procedure, but its difficulty is that in order to ultimately obtain an answer to the question put, the member must utilize another occasion on which he must be successful in catching Mr. Speaker's eye to again pose the same question. In circumstances where the member cannot legitimately expect to catch Mr. Speaker's eye more than once or twice a week, if that, and where he may be interested in a good many more subjects than the one involved in his original question, he must forgo the opportunity to demonstrate his interest in additional areas of concern if he is to obtain an answer to the question asked in the first instance.

• (1720)

I would strongly urge that the practice be adopted of placing on the order paper any question taken as notice by a minister. It should be placed on the order paper as a starred question, and such starred questions should be considered as additional to the three starred questions which currently each hon. member, at any given time, is permitted to place on the order paper. Such a practice would ensure that members would obtain an answer without having to ask the same question repeatedly, and at the same time it would avoid the kind of problem which Mr. Speaker encounters when a minister, after answering a question, launches into a reply to another question asked several days previously, using the preface, "While I am on my feet, Mr. Speaker—". I will not go further into the question period at this stage.

In the final analysis, the success of the question period depends on the wisdom and forebearance of the members of the House. It also depends upon their courtesy. One of the greatest handicaps to the question period being effective is the practice that is employed by a considerable number of members in all parties, raising spurious points of order and spurious points of privilege as vehicles for asking more supplementaries, or of raising another matter, all to the disadvantage of other members of the House. We need to be self-regulating in that regard. I would strongly urge the standing committee to study seriously the two specific suggestions which I have made.

Is is only slightly overdrawing the case to say that within the last 125 years we have gone full circle from legislatures being relatively weak advisers to and opposition for government to full legislative control and responsibility, and back again to the situation where a legislature is in fact of only peripheral importance in the governing of the nation.

Parliament stands in danger of becoming, as has the monarchy, a largely honorific element in the constitution. I make these remarks in no partisan sense. What has happened in Canada is happening throughout the world. The decline of the power of parliament in relation to the cabinet and to the first minister has been allowed to proceed as far as it has, in part because the process was neither the result of stated policy nor, for the most part, of conscious effort. The change is, rather, the result of innumerable individual decisions made on a pragmatic basis over a long period of time and as a consequence of two major developments—the growth in the scope of responsibility of the modern state and the marked strengthening of party discipline which has taken place since confederation.

Whatever the reasons for the change, whatever the reasons for the phenomenon of the decline in power of the legislative arm of government in relation to the executive arm, it is absolutely necessary for us to use every means at our disposal to attempt to halt the trend, if not reverse it. I make this assertion, not because of some antiquarian concern for the dignity of the House but, rather, because the more power becomes concentrated, the less responsive is the government to the felt needs of the people. I have no doubt that this very concentration of power is producing the current, entirely legitimate demands for "people power" in democratic states and is producing, as well, some of the less savoury aspects of that movement.

It is within this context that I wish to discuss some suggestions for change in our current committee system, which I hope will be considered by the standing committee, because I see the committee system as having the greatest immediate potential for beginning the process of re-establishing, in fact, the control of the executive by the legislature or, to put it another way, of ensuring the responsibility and accountability of the cabinet to parliament. Our present committee system was set up in 1965 on a trial basis and was given formal approval by the House in December, 1968. The committee system, I think I can assert without fear of contradiction, has not worked quite as we had hoped it would. I think I can also assert without fear of contradiction that the time has come to give it a thorough re-examination. In establishing the committee system, parliament gave up a number of its more effective controls over executive powers, such as the study of estimates in committee of the whole, at which time grievances could be raised with the government with some effect. We have lost that control and the committee system has not replaced it with another equally effective method of control.

Parliament's power to supervise has declined because of the increasing demands being made on its time, and because its members are representative men and women best equipped to deal with general principles, broad objectives and fundamental issues. It is not a technical body. When it comes to dealing with technical legislation there exists a substantial information gap between the private member and the cabinet minister. Cabinet ministers can draw upon the talents and resources of the legions of public service experts, which the cabinet controls, for necessary information in any field. With rare exceptions, such as the audit office, parliament can call upon no such able assistance. The result is that debates in the House tend to be rather unequal and the ability of parliament to assess adequately and scrutinize every government action is severely reduced.

Committees would have the potential to remedy this situation if their memberships were more stable. I believe this is something to which the hon. member for Peace River (Mr. Baldwin) referred. In other words, if Members of Parliament remained on a given committee for a longer period of time, were not shuffled about so frequently, and if there were periodic adjournments of the House for the purpose of enabling committees to do their work, they could help remedy this situation. With respect to periodic adjournments of the House in order to allocate time to committee work, a number of different systems have been suggested. I will not go into them now, Mr. Speaker. They are known to the members of the Standing Committee on Procedure and Organization. I simply content myself with saying the committee would be well advised to seek the most satisfactory means of providing committees with the time they need to do their work properly without the interference of other duties, such as attendance in this chamber.

It is with the same end in view, that of enhancing the ability of committees to reduce the information gap between parliament and government, that I would recommend that committees be provided with adequate staff support. I refer especially to research staff who would possess the expert knowledge necessary to assist Members of Parliament in preparing themselves for their various committee duties. The value of such staff has been made manifestly obvious in the case of external affairs and national defence by the work of Mr. Peter Dobel and the parliamentary research centre. I would strongly urge the standing committee to examine the relationship of Mr. Dobel to that particular committee with a view to seeing if similar principles could be applied to other committees of the House.

There is a problem in deciding whether such staff should be permanent of rotating, assigned to a single committee or moved from committee to committee as required, whether the research staff should be the creature of the House or whether it should be of a semi-autonomous nature as is the case with the parliamentary research centre. I tend to opt for a permanent staff with some degree of autonomy, but the point is that able research staff is urgently required by committees. That is the point I wish to establish at this time, and I hope the standing committee will examine it during its deliberations.

A related suggestion is that a standing committee be permitted, as a matter of course, to act as a committee of inquiry. For example, I see no reason why the Standing Committee on Finance, Trade and Economic Affairs, in the situation now confronting the nation, should not find it to be a normal part of its duties to inquire into the relationship between inflation and unemployment, or into the possible effects of the American DISC program upon our economy and, accordingly, make appropriate policy recommendations in these fields. Such a development would have two major beneficial effects, the first of better equipping parliament to assess government policy decisions in these areas by having committees engage in fun-

damental research work and, secondly, of providing government with the advice of Members of Parliament who, while they might not possess in all cases, in fact usually never possess, the same technical competence as the government's expert advisers, can present their advice from the point of view of persons representing constituents, persons who must be responsible to the electorate.

There would be no necessity, in keeping with the traditions of the parliamentary system, for a government to implement policy recommendations presented by a committee. But at least the committee should have the power to make suggestions to the government, and the government should present some response to the committee. That does not happen at the moment.

• (1730)

We must also seek ways and means to make it impossible for a government to ignore the recommendations of a committee. To this end, the standing committee should give consideration to the proposition that it should be made mandatory for a motion of concurrence to be moved in connection with all committee reports and that such a motion shall be deemed to be debatable. This would provide two salutory effects: first, the recommendations of the committee would be aired in public; second, if concurrence were granted, the government would be forced to explain its reasons for failing to act upon a recommendation of the committee. It would have to pay more attention to what the committee did.

Obviously, this suggestion poses problems with regard to the time of the House. Some means would have to be discovered for limiting debate. Perhaps a Standing Order could provide that only a certain number of reports could be debated in a session or, more likely, an over-all time limit for such debates could be established and the opposition given the choice of which reports to debate within that time. Perhaps more allotted days could be granted, with the express purpose of such debates in mind. Once again, Mr. Speaker, the actual technique decided upon does not concern me at this stage so much as the principle. I am willing to trust the wisdom of the standing committee and let it go into the details as to how such a device might be established. However, I think it is necessary.

I also wish to suggest that in order to strengthen the impact of committee reports, committees be required to prepare at the end of each session a running record, covering previous sessions as well, of the recommendations it has made to the government and the action the government has taken on those recommendations. Such a record could be a powerful weapon in the hands of individual Members of Parliament determined to make the government take some account of the work done in committees. If, for example, over a period a committee made 27 recommendations and the government did not do anything about them, the government's failure to act could be devastating ammunition in the hands of opposition members.

The idea is not original. It is derived from the practice of the British public accounts committee which each year prepares an epitome of proposals. It is also the practice in Westminster that after a committee makes a recommendation the ministry, not long after, provides that committee with a response to that recommendation. In addition, the committee is informed of any action that the minister might take on the recommendation, if it has merit. If it has no merit, the committee is told why it has not. I think that sort of requirement in our committee system might be of considerable value.

I also suggest, in speaking of the committee system, that minority reports should be permitted to be tabled along with majority reports from committees. It seems to me that democracy not only means majority rule but also respect for minority opinions. It is simply not good enough to say that a member can always issue a press release or express his opinion in the House if he does not agree with a report which he has assisted in drawing up. Such ventures do not have equal weight with a formal, written document and tend to be transitory rather than part of the permanent record. If the education is a major role, or is of major importance, in the work of committees it would be valuable both to this House and to our population if minority opinions and reports were published in *Votes and Proceedings* along with majority opinions of committees.

Mr. MacDonald (Egmont): That is done now with reports of royal commissions.

Mr. Rowland: I suggest that committees be granted a greater degree of independence from government control and that they be allowed an initiative in matters referred to them by the House. I have in mind that committees be allowed to present a resolution to the House suggesting a subject matter for committees to examine, rather than being forced to wait upon the government for action to be taken as is frequently the case. I think this procedure would overcome the argument that such initiatives on the part of committees would tend to obscure the fact that they are and should be subordinate to the House, because the House would determine the fate of the committee requests. The House can always turn down the request of a committee for a matter to be investigated.

May I make a few further very brief submissions about the organization of the committee system. I believe that the Standing Committee on Procedure and Organization should look into the manner in which committee chairmen are selected and assigned. I think we should examine the possibility of adopting the British system in which committee chairmen are appointed either from the opposition or from the government. Also, I think we should examine the possibility of our having a panel of chairmen who might move from committee to committee. They would be members who are schooled in the rules. Committees might operate more effectively and efficiently under trained chairmen. Let us look at these ideas when examining our organization and procedure.

Leaving committees, I wish to say just a few words about the form in which legislation is presented to this House. In order to save time may I say, with respect to reasoned amendments, that I support the remarks by the hon. member for Peace River. More specifically, I wish to draw the attention of the Standing Committee on Procedure and Organization to what seemed for a time to have become standard practice on the part of the government,

that of introducing omnibus bills, a practice about which Mr. Speaker has expressed great reservations on several occasions.

In order to illustrate my point and to show that this practice should be halted, may I refer to a bill introduced in the previous parliament, the government organization bill. When that bill was presented to the House we were asked, in considering it, to pass judgment on no less than nine different subject matters and on at least five, perhaps more, matters of principle with only one vote. The hon. member for Halifax-East Hants (Mr. McCleave), speaking in the second reading debate on that bill, summarized the situation as follows, as reported at page 2760 of *Hansard* for January 26, 1971:

> To recapitulate in a slightly different way, we are being asked to create a new department; we are being asked to vary administrative duties of some existing departments; we are being asked to create ministers of the Crown who will formulate and develop government policy and, as well as providing for these salaried ministers, we are being asked to provide for additional salaried parliamentary secretaries. Distinct from those matters, we are also asked to vote yea or nay, without hearing witnesses, on behalf of those affected on the question of the retirement rights and obligations of public servants.

Steven Leacock once described this as a place where "men come together merely to hear the latest legislation and indulge in cheers, sighs, groans, votes and other expressions of vitality." I expect parliament often fits that description. But despite that, it serves the useful function of helping to focus public attention on matters of concern and of defining and delineating the considerations involved. In so doing, parliament aids the public in coming to intelligent conclusions about the actions of government and helps individual members of the public to decide their own position on questions of importance. This whole process, so key to the effective functioning of a democratic state, is injured and perhaps even dies when the issues before parliament become unfocused and blurred about the edges, as happens when the manner in which they are presented lacks clarity and precision. Nothing could obscure issues more than bringing before this House omnibus bills.

Under a majority government—I am not speaking of minority governments—with the well established pattern of voting solidly by party, votes in parliament are virtually meaningless and useless as a means of effecting parliamentary control. What is important in the functioning of parliament is that there be opportunity for discussions. What is important in the functioning of parliament is the quality of the discussion conducted. What is important in the functioning of parliament is that discussion be focused. How, in heaven's name, can discussion be focused when a bill includes as many as five different matters of principle? How are the gentlemen in the press gallery to follow the theme of a debate which may bounce from pollution, in the case of the government organization bill, to ministers' salaries, pensions, parliamentary secretaries, to the Post Office and back again? How, as a consequence, is the public supposed to form any opinion except that this House is in a hopeless mess.

These are some of the suggestions which I wish to present for the consideration of the House and, more specifically, to the members of the Standing Committee on Procedure and Organization. I hope that they will be looked at closely. I have not said anything about supply procedures since I think most of the relevant considerations were mentioned by the two previous speakers. I shall finish now as I want to leave time for the representative of the Social Credit party to speak.

• (1740)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I was eagerly waiting for the opportunity to take part in this debate on procedure and organization regarding the business of the House, in view of the fact that we are a third party but nevertheless belong here. Now, in most cases, Standing Orders which, as we know, were made several years ago, provide for only two parties, not four.

That is why consultations between House leaders have expanded in the last few years ago in order to make more flexible the two-party system, to enable the New Democratic Party, ours or any other to participate in the proceedings to a greater extent and to have their say in regulating the business of the House.

I am honoured to do this job which gives me the opportunity of finding a lot of small details in the Standing Orders—and sometimes important problems—which are such that our business is not always as efficient as you and we would wish.

Since this House represents the people of Canada, it must reflect in the course of its business what Canadians are expecting from us. They expect that the House business will have efficient results and enable hon. members to take a real part in the proceedings. The present provisions of the Standing Orders and the procedure being so complex, an hon. member who would like to represent his constituents adequately cannot always do so.

Given our minority government, one can see that the procedure has been more flexible and has let to better results. One can see as well that there has been at least twice as much consultation between parties as before. Therefore, I wonder why under a majority government and with the same Standing Orders we do not get the same results, there is less consultation and democracy in this House.

Does that mean that the procedure is here to serve the interests of one specific political party? Should the procedure not serve rather the interests of each hon. member at any time, regardless of the number of members in such or such party, and enable him to express himself, whether the government has a majority or not?

I will get the answer that because of the interests of the people there is obviously a need because of the minority government for further discussions, further consultations, further consideration of the views of all hon. members. I would say to that that it is abnormal for a minority government to serve the interest of the people better than a majority government. I think that both should serve the people equally since it is the express wish of the people to elect either a majority or minority government. This is why in both cases the people should have a right to expect efficiency on the part of hon. members.

Mr. Speaker, my general remarks address themselves to the motion introduced today by the President of the Privy

Council (Mr. MacEachen) to refer to the Committee on Procedure and Organization the 60 or 80 recommendations that you yourself suggested very cleverly during the two last Parliaments and to also have a study made of the various criticisms that hon. members had to make on the subject of procedure so as to make it more contemporary and efficient. That is why I support this motion which will enable us to improve procedure.

I think that the motion currently before the House provides the Committee on Procedure and Organization with broad enough terms of reference so that there is enough reason to hope for a thorough reform of our Standing Orders as well as the procedure of the House and its committees; at more or less regular intervals the House of Commons usually revises its rules and procedures to make them more efficient and accelerate its proceedings and debates.

Several hon. members complain—rightly I am sure—about several aspects of parliamentary business. The major problem is undoubtedly the question period which has become a real cause of frustration for most hon. members as well as the Chair.

When I say it is frustrating for most hon. members, I am not referring to front benchers, but to the very great majority of back benchers, if not all, whose only hope lies in the notorious supplementary question. If hon. members could not fall back on supplementary questions and if they were ruled out on a trial basis, let's say for a week, keeping to the same system, it would be seen that front benchers, willing or unwilling, would then have to give back benchers a chance to put questions.

In my opinion, the Chair's problem, and ours, stems from abusive recourse to supplementary questions, and I shall return to that later.

The second problem I should like to bring to the attention to my colleagues is conflicting schedules. When standing committees and the House are in session simultaneously, an hon. member should be in the House, where he is in duty bound to be, and also in a parliamentary committee to which he has been duly convened. Since he is not gifted with ubiquity, this leads to vast problems for hon. members. I understand that discussions are under way between various parties in the House to establish a fair schedule allowing efficient functioning of both the House and the committees. However, Mr. Speaker, I doubt whether anything can be achieved by juggling schedules. I rather believe our schedules should indicate periods for committee work and periods for the proceedings of the House of Commons.

• (1750)

There is a third problem that I should like to bring to the attention of the House: it is the ridiculousness of setting aside an hour for private members to introduce bills or motions for papers when there is little or no chance of their proposals' receiving serious consideration.

As all hon. members know, at the beginning of the session, as long as the first 40 hours have not been taken up, an hour is set aside on Mondays, Tuesdays, Thursdays and Fridays for private members' business, while if the 40 hours have been used up, only two hours are set aside for that purpose.

On the other hand, it is clear from the items on the Order Paper that the volume of private members' business is increasing all the time; a way out of this situation will have to be found, not only so as to encourage private members to introduce bills or motions, but also so as to afford them some hope of getting them heard.

For my part, I have been proposing the same motion for five years, since I came to the House. The motion was finally debated in the fifth year, which is perfectly ridiculous, and shows once again that some members are justly frustrated by the excuse that they do not sit on the government benches. This is a blatant contradiction of the professions of democracy that are broadcast during election campaigns so as to win votes.

My fourth point is that when specific motions are introduced under Standing Order 43, requiring the unanimous consent of the House, they can be rejected by any member, without his identity having to be revealed.

According to Standing Order 26, if an hon. member raises a question of national emergency after giving notice to the Speaker, what happens? The Speaker then decides for himself whether the motion is of national urgency or not. In fact, the Speaker alone is responsible for deciding whether the motion is in order under Standing Order 26.

Therefore, I cannot see how it would be fair to allow hon. members to say "no" in an anonymous way, without anybody knowing who they are. Frankly, I think that, if the Speaker is called upon to decide whether a motion proposed under Standing Order 26 is in order, a member opposing a motion under Standing Order 43 should identify himself. I am sure nobody is going to agree with my proposal.

Mr. Speaker, this shows how ridiculous Standing Order 43 is. This rule has become for most members the only possibility to speak on a particular and important problem by way of a motion. Anyway, a solution will have to be found to the problem arising from Standing Order 43 because I am convinced that it will continue to bother the Chair, to delay the question period and yet to satisfy hon. members resorting to it since, otherwise, they would not be able to participate in the oral question period. And all this is due to Standing Orders 43 being abused.

Mr. Speaker, I would also like to deal with the problem of committee business which has taken ever more significance, specially since 1970. In fact, since then the number of questions referred to the committees for study has been increasing. Consequently, the committee business has been slowing down, the agenda is so overloaded that sometimes we are completely confused. It has become extremely hard work and it should not be forgotten that the committees' working hours are in conflict with the House sittings. The committees' workload has grown heavier for the last few years. This was not bad as an experience but I also think that any procedure reform is somewhat experimental. Consequently, I wonder whether it would not be desirable that the committees seriously study the possibility of increasing the workload of the committee of the whole House instead of handling more work themselves. I do not mean that all questions should be referred to the committee of the whole House but surely it would be desirable that, when introducing its

bills, the government should decide which legislation will be studied in committee of the whole House. We should also study the possibility of using more the committee of the whole House which enables hon. members to work all the more meaningfully as they work publicly. In fact, they can discuss with ministers and with quite a few hon. members and this permits them to get information on questions with which they are not so familiar. Therefore, this is surely a thing which, to my mind, should be considered.

I would like now to talk briefly about the problem of written questions. I shall make but one remark on this, to say that the time it takes the government to answer questions on the order paper makes us wonder whether this has not become a practice or policy.

The questions on the Order Paper deal with extremely serious matters, Mr. Speaker. Under Standing Order 39—if I remember correctly—a practice has been strongly established thanks to the ability of the Chair, namely that when a member puts a question orally and that, in the opinion of Mr. Speaker, it is not obviously urgent, he may suggest to the member that the question be put on the Order Paper. Three months later, the member is still waiting for an answer. This is why, Mr. Speaker, delays in answering questions on the order paper are annoying the member and put him in a difficult position.

On the one hand, we do not want to challenge the Speaker's ruling—and I think that this is a good thing—and on the other hand, we must agree, at his request, to put the question on the Order Paper. Furthermore, there is no way we can demand a written answer to our question from the government. Consequently, I think that this is a serious shortcoming of Standing Orders and constitutes an interference with the member's right and privilege to obtain information as he is entitled to.

I will make the same remark about motions for papers. That matter has been raised today on a point of order. I refrained from making any comment in that connection, because I felt it would delay the proceedings and that the matter was being raised at the wrong time. Since it is now the right time, I will merely say, as far as motions for papers are concerned, that some 20 per cent are acceptable to the government and that at least 80 per cent are rejected. The very clever Standing Orders governing our proceedings—if you will allow me to say so, Mr. Speaker—then provides that such a matter may be transferred for debate. Now, when will the matter be discussed? Never! When two Sundays come in one week! Thus the member is frustrated and denied the right and privilege of obtaining some papers or specific statistics. The hon. member has no other choice but to write to the minister but even then, what with bureaucracy, he never sees the end of it.

That is why, I am anxious for the President of the Privy Council to reveal on the basis of what criteria motions for papers are accepted or rejected, that we might be able to judge whether they are truly honest, fair and equitable, and whether they, in fact, respect the rights and privileges of hon. members.

Mr. Speaker, I will come back to oral questions and to Standing Order 39(5). Since 1964, hon. members have had the privilege of being asked to put their questions on the Order Paper when their urgency is not obvious or when they call for statistical data. That, to my mind, is an excellent rule, because it allows some control of the quality of the questions. In fact, if a question is not a matter of urgent public interest, it surely does not belong in the oral question period. I think this is an excellent practice.

However, I wonder why there should not be some kind of control or co-ordination on the subject of supplementary questions. I have discussed the matter of the oral question period with my Créditiste colleagues. This is one aspect we are surely going to delve into from beginning to end and we are not going to quit because this has become a highly ridiculous situation. To realize this, one only has to sit in the gallery and ask the people what they think of the oral question period.

When people leave this place, Mr. Speaker—and hon. members will forgive the expression because we are in a place where we faithfully express the views of our constituents—they think very often that it is a circus.

Mr. Speaker, I think that our fellow citizens who watch the question period are right. We suggest that we now have enough time, but that we make bad use of it. We make bad use of the 40 minutes. If we extend it to 80 minutes without changing the rules, we will not improve the situation.

It seems to me that the 40 minute period is long enough. However, there should be a fair division of time between opposition parties during the oral question period. There should be a first round with a maximum of two supplementary questions and then we could come back to allow more hon. members to participate in the question period.

There is nothing preventing us from coming back on the subject a second time.

We also discussed other subjects in this House—

Mr. Speaker: Order. I regret to interrupt the hon. member but as it is six o'clock we should adjourn now and resume this discussion on another day.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. MacDonald (Egmont): I rise on a point of order, Mr. Speaker, with regard to the business of the House. In view of the fact that the hon. member for Lotbinière (Mr. Fortin) has not yet completed his speech and there seemed to be one or two other contributions forthcoming, and since it is important to get this committee's work started as soon as possible, would the government House leader indicate if we could complete this matter within a brief period either tomorrow or no later than Friday?

Mr. MacEachen: Mr. Speaker, in reply to the suggestion of my hon. friend, I should like to call as the first order of business tomorrow the Old Age Security Act amendment. If that were completed early, we could deal with this particular motion until five or six o'clock. If we needed to go into private members' hour, that might be agreeable. I would be happy to call it tomorrow night, but unfortunately I do not expect to be in the House from eight to ten

o'clock and I should not like the motion to be completed without my being here.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, perhaps this matter can be settled by negotiation through the usual channels. We should like to see the motion concluded with as little more debate as possible, but we do not want our dealing with it to interfere with getting the old age security bill past second reading.

Mr. MacDonald (Egmont): Mr. Speaker, on the old age security matter, I think it has already been indicated that in view of the importance of the matter we would be happy to have it go with dispatch to the committee, and perhaps both matters could be expedited in that way tomorrow.

Mr. Speaker: It being after six o'clock, this House stands adjourned until two o'clock tomorrow afternoon.

At 6.03 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 8, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

HARBOURS

LADNER, B.C.—DREDGING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, in view of the accumulation of silt at the mouth of Ladner Harbour, making it virtually impossible for fishing boats to enter or leave at low tide, I ask leave of the House under the terms of Standing Order 43 to move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

That this House instruct the Minister of Public Works to immediately instruct his department to begin dredging the Ladner Harbour so the fishermen's livelihood can not be adversely affected by the poor condition of the harbour.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Burnaby-Richmond-Delta under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

SOCIAL SECURITY

IMPLEMENTATION OF GUARANTEED ANNUAL INCOME—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to move a motion concerning a matter or urgent and pressing necessity.

In view of the confusion which exists in the administration of the Unemployment Insurance Act as well as in social welfare, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That a special committee of the House be instructed to consider the possibility of progressively replacing the existing social measures with a guaranteed minimum annual income scheme which would incite people to look for work.

Mr. Speaker: The House has heard the motion moved by the hon. member for Bellechasse. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there such unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not, and the motion cannot therefore be put.

* * *

[*English*]

THE CANADIAN ECONOMY

SUGGESTED ADOPTION OF CONSERVATIVE PARTY POLICIES BY GOVERNMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43 and arising out of a question asked several times last night by the Prime Minister (Mr. Trudeau) at a Liberal Party dinner in the city of Toronto, the question being: "Do you know the Conservative Party policy?" I would move, seconded by the hon. member for Lanark-Renfrew-Carleton (Mr. Dick):

That this House requests the Leader of the Opposition to furnish as soon as possible to the Prime Minister a complete copy of the Conservative Party platform—

Some hon. Members: Oh, oh!

Mr. Cossitt: Do not laugh. Some hon. members will not like what is coming:

—and that this House instructs the government to steal therefrom policies beneficial to the Canadian people in addition to those policies already stolen since October 30, 1972.

Mr. Speaker: I suspect that the motion is being proposed by the hon. member in jest. I would not think the motion is of the type which the House would want the Chair to put. I would hope the hon. member would allow the Chair not to put the motion, at least at this time.

* * *

[*Translation*]

EXTERNAL AFFAIRS

GIFT OF BOOKS TO CANADIAN SECONDARY SCHOOLS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to ask for the unanimous consent of the House, pursuant to Standing Order 43, to propose a very important motion.

Motions

Mr. Speaker, this is in connection with grants by the Department of External Affairs for Canadian book presentations to American high schools.

Therefore, I propose, seconded by the hon. member for Champlain (Mr. Matte):

That this House refuse the application of a book presentation program to American high schools by the Department of External Affairs and that steps be taken to have funds granted by the Department of External Affairs transferred to the Secretary of State who shall be ordered by this House to apply a similar program for Canadian high schools which are often short of material.

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

Some hon. Members: Agreed.

[*English*]

Mr. Speaker: The wish of the House is not clear. Is it the wish of the House that I put the hon. member's motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please. If some hon. members are opposed to a motion and do not want to give unanimous consent, they should indicate so clearly, so that the Chair will be able to announce the result of the poll. In this case there is not unanimous consent.

[*Translation*]

There being no unanimous consent, the motion of the hon. member cannot be put.

* * *

BILINGUALISM

IMPLEMENTATION OF RECOMMENDATIONS OF OFFICIAL LANGUAGES COMMISSIONER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. René Matte (Champlain): Mr. Speaker, pursuant to Standing Order 43, I solicit the unanimous consent of the House to deal with a case of urgent and pressing necessity.

In view of ambiguities in the implementation of the government's bilingualism policy, of the substance of the report of the Commissioner of Official Languages, and of the views expressed publicly by him, I move, seconded by the hon. member for Villeneuve (Mr. Tétrault):

That a special House committee be set up to study ways and means of implementing the recommendations of Mr. Keith Spicer.

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

Some hon. Members: Yes.

Some hon. Members: No.

[Mr. Beaudoin.]

Mr. Speaker: There is no unanimity; the motion therefore cannot be put before the House.

* * *

INFORMATION

INCLUSION OF MESSAGES WITH OLD AGE PENSION AND FAMILY ALLOWANCE CHEQUES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Henry Latulippe (Compton): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to discussion of a serious matter.

Since the Department of National Health and Welfare has decided to enclose messages of public interest with family allowance and old age pension cheques, and since it is likely that other departments will want to use the same tactic, we have a right to question the trend of these messages.

I therefore move, seconded by the hon. member for Portneuf (Mr. Godin):

That this House require all so-called messages of public interest to be sent out to Canadians by the Department of National Health and Welfare under the same cover as family allowance and old age pension cheques, or by any other federal department to accompany routine correspondence, to be first examined by the appropriate standing committee for approval, amendment or rejection, in order that the messages may in no instance be employed to any end other than the objective information of Canadians.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent, and so the motion may not be put to the House.

* * *

• (1410)

[*English*]

CANADA SHIPPING ACT

PROVISION THAT MOVEMENT OF GOODS AND PEOPLE FROM ONE CANADIAN PORT TO ANOTHER BE IN CANADIAN SHIPS

Mr. Paddy Neale (Vancouver East) moved for leave to introduce Bill C-157, to amend the Canada Shipping Act (coasting trade).

Some hon. Members: Explain.

Mr. Neale (Vancouver East): Mr. Speaker, the purpose of this bill is to amend the Canada Shipping Act to ensure that all movement of goods and people from one Canadian port to another Canadian port be carried out in Canadian ships. The members of the New Democratic Party feel that Canadian bottoms are preferable to foreign bottoms.

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

* * *

NATIONAL HIRE THE HANDICAPPED WEEK BILL

ESTABLISHMENT OF SPECIAL WEEK TO PROMOTE HIRING OF HANDICAPPED PERSONS

Mr. Ron Atkey (St. Paul's) moved for leave to introduce Bill C-158, respecting national hire the handicapped week.

Some hon. Members: Explain.

Mr. Atkey: Mr. Speaker, the purpose of this bill is to set aside the first week in May as national hire the handicapped week. The intention of the bill is to give recognition to the advantages of hiring handicapped persons, to encourage employers to hire handicapped persons, and to encourage the news media to recognize the accomplishments and merits of handicapped persons. This would be done through an extensive advertising campaign and through the design and issuance of a special stamp to publicize the important role of the handicapped in the working force in Canada.

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

* * *

DEPARTMENT OF MANPOWER AND IMMIGRATION ACT

PROVISION OF SPECIALIZED PLACEMENT SERVICE FOR HANDICAPPED PERSONS

Mr. Ron Atkey (St. Paul's) moved for leave to introduce Bill C-159, to amend the Department of Manpower and Immigration Act (handicapped persons).

Some hon. Members: Explain.

Mr. Atkey: Mr. Speaker, this is a companion bill to amend the Department of Manpower and Immigration Act by providing that the minister's duties relating to the development and utilization of manpower resources in Canada would include a specialized placement service for handicapped persons. In this way, it is hoped that the minister would establish a separate handicapped placement and research branch to work with employers to identify, develop, list and advertise meaningful and productive jobs which can be performed by handicapped people, to explore ways of educating employers as to the possibilities and benefits of hiring handicapped persons, and to explore the job capabilities and occupational opportunities of handicapped persons.

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

25789—55½

ORAL QUESTION PERIOD

ENERGY

PROPOSED WEST COAST OIL TANKER ROUTE—INQUIRY AS TO CANADA-UNITED STATES COMMITTEE TO DISCUSS ENVIRONMENTAL PROTECTION—CANADIAN PROPOSALS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is to the Minister of the Environment. In view of the minister's statement to James MacKenzie of the *Globe and Mail* on Friday last that Canada and the United States have agreed to set up a joint working committee for both east and west coasts to discuss aids to shipping and environmental protection, can he tell the House whether in fact a joint committee has been established, whether that committee has in fact ever met and, if so, has it submitted any report to the respective governments?

Mr. Speaker: Order, please. The Chair will allow the minister to reply, but perhaps I should indicate to the hon. member that it is not regular or in order to ask a question based on a statement made by a minister outside the House. The rule is clear that such statements made outside the House can be brought into the discussion only to the extent that a member may want to ask the Prime Minister whether such a statement represents government policy. We might assume that the question has been asked without reference to the statement made outside the House and the minister can reply on that basis.

Hon. Jack Davis (Minister of the Environment): Yes, Mr. Speaker. The word "committee" is inappropriate. However, there have been meetings and there will continue to be meetings between myself and Mr. Russell Train, who is the presidential adviser in Washington on environmental matters. We did meet last April, we met again in July and we are scheduled to meet again early next month on matters of the nature of pollution on both our coasts. I might add that officials from Canada and the U.S. are meeting and studying problems on both coasts, but there is no ministerial committee.

Mr. Fraser: Mr. Speaker, I thank the minister for clarifying the situation. Can he tell the House whether the government of Canada has obtained from the United States agreement that Canada has a direct and legitimate interest in decision-making related to the environmental dangers associated with the TAPS tanker route?

Mr. Davis: No, Mr. Speaker. The best we have been able to do is to get the United States to vote for a Canadian resolution at Stockholm which admitted that they were responsible for effects outside their country of the nature of pollution.

• (1420)

Mr. Fraser: In reference to the minister's answer with regard to the discussion he is having on behalf of the government of Canada with the government of the United States, can he tell the House whether he on behalf of the government of Canada has put any specific proposals before his counterpart in the United States and, if so, what they are and whether they have been accepted by the United States?

Mr. Davis: We have made proposals to the United States, relating to the west coast. The United States has replied that it would like to discuss east coast matters as well and we agreed with that. We have had a number of meetings at the official level, as I mentioned earlier. I could report in detail at some other time.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister a supplementary question. It arises out of the answers the Prime Minister gave me on Monday last, March 5, as recorded at page 1885 of *Hansard*, in which he said, speaking of the committee we have been discussing:

> It was a committee which had been suggested by President Nixon as a counter-proposal to our request that this matter be sent to the IJC.

I want to ask the Minister of the Environment whether or not the committee which was suggested by President Nixon is to be set up or whether in fact there is to be no committee and the government has no intention of pressing to have a committee set up to deal with the very serious problem of tankers coming down the British Columbia coast from Valdez to Cherry Point?

Mr. Davis: Mr. Speaker, the sequence as I recall it is this: About a year ago Canada was pressing for a Canada-U.S. reference to the International Joint Commission concerning the matter of tankers on the west coast and the possibility of oil pollution in Puget Sound and the Gulf of Georgia area. The response of the United States was negative. President Nixon, as I recall it, however, suggested as an alternative that a committee be established at the ministerial level. Our response was that we might better proceed in the manner I have reported, namely, the Minister of the Environment for Canada working with Mr. Train of the United States.

Mr. Douglas: Mr. Speaker, may I ask the minister whether the House is correct in assuming that while the President of the United States suggested the setting up of a committee it was the Canadian government that refused to proceed with that proposal and that no such committee will be set up? Would the minister be prepared to tell the House why the government did not accede to the suggestion that there be a joint committee to look into this problem?

Mr. Davis: The suggestion of the President was really limited to Mr. Train and Mr. Ruckelshaus who administers the environmental protection act in the United States. It was not a number of ministers on both sides that the President had in mind.

* * *

POLLUTION

MERCURY IN INDIANS IN DRYDEN AREA—DEADLINE FOR PULP AND PAPER MILLS TO REMOVE POLLUTANTS FROM EFFLUENT—ALTERNATIVE FOOD SUPPLY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of the Environment. In view of reports by the Ontario Department of Health that mercury levels found in Indians living in the Dryden area stand at 20 to 30 times what is considered as the safe level for human beings, can the minister indicate if he is considering establishing deadlines for existing pulp and paper companies by which time they would be required to remove dangerous pollutants such as mercury from their effluents?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, all discharges of mercury of any significance ceased several years ago because of our standards. The continuing problem results from mercury in the sediments downstream from the plant.

Mr. Orlikow: I have a supplementary, Mr. Speaker. In the absence of the Minister of Indian Affairs and Northern Development I direct it to the Minister of National Health and Welfare. Is his department or his department together with the Department of Indian Affairs and Northern Development discussing with the Ontario government the possibility of supplying alternative sources of food to the Indians in areas such as this so they will not be required to eat as a major staple in their diet fish which are so heavily contaminated?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have received no representations on this matter from the provincial authorities. My colleague the Minister of Indian Affairs and Northern Development, would probably be the person in the best position to answer the hon. member's question.

* * *

INCOME TAX

PROCEDURES AGAINST CERTAIN QUEBEC TRUCK DRIVERS—RESULTS OF DEPARTMENTAL INVESTIGATION

Mr. Roland Godin (Portneuf): Mr. Speaker, I want to put a question to the Minister of National Revenue concerning honest taxpayers and courageous workers.

Considering the fact that truck drivers who are on the road more than 10 hours per day are eligible to tax deductions for their meal expenses, can the minister say if he has ordered the Quebec regional office to stop all procedures instituted in respect to the files that I submitted to him, until the investigation which he has announced to me in a letter has been completed and a decision reached? If so, can he say why those persons have just received from the Quebec regional office summons ordering them to pay in 10 days?

[*English*]

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I am not sure I got the full weight of the hon. member's question. There have been no special instructions given to the director of taxation at Quebec. There is provision in the Income Tax Act for a particular procedure in such cases, and each case is considered individually on its own strength. However, I do not think there is any special investigation called for.

[*Translation*]

Mr. Godin: Mr. Speaker, I want to ask a supplementary question.

Due to the fact that the officers of the Quebec local office seem to be working with a document relating to the tax reform applied to the year 1972, and that the cases I have submitted to the minister are related to the years 1970 and 1971, could he say if he intends to put an end to the procedures, and when? Can he assure me that he will personally inform the persons whose cases I have submitted to him not to make any payment as required by the Quebec office until he informs them personally about the decision reached following the investigation?

[*English*]

Mr. Stanbury: Mr. Speaker, I have no word that there are any assessments which are not fully founded, but if the hon. member wishes to speak to me personally I will be glad to discuss individual cases and see whether any further consideration can be given to them.

* * *

PROVINCIAL AFFAIRS

BRITISH COLUMBIA LAND COMMISSION BILL—EXAMINATION BY DEPARTMENT OF JUSTICE OF POWER TO ENACT—REQUEST FOR RESERVATION OF ROYAL ASSENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Justice and Attorney General as the keeper of the Queen's conscience. It has to do with a bill of the British Columbia legislature entitled the Land Commission Act, which may become law tomorrow. I ask the minister whether or not the law officers of his department have examined this bill, and in particular certain provisions, to the end that a determination has been made whether or not these unusual provisions come within the legislative ambit of the legislature of British Columbia under its exclusive authority over property and civil rights?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I will have to check to see how far any examination of this question has gone at this stage of the proceedings.

• (1430)

Mr. Diefenbaker: Mr. Speaker, time is of the essence. That is the reason I ask. I ask the minister this question in the absence of the Prime Minister. Having regard to the widespread aroused public opinion concerning the dangerous implications of this incredible legislation, does the government intend to request the Lieutenant Governor of British Columbia to reserve Royal Assent so that consideration can be given thereto by the Governor General in council?

Mr. Lang: Mr. Speaker, it is fairly obvious, from the way the question was put, that it is hypothetical in its nature. But I could say to the right hon. gentleman that the ordinary procedure, if there is doubt about the constitutional validity of provincial legislation, is to allow that legislation to be tested in the ordinary way in the courts, and if there is doubt about the political nature of such legislation it is tested in the provincial political arena.

Mr. Diefenbaker: Mr. Speaker, I asked the question because once the bill is passed and action is taken thereon it will be impossible for the rights of individuals to be protected. It is often said that once eggs are scrambled they cannot be unscrambled, and I wish the minister would look into this, though I realize of course, his total aversity to anything of a political nature.

Mr. Frank Howard (Skeena): Mr. Speaker, I direct a supplementary question to the Minister of Justice. If the Lieutenant Governor of British Columbia is presumptious enough to make any determination other than the one he is required to make, will he see that he is removed from office?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I should like to ask the Minister of Justice if in fact the government has started an investigation of Bill 42 introduced in the legislature of British Columbia?

Mr. Lang: Mr. Speaker, I really answered that question at the beginning in dealing with the question of the right hon. member for Prince Albert.

Mr. Reynolds: Mr. Speaker, I did not get that answer. I think the minister said it would be. Has the department started an investigation—just yes or no?

Mr. Lang: Mr. Speaker, as I indicated to the right hon. gentleman from Prince Albert I will be checking to see the extent to which investigation has gone on. When these matters come to the attention of the department it is unusual to undertake a thorough examination of them at this stage, but I will see how far it has gone.

* * *

TRANSPORT

ALLEGED DETERIORATION IN WESTERN CANADA RAILWAY PASSENGER SERVICE—REQUEST FOR INVESTIGATION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I wish to direct a question to the Minister of Transport. In view of the deteriorating train service in western Canada, as evidenced by the fact that recently some 30 passengers from Edmonton to Red Deer were obliged to stand in the baggage compartment, and on a recent Sunday night a passenger was unable to board the dayliner at Innisfail because of lack of seating accommodation, will the minister investigate the current situation and specifically try to find ways to improve rail service between Edmonton and Calgary?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I shall investigate it, and I would like to have the names of those people.

Some hon. Members: Oh, oh!

Mr. Roche: Would the minister make a statement on motions about the government's plans to save railways as a vital means of passenger transportation in an age dominated by jets and big airports?

* * *

HOUSING

REQUEST THAT CENTRAL MORTGAGE AND HOUSING CORPORATION NOT AUTHORIZE RENT INCREASES ON OLD AGE PENSIONERS' ACCOMMODATION IN LIMITED DIVIDEND PROJECTS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of State for Urban Affairs. In view of the fact that certain owners of limited dividend projects are taking advantage of proposed increases in the old age pension and raising the rents of tenants who are pensioners, and are citing CMHC authorization for the raising of such rents while a lease is in effect, will the minister take this matter up with the Central Mortgage and Housing Corporation and instruct that body not to authorize any increases in rents covered by leases that have been in effect since January 1, 1973?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, as I tried to explain to the House the other day, both the owners of the limited dividend projects and Central Mortgage and Housing Corporation are bound by the terms of the agreement, copies of which I will be happy to give to the hon. member. That agreement provides that actual increases in costs of operation are passed on through rent increases. I have asked the corporation to watch any such applications for rent increases and to treat them very rigorously. In a number of these buildings we have had a number of meetings between tenants and owners, organized by CMHC, and in each case CMHC has tried to reduce the increases to the maximum amount permitted under the agreement. If the hon. member has specific tenants and specific buildings in mind, I wish he would bring them to my attention, particularly—

Mr. Speaker: Order, please.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I thank the minister for his offer to send me certain documents. Would he like me to send him certain documents showing that landlords are citing CMHC authorization for the increases they are making?

Mr. Speaker: The hon. member for Calgary North.

Mr. Basford: Mr. Speaker, I would be delighted to receive such documents—

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Calgary North.

Mr. Knowles (Winnipeg North Centre): Here are two of them.

[Mr. Marchand (Langelier).]

REQUEST FOR MORATORIUM ON RENT INCREASES AFFECTING OLD AGE PENSIONERS

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question, Mr. Speaker. In light of the fact that the rents have been increased by 20 per cent in many cases as a result of the agreements the minister has mentioned, will he undertake not only to ask for strictness in this regard but to veto and put a moratorium on all increases so that the old age pensioners can enjoy their pensions without having them taken away from them by landlords and CMHC?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, as I made clear the other day, where CMHC owns the buildings we have already implemented a freeze for 1973 on all rent increases as they apply to senior citizens.

Some hon. Members: Hear, hear!

Mr. Basford: However, where we are just the mortgage holder or are bound by the terms of a limited dividend agreement, we have got to observe that agreement and, as a lawyer, the hon. member knows that that is the case.

* * *

DRUGS

AVAILABILITY OF QUAD PROGRAM DATA TO BULK PURCHASERS, PHYSICIANS AND OTHER HEALTH PROFESSIONALS

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the fact that the minister in an open letter to the editor on March 1, 1973, in the Ottawa *Citizen,* indicated that data generated by the QUAD program would be provided to bulk purchasers of drugs, physicians and other health professionals, and in view of the fact there appears to be disagreement between the minister and top officials in the department concerning the therapeutic equivalence of drugs, could the minister indicate if this data is now available, and has it been provided to the above groups on their request so that a meaningful assessment of the QUAD program can be determined by those responsible for prescribing drugs?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all, I have had the opportunity of outlining to the House the attitude of my department: it does not differ from mine on this subject.

In addition, with regard to the availability of information, I can say that it is available upon request to any province or bulk purchaser.

Finally, with regard to the general question of the QUAD program, I shall be in a position to make another statement on the matter tomorrow.

[*English*]

Mr. Holmes: In light of correspondence I received from the executive assistant to the minister on March 6 indicating that my correspondence dated March 2 requesting the

above data is presently under study and that a definitive reply would be going forward shortly, could the minister indicate at this time what that reply will be and, if it is in the affirmative, when can I expect to obtain that data?

[*Translation*]

Mr. Lalonde: Mr. Speaker, I may have misunderstood the question of the hon. member. Does he want this information for himself or does he want it transmitted to the provincial governments?

[*English*]

Mr. Holmes: Mr. Speaker, I think my question was quite straightforward. I indicated that I had written to the Minister of National Health and Welfare requesting that information, and that I received a letter from his executive assistant indicating that further action would be taken at a later date. I would simply ask the minister to indicate at this time whether an affirmative response will be given to my personal request for such information and, if so, when will I obtain that data?

[*Translation*]

Mr. Lalonde: Mr. Speaker, I understand that the hon. member feels that he belongs to the group of provincial governments of that of bulk purchasers. I do not see why such information should not be passed on to him. As to convey the information to the people on an individual basis, I am now considering the matter. As a rule, I would authorize such a procedure. However, there are some difficulties, I am told, from a legal point of view, and this is why the hon. member has been kept waiting for an answer.

* * *

• (1440)

[*English*]

HEALTH

INVESTIGATION OF USE OF FISH PASTE FROM KRILL FOR TREATMENT OF ULCERS AND ARTERIOSCLEROSIS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address my question to the Minister of National Health and Welfare. In view of the outstanding results announced in the use of fish paste from Krill in the medical treatment of ulcers and arteriosclerosis. I should like to ask the minister if this has been investigated by the Food and Drug Directorate?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have asked my department for information in this regard and I shall be pleased to pass it on to the hon. member as soon as I have it.

[*Translation*]

UNEMPLOYMENT INSURANCE

OPPOSITION TO CERTAIN PROPOSED AMENDMENTS TO ACT BY MONTREAL ORGANIZATIONS—MINISTER'S POSITION

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

Can he advise the House whether he has seen the memorandum from the Local populaire of Montreal and supported by many Montreal organizations objecting to Bill C-125 and suggesting instead the establishment of a minimum guaranteed income plan? If so, what answer is the minister planning to give to that memorandum?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have had representations from the Greater Montreal Anti-Poverty Committee and they have been supported by other organizations made known to me. I met with the leaders of the delegation from that group some three or four weeks ago and arranged for a subsequent meeting with the Unemployment Insurance Commission, which has since taken place. They are constructive meetings and the recommendations are being seriously considered. We will make known our decision in due course.

* * *

AIR CANADA

DECISION TO DISCONTINUE CUSTOMS PRE-CLEARANCE AT TORONTO AIRPORT FOR PASSENGERS TRAVELLING TO UNITED STATES—REQUEST FOR RECONSIDERATION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a question to the Minister of Transport arising from the decision of Air Canada to discontinue the practice of customs pre-clearance for Canadian businessmen bound for the United States, utilizing the facilities of Toronto International Airport. In view of the hardships that this decision imposes upon businessmen travelling to the United States, can the minister indicate to the House whether he has had any discussions with Air Canada with a view to reinstating the policy of customs pre-clearance and, if not, is it his intention to do so and will he make a statement to the House to that effect?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the hon. member is undoubtedly better informed than I am. I do not think that the decision has been taken yet. So, if I am right, he is the one who is misinformed. The matter is still under study.

The matter of pre-clearance is an extremely complex one which could facilitate travelling for Canadians in certain cases but which could also be the cause of severe prejudice for Canadian companies.

Mr. Speaker, I am sorry that I cannot give a complete answer within a few minutes. No decision has been arrived at and I think it is still under discussion with the Department of External Affairs and air carriers.

[*English*]

Mr. Mazankowski: Would the minister undertake to inform the House whether it is his intention to pursue the matter of the provision of customs pre-clearance facilities at the second international terminal at which I understand facilities have not been made available for pre-customs clearance?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, as soon as there has been a decision, I shall so inform the hon. member. As a matter of fact, a delegation from the United States Congress was here a few weeks ago to make an inquiry into the matter of customs pre-clearance. The U.S. government itself is not sure whether the policy is to be continued.

At any rate, as soon as we shall have a somewhat more specific reply, I shall be pleased to discuss it, but I feel the hon. member should not announce decisions which have not yet been made.

* * *

AIR TRANSPORT

PROVISION OF FACILITIES WITHIN CITIES FOR PURCHASING OF TICKETS AND CUSTOMS CLEARANCE

Mr. Jacques-L. Trudel (Montreal-Bourassa): Mr. Speaker, I would like to direct a supplementary to the Minister of Transport.

In order to facilitate the employees' work in international airports, does the minister intend to install centres in cities where passengers could purchase their tickets and have their luggage checked by customs? Passengers could then board aircraft directly thus reducing the existing confusion in international airports?

Hon. Jean Marchand (Minister of Transport): I am willing to consider this suggestion which seems most interesting, Mr. Speaker.

* * *

[*English*]

AIR CANADA

QUALITY OF RESERVATION SERVICE FOR OTTAWA RESIDENTS—SETTLEMENT OF CLAIMS ARISING FROM DC-8 CRASH IN TORONTO

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a supplementary question for the Minister of Transport. In view of the fact the minister indicated in the House on Monday that he would inquire into the matter of the Telepac system in Montreal which forces Ottawa residents to contact Montreal for Air Canada reservations, can he now indicate whether he has made that inquiry and whether Air Canada is willing to revert to the 1972 system or to the 1970 system whereby it had a sophisticated set-up here that was still running and that Air Canada is still paying for but not using?

[Mr. Marchand (Langelier).]

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I regret but the information I have now from Air Canada—I intend to go on discussing it with the responsible authorities—does not at all confirm the complaints made by the hon. member. Should I have the opportunity to meet him. I would like him to clarify some of the claims regarding the reservation system.

[*English*]

Mr. Lundrigan: I will give the minister the information I have and I think he will want to see a few heads roll. Has he had an opportunity to receive a report from Air Canada on the insurance settlements regarding those people who have been waiting since the unfortunate crash in 1971?

Mr. Speaker: Order, please. I am not sure that is a supplementary but the minister might reply and the Chair will then recognize the hon. member for Regina-Lake Centre.

Mr. Marchand (Langelier): Yes, Mr. Speaker, I received the report; some claims have been settled and others have not.

LEASE OF LOCKHEED 1011 AIRCRAFT—REASON FOR BORROWING FUNDS IN NEW YORK

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct a further supplementary to the Minister of Transport. In view of the fact Air Canada is borrowing some $26,600,000 to lease Lockheed 1011 aircraft, would the minister advise why it was necessary for the funds to be borrowed in New York and why the sale of these certificates is not being made available to the public?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think this question should be put to the Minister of Finance or the President of the Treasury Board. I am not a specialist in these matters.

Mr. Benjamin: Mr. Speaker, in view of the request of the Minister of Finance in his budget that the provinces do most, if not all, of their borrowing within Canada, would the President of the Treasury Board tell the House why Air Canada is being allowed to borrow $26,633,000 on the bond market in the United States and why the issue is being limited to institutional investors and four American insurance companies which have taken up almost half of this loan at the present time?

Some hon. Members: Shame!

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am not aware of the circumstances but I will take the question as notice.

CRIMINAL CODE

INQUIRY AS TO REINTRODUCTION OF LEGISLATION ON OFF-TRACK BETTING

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a question for the Minister of Justice. In view of the fact that both the budget and throne speech debates are now over and we should be moving into a legislative program, is the minister going to reintroduce the same legislation as last session on off-track betting or will there be new legislation more in line with the requests of those provinces that have studied the matter?

An hon. Member: Have you got a piece of the action?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, if we tried to please all of the provinces that have studied the matter we would not be able to do anything because there are fundamental differences of view. We are looking, with the provinces, at possible changes, particularly the strengthening of provisions against the existing messenger service type operations. I would hope to be able to introduce the bill in a somewhat modified form at some stage during this session, but the exact timing depends upon further discussion with the House leader and other members.

Mr. Lawrence: Will the minister indicate whether he is aware of the very real concern of most of the law enforcement agencies, in the central part of the country in any event, that the present bookie system and the whole set-up in respect of racing is still feeding international syndicated crime in this country?

Mr. Lang: Mr. Speaker, I am very aware of the concern involved. As a result of that concern, when we introduced a bill in the last session there was some hope that hon. members might have passed it quickly in order to put an end to present types of messenger service until the hon. member shot from the hip from Queen's Park.

* * *

FISHERIES

STORM DAMAGE IN NEWFOUNDLAND LAST NOVEMBER—INQUIRY AS TO REPORT AND COMPENSATION TO FISHERMEN

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of Fisheries. Would the minister advise the House whether he has received a report from the committee of officials of his department and of the Department of Fisheries in the province of Newfoundland on the storm damage last November? What position is his department going to take in regard to compensation for the fishermen?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, our people have worked with the province of Newfoundland in order to assess the damage and see what compensation is warranted. We insure fishing vessels. The province will have to look after the gear.

• (1450)

GRAIN

REQUEST FOR STATEMENT ON MARKET PROSPECTS FOR HIGH ERUCIC ACID RAPESEED

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the minister in charge of the Wheat Board. Will the minister make a statement on the probable market possibilities for high erucic acid rapeseed this coming fall? I ask this question because of the very poor performance of the low erucic varieties this past year and the consequent reluctance of producers to seed. Many producers are asking for such a statement.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I will certainly consider whether anything further can be said. I will let the hon. member have a copy of the newsletter that has gone to all producers with the so-called March 1 planting information and which has some reference to the high erucic, low erucic situation.

POSSIBILITY OF PLEBISCITE ON BRINGING RYE, FLAX AND RAPESEED UNDER CONTROL OF WHEAT BOARD

Mr. Jack Murta (Lisgar): Mr. Speaker, I have a supplementary question for the minister in charge of the Wheat Board. Is the government at the present time contemplating introducing a producer plebiscite on whether rye, flax and rapeseed should be brought under the control of the Canadian Wheat Board? If so, is it going to be done before the end of this crop year?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have indicated that I believe the time has come when a plebiscite or some other form of formal consultation should now take place. In other words, the period of attempting to put the appropriate amount of information in the hands of producers has pretty well come to an end and not much further progress will be made unless an actual plebiscite or consultation period is set. Therefore, I contemplate doing that as soon as the final form of consultation is decided upon. However, I would not envisage any effect on the marketing system for the crop year beginning August 1, 1973. Under ordinary good business practice, I think far longer notice than that is required before any change is implemented.

* * *

AIR TRANSPORT

POSSIBILITY OF COMMERCIAL SERVICE BETWEEN CANADA AND CUBA

Mr. Tom Cossitt (Leeds): Mr. Speaker, I presume my question should be directed to either the Minister of Transport or the Secretary of State for External Affairs. Can the appropriate minister advise the House with regard to a possible commercial airline service between Canada and Cuba and, specifically, what negotiations have gone on, are going on or may be contemplated in connection with a commercial airline service between our two countries?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as far as I know there are no negotiations going on at the present time for the establishment of regular service between Canada and Cuba.

Mr. Cossitt: I wish to ask the Secretary of State for External Affairs if there is a delegation from his department in Cuba today and, if so, what is the purpose of it being there?

Mr. Sharp: Mr. Speaker, the hon. gentleman has caught me unawares. We have had some discussions going on about programs of technical assistance and there may happen to be a group there. However, I will make inquiries.

* * *

INQUIRY OF THE MINISTRY

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is addressed to the Minister of Public Works. In view of the general public's rising concern about the cost of government and in view of the fact that the mini-bus shuttle service that transports members from the Confederation Building to the House of Commons is costing the Canadian taxpayers $7,000 a month, can the minister assure the House that in the long run this system of renting buses is cheaper than purchasing them outright or cheaper than building a tunnel?

An hon. Member: Let them walk.

* * *

[*Translation*]

NARCOTICS

GRANTS TO BENEVOLENT REHABILITATION CENTRES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to ask a question of the Minister of National Health and Welfare.

Since his department recognized that it was necessary to provide funds to nonprofit organizations for rehabilitating people who make a non-medical use of drugs, can the hon. minister tell us if it will be the case this year, that is to say if he will continue giving grants to these nonprofit organizations so that they continue their rehabilitation work for patients who used such drugs?

Hon. Marc Lalonde (Minister of National Health and Welfare): My answer is yes, Mr. Speaker, and the estimates tabled in the House include amounts which will be earmarked for that purpose.

[*English*]

AGRICULTURE

USE OF DES IMPLANTS IN CATTLE—DIFFERENCE BETWEEN CANADIAN AND UNITED STATES REGULATIONS—POSSIBLE EMBARGO ON IMPORTS

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I wish to address my question to the Minister of Agriculture. In view of the minister's recent visit to Washington, can he now inform the House as to the decisions regarding the use of DES implants as they relate to the existing imbalance in the regulations between Canada and the United States?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we did discuss this matter when I was in Washington. I have been told that the studies will be finalized some time this month. We will be told what the United States government intends to do at that time.

Mr. Hargrave: Is the minister giving some consideration to a Canadian embargo on United States fat cattle and dressed beef in view of the DES regulations in our two countries?

Mr. Whelan: Mr. Speaker, the action the government will take will depend upon the finalization of the study in the United States. We are prepared to take whatever action is necessary in order that our beef producers will not be put at a disadvantage.

* * *

POWER

CHURCHILL RIVER DIVERSION—REQUEST FOR STOPPAGE OF WORK UNTIL LICENCE ISSUED UNDER NAVIGABLE WATERS PROTECTION ACT AND INVESTIGATION OF ENVIRONMENTAL EFFECTS

Mr. Keith Taylor (Churchill): Mr. Speaker, my question is to the Minister of Transport. In view of the fact that Manitoba Hydro has awarded contracts for work on the Churchill River diversion at South Indian Lake in Manitoba, and in view of the fact that no licence has been obtained under the Navigable Waters Protection Act, would the minister advise the House whether he has taken any action to stop the work until a licence is obtained and, if not, why not?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will inquire into the case and make a report.

Mr. Taylor: Would the minister assure the House that a complete investigation into the effects of the diversion upon the environment and the livelihood of the residents of the areas will be made and that public hearings will be held in the area before making a final decision on the application for a licence?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I shall establish which elements of the question are under the responsibility of the Department of the Environment and which ones

come under my department and we will be happy to inform the hon. member of our conclusions.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a supplementary question for the Minister of the Environment. Arising from the decision of the province of Manitoba to allow Manitoba Hydro to proceed with the diversion of the Churchill River and in view of the provisions of the Canada-Manitoba study agreement relating to environmental studies, would the minister advise the House whether representations have been made to the government of Manitoba with a view to discontinuing work until the studies are completed?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, the Canada-Manitoba agreement relates to environmental effects of works which are being studied. One of the clauses in the agreement requires that these effects be taken into consideration when designing the particular work. There are a number of them in respect of this particular development for water power purposes.

[*Later:*]

Mr. Dinsdale: Can the Minister of the Environment inform the House whether he has received the interim reports provided for by the agreement? If not, when does he expect to receive such reports and, if he receives them, will he act upon them?

Mr. Davis: Yes, Mr. Speaker. I expect to receive the first interim report within the next few weeks. There will be a series of reports over the next three years.

* * *

REGIONAL ECONOMIC EXPANSION

OCEAN FALLS, B.C.—INQUIRY AS TO REQUEST BY PROVINCE FOR DEVELOPMENT ASSISTANCE—RELOCATION OF RESIDENTS

Mr. Harry Olaussen (Coast Chilcotin): Mr. Speaker, I wish to direct my question to the Minister of Regional Economic Expansion. On April 20, 1973, the town of Ocean Falls will cease to exist. Can the minister inform the House whether he or any other minister has been approached by the provincial government of British Columbia as to some possible development in the area?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, my memory is that no such submission has been made, but it could be that it has been received at the official level. I will be glad to make inquiries and inform the hon. member.

Mr. Olaussen: Mr. Speaker, I wish to direct my supplementary question to the Minister of Manpower and Immigration. Can the minister inform the House if his department has experienced any problems in the relocation of the people living there?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will have to take notice of the question.

• (1500)

COMMUNICATIONS

REQUEST FOR TABLING OF LETTERS BETWEEN MINISTER AND QUEBEC COUNTERPART ON GOVERNMENT POLICY

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I want to direct a question to the Minister of Communications. I should like to know if the minister has received a reply from the Minister of Communications of Quebec in regard to the letter that the federal Minister of Communications tabled in the House on February 23. Regardless of the reply when he answers the first part of the question, can he tell the House if there has been any change at all in the position of the Quebec government, and of other provinces but particularly of the Quebec government, and that of the federal government since February, 1972?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): The answer to the first part of the question is affirmative, Mr. Speaker. As a matter of fact, the letter of my colleague the Quebec Minister of Communications was tabled in the Quebec Assembly and published in the papers.

As to the second part of the question, I find it rather difficult to answer since it is so broad. The hon. member is asking if there has been any change during the past year in the attitude of the Quebec government or any other province. I must answer yes since we are in constant discussion with at least five of the ten Canadian provinces and, of course, in each case minor changes come up in the discussion but I have to say that we have not reached any final settlement of the questions which will be raised in the green book. If it were the opposite it would be useless to publish that book.

[*English*]

Mr. Nowlan: A supplementary question, Mr. Speaker. I thank the minister for part of his answer. Since the Quebec minister has had the courtesy to table in Quebec his letters to the Minister of Communications in this House, would the minister table his letters to the minister in Quebec so that we may know the full story through the exchange of letters regarding this entire problem of communications and cablevision and the fact that for over three years there has been an absolute vacuum in policy and an absence of leadership? Would the minister table these letters and consider doing so post-haste?

[*Translation*]

Mr. Pelletier (Hochelaga): Mr. Speaker, the hon. member will forgive me for not applauding his speech.

As to his question, the answer is yes, and with pleasure.

[*English*]

Mr. Nowlan: Mr. Speaker, I did have some extensive remarks to amplify my question, in an attempt to fill in the Minister of Communications who needs filling in quite a bit, Mr. Speaker, in regard to this question of communications.

Some hon. Members: Order!

Mr. Speaker: Order, please. The hon. member should ask his question because we are running short of time. The hon. member has been recognized for a supplementary and he should ask it.

Mr. Nowlan: Mr. Speaker, hon. members across the way who called me to order should have directed their call to the Minister of Communications to bring some order to this whole question of communications, because in one of the letters tabled in the National Assembly in Quebec the Minister of Communications of Quebec—

Some hon. Members: Order!

Mr. Nowlan: Then I will rise on a point of order and not on a supplementary question.

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

Mr. Nowlan: My point of order is that this is a complete farce and travesty. We are trying to breathe some life and sense into a policy on communications, because we have a minister who is the most uncommunicative minister this House has ever seen. My point of order is that as a member of this House I feel, even though I have some bilingual capacity, that it is just a little too much to expect members of this House to go to the National Assembly in Quebec and get letters that have been tabled there showing one side of the conversation carried on with the Minister of Communications here. I suggest that the whole matter ought to be expedited so that when the green paper finally comes forward from the federal minister we will have available the correspondence that he sent to that minister in Quebec.

Mr. Nystrom: On a question of privilege—

Mr. Speaker: Order, please. The hon. member for Yorkton-Melville rises on a question of privilege.

Mr. Nystrom: Mr. Speaker, I rise on a question of privilege. This, clearly, is debate. The hon. member is abusing the question period—

Some hon. Members: Hear, hear!

Mr. Nystrom: —something that no member should do. We are all affected, no matter to which party we belong, when an hon. member abuses the rules of the House, as the hon. member is doing now.

Mr. Nowlan: Mr. Speaker, on the same question of privilege, I do not hesitate to stand in my place and say there has been a perversion of the rules and an abuse of the rules by the members to my left in carrying on a completely incestuous coalition with the members of the government.

Some hon. Members: Oh, oh!

Mr. Nowlan: If you want to talk about abusing the rules, we could go back a few days when other hon. members abused the rules. I did not pay any attention to that abuse and I will not pay any more attention today to the hon. member because, quite frankly, I do not think we should waste the time of the House any more in listening to what the hon. member has to say. My supplementary question to the Minister of Communications is, will he table his correspondence?

Mr. Speaker: Order, please. The hon. member has asked as a supplementary whether the minister will table some correspondence. I thought the minister had answered affirmatively. That is my understanding. Before calling orders of the day the Chair will recognize the hon. member for Joliette.

* * *

[*Translation*]

POWER

PROPOSED JAMES BAY HYDROELECTRIC PROJECT— INDEMNIFYING OF NATIVE PEOPLE

Mr. Roch La Salle (Joliette): Mr. Speaker in the absence of the right hon. Prime Minister and the Minister of Indian Affairs and Northern Development I wish to direct my question to the Minister of Transport.

Since the James Bay project is still very important for the future of the province of Quebec, is the minister in a position to say if this government will limit itself to meeting the demands of Indians or is it prepared to co-operate in carrying out this project within the limits of its jurisdiction while at the same time encouraging the payment of adequate compensation to residents?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the hon. member was right about being concerned about the absence of the Minister of Indian Affairs and Northern Development. I will transmit the question of the hon. member to the minister who will surely give him an answer.

[*English*]

Mr. Speaker: Orders of the day.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: On a point of order, Mr. Speaker, I would ask the government House leader about the business of the House for the rest of this week and next week.

Mr. MacEachen: Mr. Speaker, today we will continue with debate on the old age security bill, followed by the bill on war veterans allowances. Then, we will take the Export Development Act and the National Housing Act amendments. Monday and Tuesday of next week will be opposition days, and we will continue with this legislative program following Tuesday of next week.

Mr. Baldwin: A supplementary question, Mr. Speaker. In light of the discussion which took place yesterday about the motion to refer certain matters to the Standing Committee on Procedure and Organization, is the minister considering the suggestion advanced by the hon. member for Egmont (Mr. MacDonald), namely, that the time between two c'clock and four o'clock tomorrow might be dedicated to that proposition? When the minister

is answering, can he tell the House at this time when the budget bills will be introduced? I am sure that will be of interest to many members.

Mr. MacEachen: Mr. Speaker, I am aware that the hon. member for Lotbinière (Mr. Fortin), who was speaking when debate ended last night, is not present today. If he is present tomorrow we will consider working out some arrangement to deal with the motion that is so important. As to the budget bills, I am not in a position to indicate on what particular day they may be brought forward.

GOVERNMENT ORDERS

OLD AGE SECURITY ACT

AMENDMENTS TO INCREASE BASIC PENSION AND TO CLARIFY BASE YEAR IN ESCALATION FORMULA

The House resumed, from Friday, March 2, consideration of the motion of Mr. Lalonde that Bill C-147, to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Peter Reilly (Ottawa West): Mr. Speaker, I should like to take a few minutes to conclude my remarks on the government's proposal to increase old age assistance. On Friday last I said the sum was grossly inadequate. You may remember, Mr. Speaker, that at that time the Minister of National Health and Welfare (Mr. Lalonde) rose to correct a passage in *Hansard,* in which he was reported as saying that the government had effectively banished poverty for the aged in this country. He said he did not say that, and I believe him when he says he did not say that. Yet, obviously, somebody in the government thought it, Mr. Speaker, because that text did not appear in *Hansard* by accident. Obviously, somebody deep in the mushroom cellars under the headquarters of the Department of National Health and Welfare wrote those words. There is a cabal that believes that this government has effectively banished poverty for people over the age of 65. They committed those thoughts to paper, but fortunately the minister was embarrassed enough by their ever-eagerness to do us the honour of correcting his remarks, substituting a somewhat less offensive piece of governmental braggadocio. Nevertheless, he doubtless believes that the government has done a good job for our old people.

• (1510)

So, obviously, do my hon. friends to the south of us in this chamber. I should like to dwell for a few moments on some of the remarks that the members of that party have made. Their leader, the hon. member for York South (Mr. Lewis), said during the debate on the budget that he thought that my leader had "lost his marbles"; I think that was the phrase he used. I want to quote to you, Mr. Speaker, something that the leader of the New Democratic Party—or should I say the not so new and not so democratic party—said. I hear hon. members to my far

left crying "Oh!". The leader of the New Democratic Party said during the budget debate that he suspected my party were so hungry for power that they would vote for the communist manifesto. I suggest to them that if they had to, in order to keep this government in power, they would almost vote for the Regina manifesto. They have turfed out of their party everyone who laid claim to believing in the philosophy of socialism which they are supposed to espouse. Anybody who is young and a socialist has no place in the councils of the NDP; that is a matter of record so we do not have to debate it here.

In any case, Mr. Speaker, let me tell you about the statement that the hon. member for York South made during the election campaign, just one week before election day last October. He was in Victoria at the time and was talking about pensions. He said that his party, if it were elected, would immediately institute a pension plan raising the basic pension to $150 a month. He then said this: "You send a large number of NDP members to parliament and we'll make life hell for the Trudeau government". During my education I studied under Jesuits, among others, and sometimes they were at pains to describe to us the tortures of hell. They frightened me, since I was a young boy at the time; in fact, they scared the hell out of me. But I can say that I have not seen any members of this woefully inadequate government across the way suffering torment of any kind at the hands of the New Democratic Party, least of all the torment of hell.

The fact is that the leader of the New Democratic Party, who accused my leader of losing his marbles, may be in need of a little geriatric assistance. I am not going to accuse him of having lost his marbles or of having his mental faculties in any way diminished by his great age, but I would suggest to him that sometimes one's sight begins to play tricks with one when one reaches a certain age, and that the Trudeau government is over on that side, not on this side where most of his invective has been directed.

If he and his party really want to see a pension that is better than the one now being put up by the Liberal government, I suggest that they defeat the government and let another election take place. We do not want the help of that rag, tag and bobtail minority down there. We do not want to form a government that depends daily for its existence on a little blowhard minority with no mandate. What we want is an end to a situation in which this parliament can be frustrated in its attempt to get on with things because of the fact that this little group of 31 members, fully one-third of whom are here by virtue of victories consisting of less than 2,000 votes plurality, has the misplaced and I submit misused power to impose its will on the crippled giant across the way.

These members tell us that daily they are shoring up the government because they want to see programs passed that are good for the people. I am not at all surprised to hear them say this, but I did go back over my files today and I found that the hon. member for Winnipeg North Centre (Mr. Knowles) has long held the view that co-operation with the Liberals is a defensible philosophy for a New Democratic Party politician to profess. In fact, back in 1965 there was a scandal within the NDP caucus in this House of the most serious proportions. It seems that the

caucus at that time became very cross with the hon. member and wanted to remove him as House leader. There was a special caucus meeting held to discuss this proposition, and the reason they gave for this meeting was that the hon. member was too helpful to Liberals.

The hon. member has been quoted on many occasions—the most recent I have been able to find was in January last, but he is on record as long ago as 1965—as saying that he thinks minority government is the best kind of government. He believes that under that system more will be done for the Canadian people than if there is a majority government, though he makes one very important reservation, of course, which is unless a majority government be formed by him and his colleagues. So in that principle as in all others we find there are two sides to the question and that it depends very much upon whose ox has been gored. All of us who are in politics have compromised from time to time. But the amusing and sometimes bemusing thing about the NDP is that while they are in the process of making their tortuous and painful circumlocutions to arrive at B when they left A, they will never admit that they have done so and become very cross indeed when anyone accuses them of that. Thus it was that the leader of that party, having committed his party members to vote for the budget, said he was doing so because the budget contained no concessions to industry. How he arrived at that conclusion, of course, I shall leave the House to decide; I cannot imagine how he could possibly arrive at such a conclusion.

I am sure hon. members will be pleased to hear that I have just about reached the end of my speech. May I merely conclude by saying that we do not believe that a $100 pension is enough. I hold that view to the extent that I cannot vote for this proposal. It is my intention—and I hope I will be joined by members of the House from all parties—to continue to work as hard as I can, in common with members like the hon. member for Hillsborough (Mr. Macquarrie), who has worked all his parliamentary career to this end, to better the lot of the pensioners. Those who snigger at this, Mr. Speaker, merely betray their total ignorance of what has been happening here over the past few years. I intend to join forces with that hon. member and other members who have concern for the old people of this country in order to try to make sure they receive, before too many months go by, an amount of money that will enable them to live in the peace, dignity and harmony that they deserve, having worked hard and carried this country on their backs for all their working lives.

• (1520)

Mr. John Gilbert (Broadview): Mr. Speaker, after hearing the last speaker, I realize how fortunate we are to have a Liberal government in power today compared to a Conservative government. The last speaker is a man of many parties. I think when he was younger he was a member of the Liberal party. When he went into the trade union movement he was a member of the NDP, and now that he has become disenchanted he is a member of the Conservative party. I do not doubt that time will see him go over to the Creditiste party.

Mr. Reilly: I would go over there before I came to you, Jack.

[Mr. Reilly.]

Mr. Gilbert: I would remind the hon. member of the statement issued during the election campaign by his party as set out in a Conservative publication entitled "Policies and Commitments" dated September, 1972.

Mr. Reilly: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Ottawa-West (Mr. Reilly) is rising on a question of privilege.

Mr. Reilly: Mr. Speaker, if I understood the hon. member for Broadview (Mr. Gilbert) correctly, he said that at one time I had been a member of his party. I deny that totally. It is not true.

Some hon. Members: Hear, hear!

Mr. Gilbert: Mr. Speaker, after the hon. member's performance this afternoon I am rather happy that he has never been a member of this party. I think he had sympathy for our party at one time, but now we have a real, deep sympathy for him of a different nature.

I would remind the hon. member of the Conservative party publication entitled "Policies and Commitments" dated September, 1972, which did not even contain a chapter with regard to pensions. At page 52 under the heading of "Poverty" there is the statement that the Tories would maintain the present plans and remove the 2 per cent ceiling on the cost of living adjustment. At that time the old age pension was $82.88, and the Conservative party did not even know that the Liberal government had taken off the 2 per cent ceiling in respect of the cost of living adjustment. This is the program the Conservative party presented to the people during the election. The leader of the party has attempted since to say it could be inferred from his speeches that the old age pension under the Tories would have been between $90 and $95. We then heard the hon. member for Hillsborough (Mr. Macquarrie), the main spokesman for that party on pensions, say many things, but not one word regarding that the Conservative party would do concerning pensions. He said not one word as to the amount.

An hon. Member: You didn't say you were going to support the Liberals either.

Mr. Gilbert: The hon. member said that the 1973 pension should be $107, but there was not one word in respect of what the Conservative party would do concerning the amount of the pension. I think it would be fair to say that 1,800,000 senior citizens are delighted with the changes contained in the legislation, and I want to commend the minister for bringing it forward. I recall that before he was a member or a minister he was the grey eminence behind the Prime Minister (Mr. Trudeau). He had a keen, analytical mind and a bureaucratic approach to political problems. After listening to his speech introducing the changes I now realize he is intellectually strong, decidedly competent, deeply sensitive, compassionate and strongly determined to take care of senior citizens.

Much the same can be said about the hon. member for Winnipeg North Centre (Mr. Knowles). He has been a crusader, a man of convictions, a man of concern and a man of compassion. When he spoke as the spokesman for

our party he set forth the historical and philosophical development of pensions. Many of us, after hearing his speech, felt that he was a man Canadians have grown to respect and admire for his fine contributions to social legislation for pensioners. I just noticed one of the members leave. I imagine he is most embarrassed at the position and policy of his party concerning pensions.

This legislation indicates that the Prime Minister and his party got the message of October 30, 1972. I feel that the people of Canada are the main beneficiaries of minority governments, and that it is fair to say many Canadians applaud the decision of the New Democratic Party, announced shortly after the election, that we would support the government in power, be it Liberal or Tory, provided progressive legislation was brought forth to the benefit of all people in Canada.

On January 4 the Liberals did bring forth a Speech from the Throne which contained many promises concerning pensions, housing and foreign ownership. We in the NDP supported the government on the basis that an opportunity should be given the government to translate its promises into legislation. Then, on February 19, the Liberals brought forth a budget which contained certain goodies relating to tax cuts, an improvement in the pensions of senior citizens and veterans and cuts in respect of sales tax. That is why we in the NDP supported the government on the budget, even though we had certain reservations about expansionary measures in respect of unemployment.

What is the position of the Progressive Conservative party? Had we voted with them against the budget we would have deprived the people of Canada of all those benefits derived from it. I said in my opening remarks that the Conservatives never stated that they would give an increase. In fact, not one word has been forthcoming from any of their speakers in respect of the amount of the increase to pensioners.

Mr. Yewchuk: How much would you give, John?

Mr. Gilbert: I will get to that in one moment, Mr. Speaker.

Mr. Yewchuk: Tell us now.

Mr. Gilbert: It is shocking to realize they did not even know that the 2 per cent ceiling in respect of the cost of living had been removed back in May. It is quite obvious that the Liberals cannot fault the Tories because back in 1957, as a result of their legislation, they became known as the "six buck boys". We recall in 1970 at Christmastime they gave the magnanimous increase of 42 cents to senior citizens.

Again we must appreciate that the best effort of the Tories was $65 at 70 years of age, and I think the hon. member for Bruce (Mr. Whicher) had the right to mention that during the debate. The very best effort of the Conservative party was $65 per month at age 70. The payment of $100 basic old age pension and the combined OAS and GIS of $170 with a payment of $325 to a married couple represent a step in the right direction.

Somebody asked what we in the NDP would do. We stated clearly that our position was related to an amount of $150 on the principle of universality. We have stated many times that this would do away with divisiveness and administrative complexity—and I refer to the combined OAS and GIS—being brought about concerning pensions. I would remind hon. members that the NDP government in British Columbia has ensured that every pensioner will get a minimum of $200 a month. This indicates that even though we are tied to $150 in respect of basic old age security pensions, we are prepared to move to take care of Canadians who are finding it difficult to meet expenses today. We feel, and I am sure the last speaker will bring this to the attention of the province of Ontario, that the government of Ontario should ensure that every pensioner in this province gets a minimum of $200. I had thought my good friend would make this type of remark concerning pensions, rather than attack his friends to the left.

• (1530)

The minister, when he spoke, set forth the figures which showed that 500,000 pensioners were in receipt of the full old age pension and guaranteed income supplement, and that another 550,000 were in receipt of partial OAS and GIS while 750,000 were in receipt of OAS alone, the basic pension. This indicates the three different groups of pensioners we have in this country today. He also pointed out that the provinces have established priorities with regard to other groups in the community such as the disabled, single family parents, unemployable unemployed, and low income people. He quite rightly pointed out that the Canada Assistance Plan provides a measure of relief to the provinces which are participating in it because of the 50 per cent contribution by the federal government. This type of comment is justified and constructive, but I think there is a necessity for the federal government to establish priorities concerning the unemployed, inflation and social security measures.

In respect of senior citizens, I think the priority at the moment, after the passage of this legislation, should be, first, in relation to housing. There should be more senior citizens' housing so that the senior citizens can rent housing at reasonable rates. This would mean that any increases that they are now receiving would not be swallowed up through increases in rent. Also if we were to increase the amount of housing available for senior citizens we would probably have a practical demonstration of what the hon. member for Trinity (Mr. Hellyer) called the trickled-down theory in housing, whereby senior citizens who now occupy large homes might move to more comfortable accommodation and avoid the necessity of looking after repairs, painting and so on. If they so wished, such persons could move into senior citizens accommodation and thus provide more homes for younger families. I believe it is very important that more senior citizens housing be constructed.

Another priority for our senior citizens would be the provision of drugs at reasonable prices. I recall that when the government eliminated the 11 per cent sales tax on drugs many people thought we would have a substantial reduction in the price of drugs. This did not happen. In fact, studies indicate that some drug firms absorbed that 11 per cent and put it into their pockets. I would remind you, Mr. Speaker, that the province of Manitoba, under a New Democratic Party government, brought forward its

budget a short time ago in which provision was made for free drugs for all senior citizens. This is a measure which I think should be promoted by the federal government in an attempt to spur on the other provinces to take action concerning drugs for our senior citizens.

The next item of priority in respect of senior citizens should involve food costs. Some protection should be given to the Price of basic foods enjoyed by senior citizens. An article in the Toronto *Star* of February 26 by Anne Wanstall indicates how the sudden hikes in prices have affected many people. She said:

> Supermarkets are first in line as consumers fire pot shots that could grow into cannon balls. If last week's mail is anything to go by, the executives who make the policies which determine the prices we're asked to pay, had better come up with some answers.

Then, she gave an example:

> Wanda Pratt of Weston has a gripe about the rising price of prune juice. "About six weeks ago I paid 39 cents. Then it went up to 42 cents; two weeks later up to 49 cents and last week to 52 cents. They can't tell me that this was all due to a poor crop of plums."

She points out that this purchase poker that the chain stores play with regard to food prices must stop because it directly affects different groups within the community. One group which is substantially affected is the senior citizens.

Another priority in respect of the senior citizens I think should involve the situation where one spouse is under 65 years of age. In his speech the minister indicated that the cost of granting a pension to a person who is between age 60 and age 64 while the other person is over age 65 would be $150 million. I suggest this would be an expense well worth incurring, since there are many cases in which one pensioner is over age 65 while the other is under age 65. These people suffer severe hardships today. When we think that we are contemplating giving an amount of $500 million to corporations through tax benefits, surely we can give an amount of $150 million to the senior citizens in order to cover that situation.

I believe the government should also consider as a priority the lowering of the age in respect of pensions to 60 years. The hon. member for Winnipeg North Centre said that the test may have to be that of employment. There is a great deal of unemployment at the moment and many people feel that the lowering of the pensionable age to 60 on a voluntary rather than a compulsory basis would draw out many workers who are now 60 years of age and over.

I recall the experience I had in Toronto. The hon. member for Winnipeg North Centre was kind enough to send me as a representative of our party to a pension conference. At that conference I put forward the suggestion that we should lower the age limit to 60 years. I received an interesting answer from one of the senior citizens. She asked me if I agreed that Senators and Members of Parliament should quit work at age 60. She wanted to know why I was asking them to quit when Senators and Members of Parliament continue for many years beyond age 60. I am inclined to agree with her point. It underlines the necessity of retirement at that age being voluntary rather than compulsory. The adoption of this proposal would involve the lowering of the eligible age in

respect of the Canada Pension Plan, and some of the other pension funds, because it would not do to have a person retire at age 60 and receive merely the basic old age pension, plus perhaps the guaranteed income supplement, and then have to wait until age 65 before receiving benefit under the Canada Pension Plan. That is one problem. The other problem is that we would have to include an acceleration clause in the Canada Pension Plan in the same way it is incorporated in the old age security plan. This should be a requirement. Otherwise, the amount of pension received by people when they retire will be reduced substantially as a result of the increase in the cost of living.

• (1540)

These are the three areas to which the government should give first priority for study, research and development of policy. We in the NDP welcome the changes in the legislation, but we look forward to further improvements in the near future.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I should like to seize this opportunity to say a few words about Bill C-147.

I do not rise to fight this bill, but to approve it. We do not have the chance to approve stronger measures, so we shall at least give our approval to the minimum and we hope the bill will have third reading as soon as possible. That is why we do not wish unduly to delay the committee stage of the bill.

In this connection, I wonder why it should be referred to committee; we might just as well complete the second and third readings right away, and say: That's that, the bill is passed, for I cannot see what major amendments the committee could make. Some amendments will be proposed, but since amendments increasing government expenditure cannot be made in committee, I see no compelling reason why the bill should go to committee. Still, procedure must be followed, even if it does take time. We must reply to those who ask when the bill will go through, saying: Wait for the procedure to take its course.

It has always struck me in the House that, when any government introduces some social reform, they always make it seem to the people like some wonderful bargain that they had not been expecting. When you get down to studying it, there is really very little to it.

The process is reversed when it comes to proposed taxation. They speak quite bashfully to the public, and say: Well, it isn't much really. Just a little tax that you will hardly feel at all; whereas in fact it is a monstrosity. This is the sleight of hand that they try out on the public. What I dislike is the dishonesty of it.

Why not call on the population and simply say: This is what we have to offer. The government should stop playing cat and mouse with the people. After all, they are not at all more stupid than we are. Everybody can see through the government's game and this is why today they hate only some methods of the government. In fact, those methods have always been used.

The bill before us will increase the pension to $100 a month. First of all, they say that the pension is being raised from $82 to $100, which is not true since by the end

of March the pension will automatically fall to $86.61. The increase coming into force on April 1 amounts to only $13.39 a month. Once more, let us speak the truth. I like things to be clear and I do support truth. This is why I wish to quote the appropriate figures very clearly.

Many politicians deliberately tell people in their faces: the pension will amount to $170. This is another story that proves false. The pension does not amount to $170 but to $100 a month, and to this sum can be added a $70 supplement—I call that public assistance—subject to all kinds of inquiries whose purpose is to try to avoid granting it. Mr. Speaker, while adding a $70 supplement, they do not intend to do justice to the older citizens because the purpose of all these inquiries is to try to avoid granting it. Therefore, let us not call that a pension.

When referring to the pension in the House, I always have said: The pension, to be fair and equitable, must first of all be universal. If we allege that the pension amounts to $170, let us grant it to everybody indiscriminately. We should not make the senior citizens believe that they will receive monthly pensions of $170 because if they have another income their pensions are decreased. Therefore, what they are told is not true. Personally I simply tell them: Your pension is now $82 and it will be raised to $100. The rest of the pension can vary since what you get will depend on your income.

Those who have worked hard during their lifetime to save some money—it was the practice of our fathers and grandfathers for their old days—made a mistake. Because they have saved a few hundred dollars they will not get the $70 supplement. They are penalized by the government for their foresight. Today wealth means getting into debt and you must be old and in debt to receive the odd favour from the government. This seems to be the kind of education that we are trying to give today to our youth and I think it is very, very bad.

We simply ask for a pension. If we have again an opportunity to discuss that question in committee, we shall again ask for a true pension of $170 and 100 per cent universal for all senior citizens. When I say "all senior citizens" I mean the spouse younger than her pensionned husband. I always understood that when a pension is paid to the husband it is a family pension and if his wife is younger she is entitled to this pension.

• (1550)

We cannot expect an elderly couple to live five years on the salary of a single person. And I am very surprised that the government has not understood this fact because before the budget was introduced I was really sure that the pensioner's spouse was going to be eligible for the new pension. But it is not so, we still remain in the same old rut, we keep the same old principles and we leave the spouse aside and without any income.

The spouse may have some income in some provinces but not in Quebec. As soon as the husband gets $170, the Quebec Department of Health will tell him: that is enough. In Quebec, two persons must be satisfied with $170 to make a living. What a bright reasoning. These couples will have to fight again, beg and implore small politically bred inspectors to see if they have not inherited a few hundred dollars. We are against such ways of proceeding and this is why I say and repeat that only when the pension is universal will elder people begin to be treated as they deserve.

Secondly, like the New Democratic Party we often advocated in this House lowering the eligibility for pensions to age 60. I suggest this would be a very interesting matter of debate in committee, because bringing the age down to 60 does not require any effort on the part of the government and we offer them a means to really fight unemployment. As a matter of fact, according to some research I did at Statistics Canada, if we allowed people aged 60 to 65 to retire, we would provide 400,000 new jobs, which would enable 400,000 heads of families who now depend on the public treasury, who have 5, 6, 7 or 8 children and who cost the two levels of government $400, $500 or more a month, to go and earn a living in industry and take the place of the people who could retire if they were given $325 a month.

Mr. Speaker, the two levels of government would thus save money, in addition to which there would be 400,000 fewer unemployed. That is why we have suggested that pensionable age be reduced to 60; it would help the government solve the unemployment problem. Frankly, I am surprised again today that the government has not even mentioned it.

I do not know whether it is being discussed at the ministerial level but I feel this would be the best thing; let us stop applying bandaids to reduce unemployment, bandaids such as LIP projects, municipal projects, to create employment. A small political bonus is given industry; then we are told that 200 jobs have been created. That is not true; often, 200 jobs were wiped out. There is a bit of political play and we are told that will solve the problem of unemployment; that is not true.

Mr. Speaker, may I suggest that the problem of unemployment will only be solved through a massive movement of workers. As for senior citizens between 60 and 65, they should be given real instead of sham pensions. Thus, 400,000 unemployed heads of families could earn a living in industry and there would be only 300,000 unemployed left.

In addition, a salary should be paid to mothers. In that case, according to a survey 200,000 mothers would reintegrate their home, and there would be 200,000 fewer unemployed.

These are all suggestions, Mr. Speaker, that we make to the government so that it try and solve this famous unemployment problem. Once again, it is not by trying all kinds of little political tricks that a solution will be found to this unemployment problem. Everything that is done is unfair. Cases of injustice are multiplied by political patronage.

Mr. Speaker, once again, I greatly appreciate the little we are getting today; we shall give our full support to the bill but we truly hope that the government will propose within a few months a more concrete, more realistic bill that will enable it to deal with the unemployment problem.

We also would have liked the bill to provide for an agreement on drugs with the provinces. Today, the big problem of senior citizens aged 65 and over is that of drugs. They require so much care and so many drugs that

when they have to pay, life is not a bed of roses in many homes.

In my riding, I had the opportunity to visit most of the homes for the aged and I think that their problem is one of drugs.

If, one day, we could give them such things as drugs, as we do for welfare recipients, this would lessen a great deal the worries of senior citizens. We would thus find a solution to another problem facing these people.

I do not know what the situation is outside the province of Quebec, but I am telling the Minister of National Health and Welfare (Mr. Lalonde) to be on the lookout, because Quebecers are often being tricked. Every time an increase was granted, Quebec hurried to get it back right away and this is expected to happen again. It has already started in the case of rents and it is going to happen in nursing homes, Mr. Speaker. In such cases, older people suddenly realize that they are poorer than before, after a bill is passed, because the moment the government is giving people more money to improve their lot, the Quebec government sends out two or three inspectors to recover this money for the benefit of the provincial treasury.

It is too bad it's happening in my own province, but I must say it and I have to warn the minister about this.

We are in favour of this bill and we do not want to delay it being referred to the committee.

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to express a few comments on this very important bill. At the time of the budget debate, I had, like many others, the opportunity to voice a few opinions about old age security.

As this bill provides for a substantial increase in the income of older people, I am sorry that consideration was not given to granting the old age security pension to people under 65.

• (1600)

I would have believed it possible to give the old age security pension to the persons of 64 at least, for the present year. I think that many hon. members have already addressed this request to the minister in this House. I presume that the minister responsible and his officials have looked into the matter of reducing the eligibility age for old age pensions.

In view of the present social situation and the technical changes which have occurred in industry, there is an urgent need to give to people of 60 years of age and over a well deserved retirement. I am not the first one to draw the Minister's attention to the unemployment situation in the country. Personally, I feel that it would be a great help toward alleviating this problem which has been with us for several years and that it could allow people of 60 and over to receive the pension even though we may extend the process over a five-year period as we did before when the eligibility age for the old age security pension was lowered from 70 to 65.

I believe that this would have been possible and I worry a little about the attitude of parties in general which could not get together and force the government to take such a step. I am thinking particularly of NDP members who, since I came here at least, have many times expressed their interest in our senior citizens and underprivileged people. And I was very surprised that the NDP Party did not dare bring forward an amendment to that effect when the budget was tabled. I will not look for the reasons, because many members know them. However, I must remind the members of the New Democratic Party that they must respect the principles which they have always bravely upheld in this House and I wonder to what extent the public is aware not only of some kind of hesitation, but also of a certain amount of dishonesty in connection with the principles they have always extolled.

I think that the parties and members opposite would have surely been pleased to support an amendment brought in by the New Democratic Party and aimed at granting old age security pensions at least to people 64 years of age going down gradually to those 60 years of age. I take the liberty of reminding members of that party the position which they have always held in this House and may they also be reminded that the Canadian people are somewhat concerned about their inaction with respect to those principles.

Mr. Speaker, I would therefore like to take this opportunity, while admitting that the increases are most acceptable and interesting for our senior citizens, to remind the Minister of the importance of reconsidering—if this has not already been done—the possibility of enabling more people aged 60 or over to "go on leave". I would not go so far as saying that all those who could go on leave to-morrow morning, because of old age security pensions being granted at the early age of 60, should be replaced in industry. No, sir. For various reasons, I think that some industries would not hire other people to replace them. Still, I think that thousands of people could go into retirement and that jobs could be found for thousands of unemployed. Thus our present social context would be improved by allowing people aged 60 to go on leave and by having employment made available to 20-year-olds for whom the State often spends as much as $100 a week.

I feel that this should be considered by this House and also that it is important to remember all the efforts that this government has made during the past five years injecting money into various parts of this country, in order to fight unemployment; we find that in spite of all these efforts, the unemployment rate has increased two-fold if not threefold. I therefore feel this measure would promote a healthy social atmosphere and once more I invite hon. members of this House to give serious thought to this possibility and to urge the government to take early action. In the present situation, this possibility exists. All opposition members can certainly join forces and impose such action on the government, should they hesitate too long.

I venture to believe that the minister will take these remarks into consideration, as well as those of previous speakers and will give a positive reply to those who anxiously look to this legislation. Furthermore, recently, in my riding, the Central Council of the CNTU, during its Convention, adopted a resolution which I communicated this week to the minister. On the basis of my prior representations concerning this legislation, I urge the minister to grant sixty year olds the old age security pension.

Furthermore, I do hope that if unions like the CNTU with a membership of thousands of workers are favourable to that legislation, it would be proper to give this old age security pension to all those who are 65.

I shall limit myself to these few remarks. I did not want to let this opportunity go by without asking again for the passing of a law which would provide the old age security pension to those who are 60.

And I would also invite the minister to consider the possibility of giving this pension to the spouse who has not yet reached the age of 65. It is absolutely unfair for a couple when both are over age 65 to get $325 while a senior citizen whose spouse is younger has to live on $170.

Since it is unfair, I feel it is imperative for the government to study seriously the possibility of giving more assistance to the couple who is inconvenienced and antagonized by an act that grants $325 to one couple and $170 to another.

I know that by proving to the department of National Health and Welfare that the couple's income is not sufficient, some compensation may be obtained. But I also know very well that several persons have a hard time proving their entitlement to those supplementary benefits, that are often necessary, and that it often takes months of inquiry for the department to recognize their right to them.

So I think that such injustice should be corrected and that these people should be reassured by enacting a legislation whch would be fairer and more flexible and which would allow us to solve a great number of problems.

I will conclude my remarks, in expressing the hope that the minister will take them into account and that the political parties which have the opportunity to bring the government to enact that solution will unite and that the New Democratic Party will not hesitate in following the principles they have always defended in this House.

As far as I am and many others are concerned, we entertain certain reservations about the honesty they have always displayed towards senior citizens. It is never too late to take action. I would hope that, the various parties in this House will combine their efforts, either in committee or through another way, to make it possible for the senior citizens to obtain that pension as soon as possible, or at least to get it on a five years trial basis as it has already been done in other circumstances.

• (1610)

That would really show that we want to do something that an effort is being made to solve the problems; I believe that it would be a very good step for the minister, the Government and the Parliament to take.

The Acting Speaker (Mr. Laniel): Order. Before recognizing the minister, I must point out to the members that if he now speaks he will close the debate, according to the Standing Order No. 37. I now give the floor to the member for Champlain.

Hon. Marc Lalonde (Minister of National Health and Welfare): On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The hon. minister of National Health and Welfare on a point of order.

Mr. Lalonde: Mr. Speaker, I understood that it had been agreed by the parties that there would only be one speaker for each party this afternoon, and that I would close the debate. I would gladly do so, and as far as we are concerned we will have no other speaker.

Now, it is my understanding that the member for Champlain (Mr. Matte) wants to make a speech. I am afraid that this would upset the debate; if the Honourable Member for Champlain makes a speech, I fear that members from other opposition parties will also want to speak, as well as members of my own party who have agreed not to take part in the debate this afternoon.

The Acting Speaker (Mr. Laniel): Order, please. I am sure the hon. minister will understand that the Chair is never involved in such agreements between parties. Therefore, if an hon. member rises, he must be allowed to speak, and so I call upon the hon. member for Champlain.

Mr. René Matte (Champlain): Mr. Speaker, I understand the minister's point of view very well. I was not here when that agreement was made. In any case, since we are only at the second reading and committee stage, I expect to make representations to the committee, and also at the report stage. For now, I should like to hear what the honourable minister has to say.

[*English*]

The Acting Speaker (Mr. Laniel): Order, please. As I just mentioned I will recognize the minister. According to Standing Order 37, I must remind hon. members that if the minister speaks at this time he will close the debate. The hon. Minister of National Health and Welfare (Mr. Lalonde).

An hon. Member: So be it.

Mr. Lalonde: Mr. Speaker, I should like first to thank the hon. member for Champlain for his co-operation. If I have understood correctly, he had not been informed of the agreement between the parties, and I am sorry that this information did not reach him. I indeed hope that at the committee stage and at all other stages he will have the chance to make his position clear to the rest of the House.

I do not intend to speak at length; I believe members of all parties have had the opportunity to express their views. The fate of our senior citizens is a matter of the deepest concern for all members, whichever party they belong to. I have, for example, noticed several members on both sides of the House raising the matter of a possible lowering of the eligibility age. Others have talked about granting a certain amount to spouses of pensioners when the spouse is not of pensionable age.

Obviously, those are questions we are all concerned about and would like to see implemented as soon as possible. I must say that that question has been submitted to me very frequently by my Liberal colleagues since I have had the honour of assuming the responsibilities of Minister of National Health and Welfare.

I would like to reassure hon. members that I am not opposed to it in principle, far from it. I hope I have shown in the speech I made at the beginning of the debate on second reading that I consider it my duty to look into that problem with my provincial colleagues in the light of an over-all reform of social security in Canada. As I indicated in that speech, we have over 150,000 abandoned mothers who must look after 350,000 children and who at the present time receive benefits which are a shame to this country and unworthy of the condition in which they find themselves.

There are also 200,000 disabled people in Canada, between ages 18 and 65, who are now getting much lower benefits than those paid to older people. There are also 575,000 persons under social security who are also getting much lower benefits than those paid to older people.

While considering the question of reducing the age of eligibility for pension benefits, we should look into the whole question of benefits that are paid to the needy in this country. It is not only a question of trying to solve the problem of people from 60 to 65 but of tackling the poverty issue in all its aspects. I believe this would be the best way for us to meet the expectations of all Canadian citizens and the best way for this parliament, I think, to overcome poverty problem which unfortunately is still too acute everywhere in Canada despite the wealth of this country.

I am pleased to note that the oppositions parties generally agree with the government and will support this bill.

[*English*]

However, I am a bit confused about the stand of the official opposition on this whole issue. I listened with great interest to the various speakers from the Conservative party on this proposal. I am still hard put to come to a clear understanding as to exactly where they stand on this whole question.

When the hon. member for Hillsborough (Mr. Macquarrie) spoke at the opening of the debate, he said that his party would support the bill. I was very happy to hear this. However, the last speaker from that party said that he would not support it. I would like to know how many members of that party agree with the hon. member for Ottawa West (Mr. Reilly) and how many agree with the hon. member for Hillsborough, whose word I accept that his party will support the bill. However, this kind of position does not help to understand the fundamental attitude of the Conservative party with regard to assisting the aged people of this country.

An hon. Member: It is not enough.

Mr. Lalonde: I am coming to the amount. Even after this debate, I am still not able to assess where that party stands. I first understood that the Leader of the Opposition (Mr. Stanfield) referred to his own proposals of $92 or $95 at the most. The hon. member for Victoria (Mr. McKinnon), in a kind of supreme effort, raised it to the level of $97.88.

When the hon. member for Ste. Hyacinthe (Mr. Wagner) was speaking the other day, he developed an instant policy. In spite of all the pontifications and exhortations in his speech, I have not been able to find a particular figure. All that I heard was that he would like a civilized basic old age pension. That is a beautiful objective, but it is not very helpful in determining that particular level.

I was worried, concerned and even flabbergasted by the approach of the Conservative party to the question of attitude vis-à-vis the aged people. With all due respect to the hon. member for Hillsborough, I heard some members supporting programs like New Horizons in order to provide our aged citizens with activities and a more meaningful life rather than merely providing them with money. The following day I was surprised to hear the hon. member for Edmonton-Strathcona (Mr. Roche) clearly state that, while not opposed to the aged people, he was opposed to the New Horizons program. This is clearly in the record. He is a member of the party which, in the previous debate, wanted to cut to $1 the amount allocated to New Horizons. There again, I would be pleased to accept the word of the hon. member for Hillsborough. I assume that he was speaking for his party, although voices in the background and certain previous actions during the course of this session seemed to indicate that that party would like to be on both sides of the fence all the time.

Mr. Gilbert: Right on.

Mr. Lalonde: There is another aspect of this question that also surprises me about the attitude of the Conservative party in this matter. This arises from the exhortations of the hon. member for Saint-Hyacinthe when he was talking about the necessity of acting immediately to either cover the spouse or reduce the age for the payment of benefits. The hon. member asked the government for immediate action on this, even though he knew very well that I had stated quite clearly in this House that I have discussed this matter with my provincial counterparts. We were unanimously of the view that, at this particular time, we should not touch the structure of the system of old age security in this country, but that this question should be part of the general review that will take place of the social security system. They were not opposed in principle to reducing the age for benefits, but they said, "Before you go ahead and do that on your own, let us have a meeting; let us see what are the priorities in this country for the payment of social benefits, and let us see, together, whether the first priority should be lowering the age for the payment of pensions or whether the first priority should not be in other areas of welfare in this country." That is what the provinces said, all of them, including those in which the Conservative party happens to be in power.

• (1620)

The hon. member for Saint-Hyacinthe (Mr. Wagner) now says, "We want all this now." He is the same member who, during the campaign, went around accusing the government of rigidity, of not listening to the provinces, of acting on its own, of arrogance—you name it. That same hon. member and that same party to which he belongs, after having talked about co-operation with provinces, satisfying the provinces and what not, now come before the House and say, "Go ahead; act now; forget about the provinces; do not care about them." You know, I would have hoped for more consistency in that respect.

An hon. Member: But he is a former Liberal.

Mr. Lalonde: Some people also suggested that I was taking a somewhat too partisan approach on this question, and arrogating too much credit to Liberal governments in the area of old age pension benefits. I should like to give more credit to opposition parties, more credit to the Conservative party. I would love to do that, if that party had a better record on this legislation.

Some hon. Members: Hear, hear!

Mr. Lalonde: Previously in the debate I said that we do not know whether that party is for or against the New Horizons program, whether it is for co-operation with the provinces or not and whether it will vote for this bill or not. If one looks back over history one will see, Mr. Speaker, that of the basic amount of $100 in basic pension benefits that we have finally reached after 30 years or more, the Conservative party has contributed $19. Worse than that, its contribution represents $19 out of $170, or $38 out of $325. That is the record of the Conservative Party on this whole question. So, I think members of this House and the people of this country have every reason to be a bit suspicious about the boastings of the Conservative party in this respect.

An hon. Member: How much has the NDP contributed?

Mr. Knowles (Winnipeg North Centre): The NDP is responsible for all of it.

Mr. Alexander: Mr. Speaker, would the minister permit a short question relating to the 42 cents that the government gave our senior citizens for a Christmas present?

Mr. Lalonde: Mr. Speaker, perhaps I could answer questions when we consider the bill in committee, probably in the first few days of next week. I am stating facts. They are all there, for all to see.

Mr. Alexander: Tell us about the 42 cents.

Mr. Lalonde: Mr. Speaker, I do not see how there can be room for argument. I am sorry if my words seem to hurt the feelings of some hon. members. I would not want to hurt hon. members.

Mr. Yewchuk: The minister is not hurting us.

Mr. Lalonde: Let me point out that the $19 increase for which the Conservative party is responsible took the form of two increases, both of which happened to be introduced just before an election.

Mr. Alexander: But it looks pretty good compared with 42 cents.

Mr. Lalonde: That party has a consistent record in that respect. My party increased old age pension benefits in 1968, 1969, 1970, 1971, 1972 and 1973. So, I do not think anybody, especially those on the opposition side, can accuse us of cynicism or opportunism in this respect. If any party can be accused, it is another party which shall remain unnamed for the time being.

Mr. Alexander: I wish the minister would tell us about the 42 cents.

Mr. Lalonde: I should like to conclude by touching on two points, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Lalonde: If hon. members wish, I can talk for much longer on this particular subject. Much more could be said. However, I think we will let the opposition, particularly the Conservative party, go scott-free today on this subject. We may have to come back to that party later on.

I was particularly pleased that the House passed unanimously a motion objecting to the increase in rents that will take place in many cases across this country following the increase in benefits. I hope private citizens will take note of the views of this House in this respect and I hope, in particular, that provincial governments will take note of the view of this House in this respect.

An hon. Member: Why does this government not take note?

Mr. Lalonde: An hon. member asked, why does this government not do that? The minister responsible for Central Mortgage and Housing Corporation has taken a clear stand on this question and said that this government has frozen the rents of old people, especially those occupying housing owned by the federal government. I should like to be able to say the same about provincial governments presently being run by the Conservative party. I should like them to give us a similar assurance.

Mr. Yewchuk: They are the "have" provinces.

Mr. Lalonde: For several years, after increases have been given, several provincial governments have increased rents and absorbed most if not all of those increases provided by the federal parliament to old age pensioners.

[*Translation*]

And on that account, the point raised by the hon. member who spoke on behalf of the Social Credit Party of Canada surely deserves notice.

[*English*]

I note that provinces are paying old age pensioners living in provincial institutions what they call comfort allowances, which vary between $15 and $26, according to provincial policy. What happens is this: it seems that the provinces collect the old age pension cheques and hand over to these old people amounts which vary, as I said, between $15 and $26, for their day-to-day expenses. The proposed increase in the case of a person who will receive both the basic pension and the guaranteed income supplement will be over $20. I hope that the provinces will not keep all that increase, and still pay to old age pensioners only the so-called comfort allowance of between $15 and $26. If we examine previous experiences, we will see, I am sorry to say, that several provincial governments have acted in that way. I hope that the increase the federal parliament will grant to old age pensioners will not find its way into provincial coffers. I hope that the views of

this parliament on that question will be noted by all provincial governments.

[*Translation*]

As to the question raised earlier by the Social Credit spokesman concerning drugs, there is no doubt that it is a problem which comes first under the responsibility of the province. I would like to draw his attention to the fact that if some elderly people are in need and if they receive, in addition to the pension paid by the federal government, allowances from a provincial welfare department, the government pays first 50 per cent of the additional amounts and the drugs will be paid in the case of these people, in the same way as in the case of people who depend on welfare allowances.

I must also mention that some other provinces have already set up or intend to set up a system under which drugs will be available to people who are 65 or more.

Here again, these are questions that will certainly be discussed during the meetings I shall hold both with the provincial ministers of health and ministers of welfare.

Mr. Speaker, I do not want to keep this debate going much longer. I want simply to thank the hon. members who had the opportunity to express themselves on this subject during the last two days of debate and I would like to apologize particularly to the government members who wanted to express their views on this subject and who accepted not to take the floor in order to speed up the debate and to expedite passage of this bill.

[*English*]

Mr. Speaker: Is the hon. member for Hamilton West rising for the purpose of asking a question?

Mr. Alexander: One short question, Mr. Speaker.

Mr. Speaker: The hon. member can ask a question only if the hon. member who has the floor is willing to answer a question.

Mr. Lalonde: I will accept a question, Mr. Speaker.

Mr. Alexander: I will not be long, Mr. Speaker. I was impressed with the historical recitation given by the minister of the plight of our senior citizens. However, he conveniently forgot, I hope through inadvertence rather than through purpose, the fact that at one time there was a figure of 42 cents mentioned by him. I am wondering whether the minister can advise the House how that figure came about, and how he can take such pride in the policies of a government that had the cheek and the nerve to offer the senior citizens a 42-cent increase. I know the minister was not here at that time but was in the bureaucracy. Perhaps he could answer that question for me.

Mr. Lalonde: Mr. Speaker, as the hon. member said, I was not in the House at that particular time and I do not recollect all the facts. But if I remember correctly, this was at the time when this government introduced a very progressive step in the form of the Guaranteed Income Supplement. A $25 additional payment was made to every elderly person in the country who, because of their income situation, were unable to make both ends meet. This particular adjustment was made at that time so as to round out the figures of $80, while at the same time we increased the GIS from $31.83 to $55. My hon. friend should look at all of the facts. I did not inadvertently miss that point. The government rounded out the basic old age pension to $80, but also increased payments to senior citizens in need by almost $25, which I think is a pretty good record.

[*Translation*]

Mr. Speaker: Order. Would the minister agree to the hon. member for Winnipeg North Centre (Mr. Knowles) asking him a question?

Mr. Lalonde: With pleasure, Mr. Speaker.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder whether the minister would accept another question. Even though he seems to have said no at this point to the payment of the pension under the Old Age Security Act to those between the ages of 60 and 65 on the basis of any one of several plans, is the minister still willing to have this matter thoroughly discussed in the committee to which this bill is being referred, and is he prepared to keep an open mind on the possibility of something still being done in this respect during this session?

Mr. Lalonde: Mr. Speaker, as far as the first question is concerned, I shall certainly be very pleased, if allowed to do so under the rules of the committee, to have a full discussion with hon. members on the question of lowering the age and all other aspects. Second, I want to assure hon. members that I do not have a closed mind on this question; I have a very open mind. I would love to be able to do this, but as I have mentioned we must look at the matter in terms of general priorities in the field of social security at the present time, taking into account the resources that may reasonably be made available in the short term.

With regard to action being taken in the present session, there will be further meetings with the provinces. I do not know whether the meeting being held in April will be sufficient to enable us to arrive at some agreement, or at some consensus, or whatever is the term we use for what we do with the provincial governments. If a consensus develops with the provinces that this is an area which should receive priority, then I would be happy to raise the matter with my colleagues and see whether we can take some action.

At the present time my view is that before committing ourselves to making any such move in the immediate future we should take a very careful and thorough look, not only at whether there should be a lowering of the age for pension entitlement but also at all of the calls that people in this country who are in need make upon the public purse, whether it be the federal purse or the provincial purse. As the hon. member knows, many demands are made on the provinces in the field of welfare for people below 65 years of age.

I am not in a position to commit the government or myself to taking action on this subject in this particular session of parliament. I have said that I feel that the next step to take in this session—and I do not know how many sessions there will be in this parliament—is to substantial-

ly improve the family allowance scheme. Can we then take a third step, which would be to decrease the age for pension entitlement during the course of this session? Personally, I would doubt it, but I have an open mind on the subject and will keep an open mind.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

* * *

• (1640)

WAR VETERANS ALLOWANCE ACT

AMENDMENT TO INCREASE AMOUNT OF PAYMENT

Hon. Daniel J. MacDonald (Minister of Veterans Affairs) moved that Bill C-148, to amend the War Veterans Allowance Act, be read a second time and referred to the Standing Committee on Veterans Affairs.

He said: Mr. Speaker, I am very pleased to be speaking at this time on a bill designed to improve the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act. I should like first to recall briefly to the House some of the significant improvements which have been effected in the legislation governing war veterans allowances and civilian war allowances since January 1972.

On March 21, 1972, the regulations were amended so that exempt casual earnings were not restricted to a four month period.

On May 15, 1972, legislation was approved which exempted cost of living increases in the OAS and GIS payments in the amount of $15 for single war allowance recipients and $30 for married recipients.

On May 19, 1972, the War Veterans Allowance Act was amended to provide for escalation of the rates and ceilings effective January 1, 1972 and on January 1 of each succeeding year, in accordance with increases in the consumer price index.

On November 9, 1972, the regulation was removed which assessed as income for war veterans allowance and civilian war allowances purposes, a percentage of the value of a home in excess of $10,000.

On January 13, 1973, the amount of casual earnings permitted in any year was increased from $800 to $1000 for single recipients and from $1200 to $1500 for married recipients.

Finally, the war veterans allowance and civilian war allowances rates and ceilings which were in effect on December 31, 1971 have since been improved by $10 per month for single and $16.61 per month for married recipients.

The bill now before you will further increase these rates and ceilings by an additional $20.14 single and $39.60 married. This provides a total increase of $30.14 or 24.8 per cent, single, and $56.21 or 27.8 per cent, married, since December 31, 1971. The orphan rates have similarly been increased by more than 24 per cent during this 15-month period.

Another major feature of this bill is the removal of personal property limitations which now stand at $1250 single and $2500 married. This means that it will no longer be necessary for an applicant to liquidate his assets in order to qualify for an allowance.

I am especially pleased and proud to speak to this bill because, although rates and ceilings, casual earnings and permissible property values have changed many times since the War Veterans Allowance Act was passed in 1930, this is the first time a bill has been introduced in this House which proposes the complete removal of the limits on personal property. This will mean that war veterans allowances and civilian war allowances will, as of April 1, 1973, change from a means tested program to a modified income tested program.

I am sure all members will agree that those who are eligible to receive payments under these acts merit our special concern. Their eligibility is based on service to Canada during a time of war. These people, both servicemen and civilians, risked their lives for their country. We should not forget that they are entitled, not to favours, but to what they have so valiantly earned and justly deserved. The adoption of this bill will simply assure these people a better standard of living.

Many of these men left home and enlisted at an early age and, because of the years they spent in the service of their country, were not always able on their return to improve their education or training to attain a degree of skill which would have been within their reach had they not enlisted. The result is that in later years when they suffer some disability, which may not be directly caused by their war service, they have difficulty in providing for themselves and their families. These men are, to a large degree, casualties of war, although they may not have been wounded. Their widows and orphans also deserve our special consideration.

I believe, Sir, that the measures proposed in this bill will be welcomed by every member of this House as concrete evidence of our awareness of the special contribution this group of Canadian citizens has made to their country and as a clear indication of our commitment to treat them in a fair and just manner.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, after the past two months of tension in this House of Commons I think that during the debate on Bill C-148 you will see a change of tempo. There will be no banter back and forth across the floor. I can assure you that the Veterans Affairs Committee is a committee, the members of which have comradeship, esprit de corps and understanding. We are dealing with a topic that is diminishing in importance in the country. It is a topic which nobody can argue is anything but significant in our society, since it relates to the war veterans of Canada who deserve everything we can give them.

I am pleased to follow the new Minister of Veterans Affairs (Mr. MacDonald), who is presenting his first bill in the House of Commons, and I congratulate him. While I did congratulate him at the committee hearings when we were discussing the supplementary estimates, I hope members will allow me to repeat what I said as I feel it should be placed in the *Hansard* record. I repeat my

congratulations because, as I said, the minister should be an example for all Canada, certainly to those of us here, of what a Canadian can accomplish against all odds and adversities suffered while defending his country. The minister came back to Canada and, as a double amputee, gained the highest achievement to which a veteran in this country of ours could aspire, becoming the Minister of Veterans Affairs.

Some hon. Members: Hear, hear!

Mr. Marshall: I know, Mr. Speaker, that this is not the time to be handing out bouquets to members opposite or ministers, but perhaps it does not hurt once in a while to have the opportunity to exhibit a little human understanding and compassion.

I am pleased also that the introduction of this bill gives us an opportunity to discuss a topic which, as I said before, is unfortunately diminishing in importance in Canada. That topic is veterans affairs. It is diminishing in importance because people are preoccupied with beating each other's brains apart over the material things that seem to be so important. Even with all the expertise at our disposal, we cannot seem to solve the important problems. I am sure the minister knows what I mean, and I am sure he will agree that with all the unrest in the country, Canadian governments could look to the veterans organizations to get an example of comradeship, neighbourliness and humanity. In our continuous struggle to prevent a breakdown in national unity we try to legislate, set up studies and commissions or sit at conferences. I say, Mr. Speaker, that national unity cannot be legislated by governments, by sitting around a conference table, by studies and commissions or by presenting bills in parliament. National unity is created in the hearts of people and is passed on over the years because our ancestors suffered hardship in discovering and building Canada and in making it the great nation it is today.

• (1650)

The veterans of Canada protected the unity of our country in the First and Second World Wars, and in Korea, when they pledged their loyalty to Queen and country and defended Canada against tyranny. They went to foreign countries to do so as well as to protect other nations of the world because our country asked them to do so. They did not ask for any special favours. The contracts they signed were all one-sided. There were no fringe benefits, no automatic increases in pay and allowances, no hospital benefits. What is most important is that they fought together, not as citizens of different origins, not as English or French or any particular race, creed or colour. They fought together against a common enemy as Canadians.

Today, with all the expertise we have we are trying to find out why the youth of Canada are reacting against the establishment. We also hear frequently about their abhorrence of anything military and their attitude against war. I have no quarrel with their attitude. Nobody wants war. I apologize for saying that I have a son who also hates mention of the word "war". I do not want him or any of my children to ever experience war. But let me remind the youth of our country that there are thousands of graves over in Europe of young lads who were 18 and 19, yes, and even younger, who did not like the word "war" in World Wars I and II. Some of them even lied about their ages so that they could come to the defence of their country, their parents or loved ones. They should be here now enjoying our prosperity and taking advantage of the supposed opportunities that exist; but they cannot because they lie in the war graves of Europe.

May I respectfully suggest to the Secretary of State (Mr. Faulkner) that in his youth exchange programs he might show a little patriotism by arranging some trips to the war graves of Europe if he wants to do something worthwhile for our youth and for the benefit of this country. We cannot blame our youth for the failure of our governments to live up to their commitments to our veterans for the past 50 years. Yes, we forget too easily, and perhaps I should put on the record these words which appear on one of the war graves in Europe:

> Here we lie because we did not choose to live and shame the land from which we sprung. Life to be sure is nothing much to lose, but young men think it is . . . And we were young.

Those were the youths of past world wars; those were the youths who had the right to live, to react and to demonstrate. Perhaps some of them might even be sitting here as members of parliament today, but I am not sure how much they would appreciate what is happening. But we forget so easily. Nobody in his right mind wants a war. But we have to go to war because of the stupidity and selfishness of those who govern, and because of the greed, hate and ambition that lies in the twisted minds of those who gain power through deviousness and the quest for power.

We have seen examples in recent weeks of the results of the war in Viet Nam in which thousands of young Americans also lost their opportunity to enjoy the great future that they had hoped their country would provide. And what did our governments do during the past 54 years for those Canadians who went to three wars for the same reason? I cannot use more forceful words than the veterans organizations did which presented a brief to the Standing Committee on Veterans Affairs during the joint study on the basic rate of pension. They state:

> The dollar value of war disability pensions for 100 per cent disability pensioners, has because of erosion and neglect fallen to a critical level.
>
> This has happened because of the failure of successive governments in the last 50 years to maintain the basic rate of pension at approximately the same level as that paid to unskilled workers in the public service.

It is not 50 years but more like 54 years. There are almost one million war veterans in Canada today who served our country. Many thousands of them made their sacrifice but returned to Canada, took up their lives and occupations and became successful. They caught up to society because of their initiative, drive and knowledge. But they are still veterans. They maintain their interest in their fellow comrades and belong to veterans organizations with the sole purpose of helping their comrades. Some of the successful ones even sit here today as Members of Parliament trying to do their best for their country and for their comrades. But many came back maimed and disabled. They do not want to beg from government, but they are forced to do so because they lost the best years of their lives fighting for their country. The veterans we are

talking about are either too disabled to take their place in society or are those who fall into the category of the burnt-out pensioner.

This brings me to the subject of the bill before us, Bill C-148 to amend the War Veterans Allowances Act. I cannot personally, or on behalf of my party, quarrel with the amendments before us because they are good amendments. The bill provides for allowances to $151.14 for the single veteran and $257.21 for the married veteran with an allowable income of $40 and $70. There are supplementary benefits which one in the opposition should not mention, but I feel a most important amendment is the repeal of section 8 which removes the limitation in respect of payment of an allowance to a person who owns personal property. It also removes certain powers in relation to transfer of property in determining the amount of an allowance and provides for the future escalation of allowances under the act to commence on January 1, 1974. May I call it five o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty pursuant to Standing Order 40 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vegreville (Mr. Mazankowski)—Air Transport—Advance booking charter regulations—Assurance that travellers will be protected against price fixing; the hon. member for Meadow Lake (Mr. Nesdoly)—Canadian Culture—Multiculturalism—Request for grant to Saskatchewan provincial library to buy books in various languages; the hon. member for Vancouver South (Mr. Fraser)—Airports—Vancouver International—Proposed new runway—Request for information on environmental impact.

It being five o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper. I understand that an agreement has been reached concerning the business with which the House will proceed. Perhaps this could be spelled out by someone and presented to the House to see whether it meets the wishes of the House.

Mr. Reid: Mr. Speaker, we should be taking up the item Notices of Motions for the Production of Papers, but there have been discussions about this and I believe it would be acceptable to proceed to Private Members' Public Bills. If that should be agreeable, I should like to call Bill C-31. If we proceed to completion of that through all stages, then I would want to call Bill C-156. For the edification of hon. members, may I say that these bills would change the names of two constituencies, and it is normal practice in the House that when they are presented we take them through all the stages. I would suggest to the House that we use private members' time in this way.

• (1700)

Mr. Deputy Speaker: Order. Then I gather that we have several decisions to make, but first of all, is it the wish of hon. members that the two bills respecting the Electoral Boundaries Readjustment Act be our preoccupation during the private members' hour?

Some hon. Members: Agreed.

Mr. Deputy Speaker: If this is agreed, it has been suggested that these bills proceed through all stages here rather than be referred to the Standing Committee on Privileges and Elections. Do I gather that the wish of the House is that this indeed be the step that we take and the reference be to the Committee of the Whole rather than to the Committee on Privileges and Elections?

Some hon. Members: Agreed.

Mr. Deputy Speaker: May the Chair make a suggestion that those bills receive their second reading in turn and that we then proceed to the committee study on both of them, then report back for third reading on both of them? This would have to be agreed to, I suppose, by the sponsor of the first bill primarily because if anything goes wrong it is his bill that suffers.

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT RESPECTING CHANGE IN NAME OF CONSTITUENCY

Mr. Rod Blaker (Lachine) moved that Bill C-31, respecting the Electoral Boundaries Readjustment Act, be read the second time and referred to the Committee of the Whole House.

He said: I promise to be brief as requested, Mr. Speaker. The bill proposes a change in the name of the riding of Lachine. I would simply explain to the House the two reasons for so doing. The first is that the riding itself consists of three cities, that of Lachine, Dorval, and Pointe Claire and there is a subsequent confusion between the name of one of the cities and the name of the riding from the federal point of view. The second reason is that, as hon. members are aware, the Federal Election Boundaries Commission has been making its recommendations and should some of the proposed changes take place the new boundaries of this riding, as recommended in the submission of that commission, will be more accurately reflected by the name Lachine-Lakeshore, as it is generally known in the area, and in French *Lachine-Bord-du-Lac*.

I think there is nothing further to add. I thank you, Mr. Speaker, and members of the House for the privilege of presenting the bill.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT RESPECTING CHANGE IN NAME OF CONSTITUENCY

Mr. Max Saltsman (Waterloo) moved that Bill C-156, respecting the Electoral Boundaries Readjustment Act, be read the second time and referred to the Committee of the Whole House.

He said: Mr. Speaker, I would like to say a few brief words on the reasons for the change in name. Recently an amalgamation took place of Galt, Preston and Hespeler. There is a considerable sense of loss of identity. These are historic communities which have been combined into a new city called Cambridge. It is my hope, with the approval of the House, to get the constituency name changed so that the transition from the old names that were so well loved in our area to the new name will be made more acceptable.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

Mr. Bell: That is the first thing the government has done this session.

Mr. Haidasz: No, the second.

Mr. Reid: Mr. Speaker, the House is in such a good humour that I am tempted to ask leave of the House to bring forward my own private members bill, but of course that would be an abuse of the House.

Since we have concluded the business that was set aside for private members hour, and since in the private members hour we have now passed more legislation than has the House of Commons, perhaps on that basis we might rise until eight o'clock this evening.

An hon. Member: Call it six o'clock.

Mr. Deputy Speaker: Is it the pleasure of the House that the hour now be seen as six o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being near six o'clock, I do now leave the chair until 8 p.m.

At 5.10 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

WAR VETERANS ALLOWANCE ACT

AMENDMENT TO INCREASE AMOUNT OF PAYMENT

The House resumed consideration of the motion of Mr. MacDonald (Cardigan) that Bill C-148, to amend the War Veterans Allowance Act, be read the second time and referred to the Standing Committee on Veterans Affairs.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, when I was interrupted at five o'clock I was giving kudos to the Minister of Veterans Affairs (Mr. MacDonald). I wanted to mention the changes introduced by order in council rather than as amendments to the act. Some of these were as follows: First, the removal of the penalty imposed on recipients who own and occupy their own home valued in excess of $10,000; second, the removal of the penalties imposed on the sale of the home of the veteran; third, the increase by 25 per cent of the casual earnings of a veteran; fourth, the exemption of $15 and $30 for the veteran, either single or married, who qualifies for OAS/GIS.

I would like to say, with the utmost respect and sincerity, that this and past governments cannot be too proud of the fact that finally in 1973, some 54 years after the First World War, the war veterans allowance has reached a satisfactory figure. Some people may attack me for saying this because the war veterans allowance only came into effect in 1930, but we can take it all under the umbrella of the Pension Act. I can only repeat once more the words in the brief submitted by the war veterans' associations to the Standing Committee on Veterans Affairs dealing with the joint study report on the basic rate of pension:

> This has happened because of the failure of successive governments in the last 50 years to maintain the basic rate of pension at approximately the same level as that paid to unskilled workers in the public service.

The same can be said about war veterans allowances. Veterans are now in the twilight stages of their lives. The First World War veteran is in his late seventies and cannot take advantage of the increase permitted in casual earnings because he is long past the stage when he can work. The World War II veteran is now in his late fifties, and with our new thinking in society today he is long beyond the stage of consideration even for work on a LIP project. Probably the increase in casual earnings will help this veteran, the one whose children are grown up and educated, whose children have gone out on their own. He or his wife may earn a little more income to find a little extra comfort in their later years. Why couldn't the government give a little consideration to these people and increase the allowable earnings to something more meaningful, so that a veteran could enjoy some comfort and at the same time get back a feeling of contributing to society?

None of those who sat in government over the past 50 years can be proud. I do not blame the present minister; I

blame all past governments. Here again we have an opportunity to correct all the inequities in the War Veterans Allowance Act, and we still leave some items uncorrected. For example, under the War Veterans Allowance Act a widow or widower responsible for the support of a child may draw the married rate. However, this ceases when the child reaches 21 years of age. This is a great imposition if the child desires to continue in school. Surely we can amend the act to raise the age to 25, to give the child a better opportunity to complete his or her education.

• (2010)

Under the eligibility clause of non-resident recipients, war veterans allowance may be paid to an eligible person who absents himself from Canada if, on the day that he leaves Canada, he is a recipient of the allowance and was resident in Canada for 12 months immediately preceding that day. There are many Canadian veterans who elected to stay in the United Kingdom, however, Mr. Speaker, which should be their right, and because they elected to stay there they are discriminated against. In order to qualify, they would have to move back to Canada for 365 days. Would it be too much to expect our government to finally show some recognition of the contribution they made during the conflicts? Can we have a clear conscience by denying these Canadians, the few hundred of them, the benefit of war veterans allowance just because they decided to stay in a foreign country?

Also, what about the veteran who is in the category where he qualifies, because of the size of his family, under the Canada Assistance Plan and each increase in the war veterans allowance by the federal government is charged against the amount he is receiving on social assistance? Is it not reasonable to give this veteran the same exemption that the veteran gets if he falls into the old age security category? Is he not in the same need? The criteria for war veterans allowance, and specifically the clause covering exempt income, state that certain specified benefits such as attendance allowance, additional pension paid on behalf of children and social assistance paid on behalf of children, are not assessed as income, but some provinces do charge these increases against social assistance payments. Here is another clause which must be corrected before it is too late:

> Under eligibility a veteran must have served at least 365 days in the United Kingdom during World War I and prior to November 12, 1918.

I have had cases come to me of veterans in this category having served 364 days, and the department will not allow some flexibility. Is it not long past the time when we should show some human consideration, which we preach to the rooftops at election time, so that he can enjoy the exemptions under old age security and have the right to treatment services?

I have no hesitation in congratulating the minister and the government for taking the steps necessary to introduce the amendments raising the war veterans allowance as indicated in the tables at the back of the bill. I give them full marks. But there is no reason whatsoever why we should not stop and think of our commitment to all the veterans of Canada expressed over 50 years ago. Unless we do it now, Mr. Speaker, while we have the opportunity under Bill C-148, it should ever remain on the conscience of the government that we have failed in this commitment.

For the benefit of the veterans of Canada, we accept without question the amendments offered but we commit ourselves to the following further amendments: First, to repeal the age limit of orphans and increase the age of eligibility to 25 years; second, that we would immediately consult the provinces and provide the funds necessary to eliminate the restriction charging increases in war veterans allowances against veterans' social assistance benefits; third, that we would repeal the clause restricting the eligibility of World War I veterans to those having served 365 days in the United Kingdom; fourth, that we would repeal the clause making it obligatory for war veterans who elected to stay in foreign countries to reside in Canada for 365 days in order to qualify for the war veterans allowance; fifth, that we would raise the allowable casual earnings of war veterans receiving war veterans allowances to $1,200 for the single veteran and $2,000 for the married veteran.

The married veteran cannot take advantage anyway, because he would be 79 years old and cannot work. But let us give the World War II veterans and the Korean veterans the benefit of trying to get a little extra income for the comforts they deserve.

Under the Civilian War Pensions and Allowances Act we must seek out those who, although civilians, served in theatres of war and contributed to the war effort, because they too risked their lives on behalf of their country. I refer, Mr. Speaker, to the firefighters, the Newfoundland foresters, the auxiliary service workers, the merchant seamen, the salt water fishermen and all those others who had a part to play in conflicts against the enemy.

If I may, Mr. Speaker, because this bill restricts reference to disability pensioners I should like to mention the joint study report on the basic rate of pension and emphasize the co-operation of the Standing Committee on Veterans Affairs. The joint study report, authorized by the former minister of veterans affairs and supported by the present minister, which came before the committee was accepted unanimously without even hearing all the witnesses who were supposed to appear. This study was carried out by a joint committee consisting of veterans' organizations and the Department of Veterans Affairs, and was chaired by the chairman of the Pension Commission.

The recommendations contained the following: that the basic rate of pension, after so many years of procrastination, for the single, 100 per cent pensioner be based on the average salary of the five lowest categories in the public service. This would increase the basic rate of pension from the present $3,793 to $4,529. Further, Mr. Speaker, in calculating increases in the wages of these public servants rather than on the cost of living index, so that finally we could establish an equitable consideration for the disabled war veteran. I was authorized, and stated on behalf of my party, that we would accept the recommendations without debate. This was authorized by my leader. The minister is in full agreement with this new formula, Mr. Speaker, and I only hope that the cabinet will produce

legislation to support these recommendations of the standing committee.

I have tried to be responsible tonight in my remarks to the government on the bill before us. We all know that the minister wants to do what is best for the war veterans of Canada. However, I warn the government that if we do not get the legislation produced following the recommendations of the joint study report, all-out war will be declared by my party.

Finally, in the interest of the war veterans of Canada, which interest is shared by my friend the hon. member for Winnipeg North Centre (Mr. Knowles), we are prepared to pass this stage of the bill, without further debate, at ten o'clock. If I may, Mr. Speaker, I should like to mention three people who assisted the veterans affairs committee: the chairman of the War Veterans Allowance Board, who has over the years displayed the keenest interest in the future of the veterans who fall within the criteria of the War Veterans Allowances Act; the chairman of the Pension Commission, who since the implementation of the Woods committee report has been devoted to the cause of the veteran; and Mr. C. Chatterton, who served on the Woods committee and who since the war has devoted his life to the betterment of conditions for war amputees and all other Canadian veterans.

Finally, Mr. Speaker, in spite of what goes on in this House, I should like to pay tribute to the hon. member for Winnipeg North Centre who has devoted himself to the cause of the pensioner in whatever category.

Some hon. Members: Hear, hear!

Mr. Marshall: On behalf of my party I can say that we welcome the amendments under Bill C-148 and support them wholeheartedly.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is for me a distinct honour to follow in this debate two such distinguished veterans as the Minister of Veterans Affairs (Mr. MacDonald) and the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). Like them, I wish to express my very real pleasure in serving as a member of the Standing Committee on Veterans Affairs. As the previous speaker indicated earlier, it is not a committee like all the others. Like him, I also want to say that we welcome Bill C-148, which seeks to amend the War Veterans Allowance Act and in the process will make certain consequential changes in the administration of the Civilian War Pensions and Allowances Act. We are quite happy that it has been possible to reach agreement for this bill to be given second reading not later than ten o'clock this evening so that it can be sent to the committee and put into legislation just as soon as possible.

• (2020)

Like the hon. member for Humber-St. George's-St. Barbe, I am aware of the other piece of legislation that we hope will be before the House before long, namely, a bill to amend the Pension Act implementing the recommendations made by the joint study group which considered the basic rate of the pension under that act. As I have already had occasion to say, I regard that report, which our committee endorsed unanimously and with expedition, as containing some very important recommendations. To begin with, it solves the problem of what the basic rate of the 100 per cent disability pension should be. On the other hand, it proposes a formula for escalating that pension in future years which is the best and most progressive escalation formula that has ever been put on the table of this House of Commons. I hope that when the minister takes this matter to cabinet he will make sure that he gets that escalation formula into the bill along with the formula for determining the basic rate of the pension.

Tonight we are not dealing with the Pension Act—that will come later—but with this bill to amend the War Veterans Allowance Act. I realize that both previous speakers made some reference to what it does. Perhaps I might be permitted, even at the risk of repetition, to indicate briefly the provisions of this amending bill as I see them. First, it raises the amount of the allowance that can be paid to a single veteran under the War Veterans Allowance Act from the present figure of $131 to $151.14. This increase combines two things, the cost of living escalation, in the allowance itself, that came into effect at the beginning of January, plus the amount by which the old age security is being increased, with the result that the total allowance paid to a single veteran is greater than it was previously by the addition of those two amounts.

In addition to raising the maximum allowance that can be paid from $131 to $151.14, and perhaps even more important, it raises the ceiling on the total income that is permissible to a single veteran from $171 to $191.14. Again, the amount of that difference, which is a total of $20.14, is a combination of the cost of living escalation in the war veterans allowance that took place in January, plus the $13.39 by which the old age security pension is being increased. Although it raises the ceiling from $171 to $191.14, I must point out that for single veterans over 65 it really raises the ceiling from $186 to $206.14, by virtue of the fact that the extra $15 that such veterans got in 1972 is not counted for purposes of the ceiling under the War Veterans Allowance Act.

In parallel terms, this bill raises the allowance that can be paid to a married veteran from $217.61, by a total of $39.60, arrived at in the same way, to a total of $257.21. Again, it raises the more important figure, namely, the ceiling on permissible income, from $287.61, again by $39.60, to $327.21. I must point out, however, that if that married veteran and his wife are both over 65, there is another $30 in the picture. The ceiling then goes up from what was a total of $317.61 to a new ceiling of $357.21.

There is something I want to say right away about this in complimentary terms. I am glad that on this occasion the government is not giving with one hand and taking away with the other. The veteran who is under the War Veterans Allowance Act gets the full benefit of the cost of living escalation that took place in January and the full benefit of the increase in old age security. It is not given here and taken off there. In a moment or two I shall be saying there are some things about which I am not satisfied, but I am glad that on at least that point we have not had to do any arguing at all. It is also good to get these

higher allowances and ceilings, but I still think they are not high enough.

There are some anomalies that have crept into this picture which I think are unacceptable. I feel very strongly that we must straighten them out. Some have been referred to by the hon. member for Humber-St. George's St. Barbe. I think that he and I and all members of the Standing Committee on Veterans Affairs are agreed that the time has come for us to do a thorough overhaul of the War Veterans Allowance Act, just as in the past few years we did a thorough overhaul of the Pension Act.

One of the anomalies that is most unfortunate arises because the extra $15 to a single veteran, and the extra $30 to a married veteran, if he and his wife are over 65, that were allowed last year above the ceiling were allowed by virtue of an order in council that simply said those OAS-GIS increases did not count. The ceilings were not raised; they were left where they were, but there was a special provision that this extra OAS-GIS money granted in 1972 would not be counted under the ceiling. The result is that we have this strange picture. In the case of a single veteran over 65, his effective ceiling, the one that counts, is $206.14, but the single veteran under 65 has a ceiling on the total income he can have, if he is a war veterans allowance recipient, of $191.14. I think that is quite unfair.

Likewise, if you look at the case of married veteran you find this situation. If the married veteran is over 65 and his wife is also over 65, the effective ceiling for that veteran is $357.21. In the case of the married veteran where one is over 65 and the other is under 65, the effective ceiling is $342.21. To complete the picture, if a married veteran on the war veterans allowance and his wife are both under 65, the ceiling is $327.21.

• (2030)

Now, it did not start out in this way at all. The hon. member referred to the fact that this act came into being in 1930. Yes, it came in in the spring of 1930. I think I can say this, to demonstrate the non-partisan nature of our approach on the Standing Committee on Veterans Affairs: it was introduced in the spring of 1930 when the government of Mackenzie King was in power, and first came into effect in the fall of 1930, when the government of R.B. Bennett was in power.

An hon. Member: Were you here then, Stan?

Mr. Knowles (Winnipeg North Centre): I was not here then, but I voted for the first time in the election of that year, and I voted for J.S. Woodsworth in Winnipeg North Centre.

I was speaking about the history of this act, which was first brought in in 1930. That was just three or four years after the old age pension of those days had come into effect. The first war veterans allowance was exactly like the first old age pension, except for the age at which benefits were available. The amount was exactly the same, $20 a month or $240 a year, with a ceiling on total income of $365 a year or about $30 per month. That ceiling applied to both pieces of legislation. The difference was that the veteran could get war veterans allowance at the age of 60, whereas the civilian could not get old age pension until he was 70. But there was no difference between those veterans who were over or under 65. There was no provision saying that if you were 65 you would get a higher ceiling than if you were under 65.

I am sure no one intended this, but that is the way it has developed because of the anomalies which have crept into the picture. I urge strongly that this be corrected. It could be corrected very simply, by writing into the act new ceilings the equal of the highest effective ceilings that we now have, instead of allowing it to be done by order in council. We should not continue this kind of discrimination.

The hon. member for Humber-St. George's-St. Barbe referred to veterans who are on welfare programs and are getting money that comes eventually from the Canada Assistance Plan. This, of course, will involve people under 65. Although they get money from public funds in that way, there is a lower ceiling imposed on them when they are under 65 that does not apply to veterans who are over 65. I think this ought to be straightened out. Even though I am arguing that we should review the War Veterans Allowance Act in its entirety, I think this is something which we should try to correct at this time.

Another anomaly that has developed because of this legislation having been built up more or less as a piece of patchwork is this. As it now stands, a single veteran is entitled to a total of $206.14 if he is 65 years of age or over. But he already can get under the new old age security legislation, after it is passed, $170.14. This includes both OAS and GIS. That means that all the War Veterans Allowance Board will pay him is $36; yes, that is all. And if he has a small disability pension, it will cut that amount down. Mr. Speaker, $36 is the possible figure and there are many single veterans who will fit into that pattern. There are many single veterans over 65 who will get the old age security pension and guaranteed income supplement, amounting to $170.14, and they will get $36 in war veterans allowance, which will bring their total benefit to $206.14. On the other hand, if you look at the case of the married veteran where both he and his wife are over 65, you will find that the total they can get under the ceiling is $357.21. They will get $324.60 in OAS and GIS, which leaves the total that they can get as war veterans allowance of $32.61.

Let me compare the figures again, in case I have not made them clear. The single veteran over 65 will get $36 from the War Veterans Allowance Board, but the married veteran over 65 will get only $32.61. Not only does the married veteran not get twice as much as the single veteran gets; he gets $3.39 less than the single veteran. As I say, I know how this program has been built up and I know you must take the total picture into consideration, but I suggest that the practice that has developed is unfair. The more veterans find they are, as it were, taken away from special veterans legislation and handled under general pensions legislation or general welfare legislation, the more they feel that they are not being given the rights to which they are entitled as veterans. I urge very strongly that we try to correct that anomaly, preferably when we have the bill in committee but certainly by instituting a complete overhaul of the War Veterans Allowance Act.

I now move to the question of the removal of property qualifications which have been included in the act, up to

now, ever since it was passed in 1930. I welcome it most warmly and I congratulate the minister for bringing in this very significant and progressive change. When I think of all the widows over the years who, on becoming widows, sold the house and other assets and had to wait until they had used up the proceeds of that sale until their assets had been reduced to a certain figure, I wish we could make this provision retroactive; but I fear that far too many of them have gone to a place were we cannot send them any money.

The property qualification under the War Veterans Allowance Act was a disgrace and I am delighted that it is being removed. I understand that property and money in the bank will still be considered, in the sense that the interest on that money will count as income for the purposes of the means test in the act. However, at least doing away with the requirement to bring the value of property owned down to a certain figure is a progressive, humane step and I congratulate the minister on bringing in this provision tonight.

Like the hon. member for Humber-St. George's-St. Barbe, I regret that nothing has yet been done about those Canadian veterans who could qualify under the War Veterans Allowance Act except for the fact that they reside in the United Kingdom or other countries in the world and, therefore, have not met all the requirements that are in this act. I was pleased to hear the deputy minister say in the committee the other day, when we were given a preview of this legislation, that overcoming this problem is not administratively difficult. We tried to put the pressure on the mandarins to solve the problem, and the mandarins suggested that this was a matter of policy and had to go to cabinet. At the moment the mandarins and members of cabinet are within reach of my voice. The chief mandarin of this department is up there in the gallery, listening, and the minister is in the House.

I hope this problem will not be passed back and forth much longer. It is administratively possible to correct this situation, said the deputy minister but he contended it was a matter of policy. I hope that this difficulty will be solved. I think it really is incredible that Canadian veterans who choose to remain in the United Kingdom are not able to get the benefit of this legislation.

One of the changes that was made a couple of years ago was the one that denies to the widow of a war veterans allowance recipient the full married rate for one year. This is something which ought to be looked at again. I think we ought to reinstate the original provision. I hope I have said enough to indicate that in my view, and in the view of the hon. member who spoke just before me, although there is nothing in this bill that is not good and although we welcome everything in it, what is wrong is that it is not good enough. We think that the anomalies to which I have referred should be straightened out and the act should be reviewed and greatly improved.

Both the previous speaker and I referred to this act as having come into being in 1930. I mentioned that it was first drafted just three or four years after the first old age pension bill was passed by parliament. I remind hon. members again of the similarities between the two pieces of legislation. They are almost identical except for the fact that the veteran could get his benefits at age 60 and the civilian had to wait until he was 70. The other difference was that the old age pension was administered by the Department of Finance, and that kept the amount low enough, whereas the war veterans allowance was administered by the then department of pensions and national health. Otherwise, these laws were the same.

[Mr. Knowles (Winnipeg North Centre).]

• (2040)

We have moved a long way in the field of pensions, a long way from the concept of a means test as it was applied to the old age pension of the late 1920s and early 1930s. I think we should get away from that concept completely as far as the War Veterans Allowance Act is concerned. In a decade when we are talking of new methods of income maintenance, when we are talking of a guaranteed income, I think the time has come to consider the veterans who served this country as the group for whom the concept of a guaranteed annual income should begin. I should like to see the War Veterans Allowance Act, an act that has served its purpose well during the last 40 years or more, turned into a guaranteed annual income for all veterans who reach a certain age, or all veterans of any age who need it because of poor health or other reasons and who cannot qualify for a pension under the Pension Act.

The hon. member for Humber-St. George's-St. Barbe referred to those veterans of the First World War of very advanced age now. When I hear of cases of veterans who are now 70 or 80 years of age still having difficulty trying to establish their claims—the new legislation permits veterans to reopen their cases now—it seems to me it would be much simpler to establish a category such that all veterans 75 years of age or over would receive a certain allowance on a guaranteed basis without any questions asked. But then let us bring that age down, yes to 50, for veterans of more recent wars, and guarantee to all of them the standard of living they deserve.

I have had a lot to say over the years that has been critical of the shortcomings in veterans legislation. I remember that when I first came here one of the things lacking in the War Veterans Allowance Act was any provision for widows. During World War II we finally got them covered, first of all by an item in the estimates, then after a while by order in council under the War Measures Act, and finally, some time after the end of World War II, we got the widows covered under the War Veterans Allowance Act itself.

It has been a good piece of legislation and we have made it better over the years. Many Canadian veterans have benefited under the War Veterans Allowance Act. But we are no longer in the 1920s or 1930s. We are no longer in the means test or welfare age; we are in an age where we talk of rights. If any persons in this country have a sacred right, it is the veterans who have served us, and their survivors. I think we should move as quickly as we can to transform the War Veterans Allowance Act into a guaranteed income act for all the veterans of this country.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to join the other speakers who took part in the debate on this bill concerning the condition of veterans.

Besides asking on their behalf for an increase in their pensions, we want to pay tribute today to those who fought for the greatest principles of civilization. It was to uphold all those great principles that our veterans fought. They are now fighting to obtain the right to live in a community whose wealth exceed the needs, even if those needs have not yet been fulfilled.

What we are asking is that this government increase the veterans pensions like the old age pension. Since we have raised pensions for a certain category of people, we must also raise those of veterans. Otherwise, it would be unfair, the administration would not be sound and we would ignore one class of citizens that should have priority because these people have dedicated themselves, suffered ill treatments and done some work that the others have not done.

But if we intend to increase these pensions, this country must be able to do so and we must analyze all sectors of society to find out whether it is truly possible.

We must also know what effect a pension increase can have on the population. Is it good to increase pensions? Is it good to increase this or that? Are we really in a position to do it? Will that restore the economic balance or make it worse?

Mr. Speaker, I would like to develop this subject because I think that all those increases are throwing the economy further out of kilter. I strongly believe that they are not the right solutions. I say right now that we are not against higher pensions for senior citizens or veterans because they have a right to those increases just as well as others. However I also say that those increases are not normal, because we only consider higher pensions without thinking about replenishing the source so that it does not run dry. We draw from that source as if it were endless, without caring about the necessary repairs to that source on which the population feeds itself.

So, if we want the population to go on living and progressing, the feeding sources must be abundant. We must work on them, dig through them and modify them until we find plenty of water to provide everything we need for the population. The only way we find at present is to increase pensions.

• (2050)

Industrialized countries have known a strong economic growth in 1972. As soon as confidence returned after the national economic crisis of August 1971, growth accelerated everywhere, in Europe, in Japan and in North America. In large industrialized countries, the rate of production almost doubled as compared with the previous year. In 1972, the gross national product went up from 10.5 to 11 per cent, per capita personal income increased by almost 10.5 per cent, while the standard of living of Canadians rose by only 5.5 per cent.

As shown in per capita consumer expenditures, national revenue increases, interest rates have gone up alarmingly and the income of financial institutions has reached unprecedented levels.

But middle businessmen's incomes have substantially decreased. The income of ordinary businessmen is reduced to almost nothing because the government must grant pensions since some people live in shameful and abject poverty.

Mr. Speaker, we are still facing two major issues: unemployment and rising prices. We must unhappily admit that the level of unemployment is too high and that we must take steps to solve these problems. We must give stronger momentum to the economic growth and reduce unemployment. To correct this situation, we suggest boosting pensions in order to decrease unemployment.

I am still wondering, Mr. Speaker, whether we are really going in the right direction to reach our objective, namely to lower the level of unemployment by increasing pensions, while at the same time coping with the rise in the cost of living and prices. That was the casue of the economic unrest in 1972.

The increase in consumer prices specially affected food prices, which have spiraled. I shall not go into a long description of the reasons for increases. The present economic system is the direct cause of loss of purchasing power. Therefore, higher veterans allowances and pensions of other citizens are being called for.

As a result of pressure from the opposition, the government has decided to give priority to increasing veterans allowances' and old age pensions. Veterans' allowances will be upped to $151 a month for single beneficiaries or persons living alone and $257 for married couples. These increases, according to the minister's statement, would cost $9 million in 1973-74.

As for the veterans, the committee will say in its report what it recommends as an increase for their disability pensions. The committee is working on that problem and it is on those objectives that the hon. member for Winnipeg North Centre (Mr. Knowles) based his remarks a while ago proposing adjustments to give justice to all and provide a better balance between the incomes of married and single people.

In fact, veterans suffer like all others from the disastrous increases in the cost of living. Therefore, they are as entitled to increases in their pensions as others.

We still think that all those increases further unbalance our economy. Those monies could help reduce the cost of living by way of a compensated discount. Instead of raising pensions of all types, it would have been wiser to reduce the cost of living. Then all taxpayers would have benefited from it. The economy would have been stimulated in a general way and that would have allowed us to boost the purchasing power of people, to create jobs, to neutralize the economy and to do away with inflation while at the same time providing more tax relief for taxpayers.

We then come to realize that the economic balance can be restored and stabilized only by raising those pensions of all types. So we are for any logical increase, but we would like to have the most logical and practical system so as to be in a position to allow Canadians to live decently in their country which is not lacking in resources or production.

Nobody in this country worries about where he will find goods he needs. But all Canadians are concerned about tomorrow, they wonder where they will find the scraps of paper that they need to meet their needs. They do not

worry about the production because they know that it exists. They know that it is done automatically; they know where to find it and how to get it.

But there is only one way to have money: it is to borrow it and to pay interest. The governments are doing the same thing and it is impossible for them to further increase pensions because the cost of living goes up and the situation of all citizens, young and old, gets more and more difficult. They find themselves in a rather precarious position because the cost of living is rising. We must reduce the cost of living to allow the citizens to have a logical and reasonable life in their own country; but when the cost of living goes up because of increases in all kinds of pensions, the economy gets more and more unbalanced.

Mr. Speaker, all things must first go through the mind. One has to know that. If there is a table, it is because a man conceived that table and then made it according to his own idea, with the materials and tools available to him.

To do a thing well, Mr. Speaker, you must first think of it and I believe that all the increases that are granting now have not been given enough thought, have been planned to build a viable economy according to basic principles and real facts.

Mr. Speaker, to do something well you should first give some thought and then try to do it as well as you imagine it. A painter is seldom completely satisfied with his work. Why? Precisely because the painting does not give a true picture of what he sees in his mind. This is an example, but we also know, Mr. Speaker, that the clearer a picture in the mind, the easier it becomes to realize, to produce and to materialize.

It is not for nothing that it is said, Mr. Speaker, that ideas rule the world; nothing can become visible before it has been thought of first.

So, before existing in reality, man was first conceived in God's spirit as well as his way of living on earth, according to nature which comprises material, cultural and spiritual elements. If, in the devine spirit, man was created to live in society, this man, in order to live well in society must first of all have in his own mind the vision of a beautiful, well-ordered, dignified, efficient and progressive life in society if he wants to live for each individual and for mankind.

• (2100)

That is the meaning of a real mind; the clearer our conception of society and of mankind, the more beautiful and fruitful will be life in society for all whose life is within themselves, within the family and within society. Both the aged and veterans are a part of this society.

Such is the environment of man's life on earth, in any country, including Canada in 1973.

The past helps us to understand Canada's present situation, with its inflation, unemployment, and monetary, economic and political poverty. The political orientation of a government that has been elected by the people of a country is expressed in financial terms.

If one's mind is really well developed, it becomes an easy matter to foresee how to bring about an economic balance on a national scale between the family and business incomes that make up the economic life of Canada in 1973.

How, Mr. Speaker, are we to rid ourselves of poverty, unemployment and inflation, and enable every individual to lead a happy personal family and social life, when our monetary, political and economic machinery is such as it is?

The existing political and economic machinery is not in tune with the facts. Our political economic is leading us on a suicide course. The people is committing suicide because of a poor economy that fails to take account of its realities.

Mr. Speaker, instead of guiding Canada, the governments have become tax collectors, and the largest portion of those taxes, the most sacred portion, which should go to helping the citizens of Canada, the old people, but which escapes any discussion, is precisely that which goes for interest charges on the public debt. Because of that, the public lives in want and the governments in bondage, all that is needed to bring wellbeing to every country, every home exists. That is why finance does not reflect economic realities.

The financial system wreaks injustice upon the old, the veterans, children and families. Those who advocate it, those who accept it are party to injustice, to social disorder and anarchy; they are responsible for taxes and surtaxes, responsible for public debts and therefore responsible for unnecessary fears and deprivations. They are party to the injustice from which a large number of Canadians suffer.

The tax system is the consequence of a financial system based on injustice. Our financial system is based on our banking system. The banks control our financial system. They issue the money we call credit, basing themselves on the real wealth. In this case, the wealth of the country belongs to the country, to all its citizens. There is individual and collective wealth.

Bankers are people like any other people. They are making themselves the bookkeepers of the country's money and now they claim they own that money. They appropriate credit and cancel it when they so decide. They are the absolute owners of the flow of money as they take over the creating and the cancellation of money.

Mr. Speaker, we want the people and the veterans in particular to have as much money as possible. We want them all to be happy and I think we all agree on this. However, in our present economic situation we cannot afford this, because the higher the pensions for the benefit of the individual the more we are creating problems for the people as a whole.

Mr. Speaker, we are going to vote for this bill, but we have known for a long time there is no solution to these problems nor to politically inspired increases and social or economic increases. There are no practical solutions that would allow families, individuals, veterans to live according to their income or the national production increases. Every time production goes up a certain percentage, pensions are increased by a very small percentage. This means an accumulation of production leading to capitalization. In fact, there is too much capitalization in

our present economy to bring about reasonable changes which are needed by the people.

[*English*]

Mr. Deputy Speaker: Order, please. The parliamentary secretary to the President of the Privy Council (Mr. Reid) rises on a point of order.

Mr. Reid: Mr. Speaker, I believe there is some agreement to have this bill passed by ten o'clock. If there be such agreement, perhaps that may be made an order of the House. The second point is that I think there is also agreement to limit the length of speeches until ten o'clock to perhaps ten minutes each. That might also be made an order of the House.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Perhaps the Chair might draw certain difficulties to the attention of hon. members. I have six names before me. If I indicated those names we might ascertain whether, indeed, these are the only prospective speakers in the debate. On the one hand I have the name of the hon. member for Labelle (Mr. Dupras), the hon. member for Vaudreuil (Mr. Herbert), the hon. member for St. Boniface (Mr. Guay), the hon. member for Algoma (Mr. Foster), and on the other hand the hon. member for Halton-Wentworth (Mr. Kempling), and the hon. member for Edmonton West (Mr. Lambert). Those are the six names which I have. If these are to be the only speakers for the remainder of the debate, I think eight and a half minutes would be the proper time limit. Is this agreed?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we are a party to this agreement. However, I raise just one point. If the hon. member for Timiskaming (Mr. Peters) should arrive, he might like three or four minutes. Perhaps the Chair would keep that in mind.

Mr. Baldwin: Mr. Speaker, when Your Honour sees the hon. member for Timiskaming you might also bear in mind that you do not see the clock.

• (2110)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in view of the importance of this bill, we will agree to the suggestion that has just been made. Hon. members appear, from what we have heard this evening, to agree to referring this bill to committee as quickly as possible. I therefore give our agreement as requested.

[*English*]

Mr. Deputy Speaker: I think the House understands what has been agreed. There are six, possibly seven, speakers, and in view of the time available perhaps the Chair could give each one eight minutes. We will start with the hon. member for Labelle.

Mr. Maurice Dupras (Labelle): Mr. Speaker, I think that the agreement we just reached proves the unanimity of everyone here. This bill has the acceptance of everyone and we are all very anxious to vote on it. I am very pleased to have the opportunity to speak on this bill, for a few reasons, mainly for reasons of solidarity and to obtain justice for our former comrades who served in the armed forces with so many of us in the House during the dark days in Europe.

[*Translation*]

I would like, Mr. Speaker, to endorse the comments of my colleagues the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) and the hon. member for Winnipeg North Centre (Mr. Knowles) when they recalled the participation of our fellow citizens to that conflict which lasted almost five years and in which such a great number of our fellow citizens bravely fought.

The hon. member for Humbert-St. George's-St. Barbe also recalled, the participation or contribution of the members of the armed forces to the national unity in Canada. I agree with him wholeheartedly when he recalls the strength of that feeling of solidarity, the polarization of a cause accepted by all young Canadians many of whom had left an interesting career, either as businessmen or as professionals, either higher studies or a wife and a family.

So, for all these former comrades in the armed forces, Mr. Speaker, I think that we are all anxious to see to it that that legislation is enacted as soon as possible.

[*English*]

I think that at this time it is appropriate that we should review briefly the origins of the War Veterans Allowance Act and restate the principles upon which it is based. I did some research on my own into this aspect of the legislation and I would like to share some of my findings with the House.

Many people are of the view that the War Veterans Allowance Act is the product of the depression years between World War I and World War II. This is not so, although the benefits proved to be of great assistance during those years. As a matter of fact, the problem of the burnt out veteran was under study in the early 1920s, several years before the depression. The problem had been recognized as early as 1922, and in 1928 and again in 1930 it was studied in detail by the special committee of parliament on pensions and returned soldiers' problems. When appearing before that committee on April 9, 1930, a spokesman for the minister of the then department of pensions and national health stated:

> There are certain individuals at the present time, under the present pension act, who come to the department for assistance and help. These men are what have been called burnt out men; men of low pensions, and men who are no longer employable. If they went up for pension examination, the things from which they are suffering are of an intangible character; they are simply unable to work, and that before their time . . .
>
> It is something similar to what we see in using machinery. I might take as an example the locomotive that is geared up to drag a train along at 50 miles an hour, ordinary time, and some day the train is late and has to go 60 miles an hour to make up its time. When the end of that trip is reached, the coalbox is empty and the engine blowing off in all directions, while the engineer and fireman are worn out. It is that extra ten miles that has caused it . . .
>
> We take the soldier who was overseas, and who was in the war front, he went under a driving that is much greater than probably most of us can conceive or realize—mental stress, and physical stress—and the mental stress was a considerable one . . .

We felt it was a pressure that others do not undergo. It was a wonder to us how the men in the front line stood what they did and for so long, so that this is advanced as a reason why consideration should be given to those men along this particular line . . .

We know that they have the greatest difficulty in finding employment.

It is also interesting to note that when the original War Veterans Allowance Act was introduced in 1930, Bill-19, its preamble expressed the problem in these words:

Whereas there are a great number of veterans in Canada who are not in receipt of pensions under the provisions of the Pension Act . . .

And it is found that many pensioners and non-pensioners are, in fact, unemployable by reason of intangible results of their war service, apart from any consideration of pensionable disability; and it is desirable to provide assistance, or additional assistance, for these veterans in recognition of their service.

That expresses, I believe, quite clearly the reason for war veterans allowance. It was to make provision for men who were prematurely aged because of their war service. Because these conditions also apply to the veterans of other conflicts in which Canada has been involved, the benefits of the act have been extended from time to time so that veterans of the Northwest Field Force, the South African war, World War II and the Korean operation are now eligible. Coverage has also been extended to include the widows and orphans of such veterans.

There has been definite progress in this legislation through the years and no less than 15 changes have taken place since its inception in 1930. The original rate was $20 for a single veteran and $40 for a married veteran. Bill C-148 will once again update this important piece of legislation. It will provide for monthly payments, to those who qualify, of $151.14 for single veterans and $257.21 for married veterans. It will also remove the restrictions on personal property which have existed at various levels since the act was first passed.

This bill not only provides for the largest single increase in war veterans allowances in recent years, but also changes the character of the legislation and makes it a modified income-tested program. The men and women who will benefit from this bill are deserving of these changes. Many times we have said that they were the finest. I am proud to have been associated with this bill.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I am proud to speak in support of Bill C-148, an act to amend the War Veterans Allowance Act. I am also proud to associate myself with those who have presented the bill and those who have worked so diligently and with such great compassion in preparing the studies and statistics required so that their thoughts could be translated into legislation. I believe we should also pay tribute to those persons who originated the study and to those who gave those conducting it the terms of reference necessary to prepare the supporting details for this bill.

Previous supporters of this bill have set down the changes and have commented on the increases in benefits that will accrue to the war veterans as the result of its passage. They have also pointed out some of the weaknesses that need looking into. I feel that they have been adequately covered and I do not intend to repeat those details. I just want to say a few words about veterans in general. War is a terrible act. The effects of war and the after effects of war are equally terrible. Some people involved in the world wars and in the Korean war were able to find their way back into the mainstream of life. Some took a long time to rehabilitate, and some can never be rehabilitated. It is for the latter group that we are passing this legislation.

• (2120)

I am a war veteran and I am proud of whatever contribution I may have made. I was one of the lucky ones who were able to pick up the threads of life and continue on. But I left many friends in Europe, in the Middle East and in the Far East, young people full of hope and purpose who gave of themselves that others might live a full life. Some of my comrades and friends came home broken of body or mind, or both, and some came home with clouds in their minds because of suffering they had endured in prison camps or from grievous field wounds. They had left home light of spirit and with a purpose. Many did not not understand the full implications of war, but they readily accepted their responsibility and gave unselfishly of themselves in a just cause. I wish that today we could recapture some of that purpose. I wish we could catch the spirit and comradeship of those years, because then we could move mountains and overcome any obstacle in our path.

Each year when we have our Remembrance Day ceremonies I catch a glimpse of that spirit. I see the veterans line up to parade to the cenotaph. For a few fleeting moments their backs straighten, their heads take on a more jaunty angle and their eyes have that clarity of purpose reserved only for those persons who have seen war and who have returned. They remember because they can never forget. To many of them the war was a beginning, and unfortunately to some it was an end. But it is for those persons who fall between those two points that we bring forth Bill C-148 to help them in the later years of their lives. I hope the minister will be able to convince the cabinet to present a bill that will put into motion a legislative function that will ensure that they keep pace with a reasonable standard of living. I think all the members on the veterans affairs committee hope that this will happen. For many veterans this bill will be a new lease on life. It will allow them again to have some dignity and purpose. It will show them that we remember.

From all walks of life and from all professions, veterans left their homes and families to accept a challenge to the principles they had grown to accept as commonplace. Men and women undertook challenges that under normal circumstances perhaps would have frightened them. But they had that spirit and purpose which are so elusive today and are so needed.

I can only say, Mr. Speaker, that I am proud to associate myself with Bill C-148, an act to amend the War Veterans Allowance Act. I am proud to associate myself with hon. members on all sides of the House who support this bill. I am proud to join hon. members who preceded me in lauding the efforts of those who drafted this bill and who did the preceding studies. I wish the bill God speed so that the recipients of war veterans allowance may receive the benefits contained in the bill at the earliest possible moment.

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, Bill C-148, an act to amend the War Veterans Allowance Act, is one which I am very pleased to see before the House today. As a member who was fortunate enough to train here in Ottawa early in the war, I had in those days as a confrere the hon. member for Brandon-Souris (Mr. Dinsdale). Those were in the days when we were on the same side.

When the War Veterans Allowance Act was first introduced, Canadian veterans, and British veterans domiciled in Canada at the date of their enlistment, with service in an actual theatre of war and disability pensioners were eligible for the allowance. Since then the act has been broadened to include widows of such veterans, orphans, dual service veterans and veterans who served during World War I in the United Kingdom for 365 days prior to the armistice. The act was also amended to include veterans of British Commonwealth and allied forces who were not domiciled in Canada at the date of their enlistment but had resided in Canada for ten years at the time of their application.

In order to receive the allowance outside of Canada, a person must have been a recipient at the time of his departure and must have resided in Canada for the 12 months immediately preceding the day he left Canada. The number of war veterans allowance recipients on March 31, 1972, was a little more than 75,000, of whom some 38,000 were from World War I and some 35,000 from World War II. The expenditure for the year amounted to some $73 million. It is interesting to note that five years ago there were over 86,000 recipients and the total expenditure was over $101 million. The administration of the War Veterans Allowance Act is the responsibility of the War Veterans Allowance Board. This board is a quasi-judicial body, independent as far as its decisions are concerned, and acts as a court of appeal for applicants and recipients who are aggrieved by any decision of a district authority.

I appreciate the great value to war veterans allowance and to civilian war allowance recipients of the increases in the rates by $20.14 for single persons and $39.60 for those who are married. I realize that this will give over 100,000 Canadians increased purchasing power and therefore a justly deserved improvement in their standard of living. However, I would like to dwell briefly on the other main aspect of Bill C-148, the abolition of the personal property restriction. I realize that on November 9, 1972, the regulation imposing an assessment as income when the value of the recipient's home exceeded $10,000 was rescinded. This was a welcome step. However, the problem of personal property still remained. I am sure that many members of the House have received letters from constituents who have lamented the fact that they had slightly more in the way of personal property than the $1,250 single, or $2,5C0 if married, permitted by the act.

Some of these people knew that they could never again increase their personal property holdings, yet they realized they could not qualify for the allowance until they had expended their small surplus. Bill C-148, I am glad to say, will remove that problem. When this bill is passed, the value of personal property will no longer be a bar to eligibility. The tests for eligibility will be service and income.

25789—57½

I firmly believe that the citizens of Canada expect us to recognize with justice the sacrifices made for our freedom by this particular group of Canadians for whom the war veterans allowance was designed. I further believe that they will welcome this action on the part of the government and of parliament as a clear indication that it is our intention to continue to improve the legislation that affects this important segment of the Canadian public.

The record of the government in the field of veterans legislation is one with which I am honoured to be associated. I am proud of the record of Canada's serving men and women in two world wars and the Korean conflict, and I am proud of the measures that this government has taken and is taking to provide just recognition of their service and contribution to the cause of freedom.

The minister has dealt in detail with the other changes which have been made in the War Veterans Allowance Act and regulations. This bill is in keeping with the government's policy of improving veterans legislation so as to provide greater benefits to those who qualify. Mr. Speaker, I would also like to stress that in my opinion the changes which have taken place in the act and regulations in recent months, and the changes proposed in this bill, are important not only because they will increase the number of dollars in the pockets of the recipients, but also because they show a definite trend toward an increased recognition of the right of privacy of the individual. We will no longer be asking an applicant or recipient, "How much is your home worth?" We will no longer be asking him, "How much money do you have in the bank?" We will only be asking him to declare his income, and that, in my opinion, is a very reasonable request when the object of the legislation is to ensure that his income does not fall below the amounts provided by the act.

• (2130)

I sincerely believe that many of the recipients and many of those who will apply in the future will be happy to know that this step has been taken in order to respect their dignity and personal privacy. Mr. Speaker, this bill contains sound proposals and I heartily endorse it.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, Bill C-148 has certain application to veterans of World War I who are the beneficiaries of increases in the payments under the act, and also with regard to the value of their holdings. For many years we have felt uncomfortable about the limitations imposed upon them and their spouses in regard to whatever property they may have accumulated during their lifetime. On the other hand, the casual benefits will be of little help because they are now of an age when it is rare that they are earning an income or have additional income that would be caught by the act. With regard to World War II veterans, however, these features are more important to them than they are to the first group. The World War II group will benefit by an increase in the payment which is commensurate with the increase in the old age security and the adjustment in the cost of living formula.

There is one thing that I have been hammering at. I would not draw attention to any individuals in this House within the sound of my voice, but they will know what I mean and it will be seen by anyone who cares to read the

proceedings of the veterans affairs committee in years past. It is what I consider the irrational, unrealistic and totally inequitable limitation on the payment of war veterans allowance to people who do not have the 365 days residence in Canada required for qualification.

At the committee meetings last June we had very serious discussions with the minister's officials and a study was promised. That was progress, because in the past the minister's predecessors had rejected my representations out of hand. Those conditions have not changed, Mr. Speaker. I would say to the minister that this is one area in which I thoroughly support my colleague, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) namely, the war veterans allowance should be paid to Canadian veterans who now live in Great Britain and Europe and have not qualified, by reason of the requirement of residence in Canada, since the end of hostilities.

We are told that there are administrative difficulties to bar the payments. I commend to the minister the representations put forward by the veterans' association in the United Kingdom. Year by year they have bombarded the ministry with their pleas. I know the people who administer the war veterans act in the United Kingdom, and there is not one word of truth or fact in the claim that there are administrative difficulties with regard to the men who do not have 365 days residence in Canada. The administration would be the same, and the number is small.

Mr. Speaker, we have veterans of World War I and World War II living in the United Kingdom under the conditions which are a downright shame. They are Canadians, and we maintain them over there in a condition of proud but undeniable poverty because of the inflexible attitude of the government on this rule. I for one who was a member of the Canadian armed forces during World War II absolutely refuse to accept this as a continuing condition and I hope that hon. members of this House will join with me in that crusade. This is not something that we must accept, any more than we can accept the conditions of prisoners of war.

If the minister and the government have seen fit to increase the ceiling with regard to the value of property under the War Veterans Allowance Act, what logical or equitable reason is there for maintaining an unrealistic ceiling under the Veterans Land Act? The action on property evaluations, mortgage ceilings and all the other matters were steps in the right direction. The minister was a good soldier during the war, but I must tell him that when you put one foot forward, you follow it with another and you go forward and make progress.

Mr. Speaker, I commend the government for this step forward with Bill C-148 and I urge, with all the sincerity that I as one of the veterans in this House can possibly bring forward, that they listen to the pleas of my colleagues on this side and members on the other side for justice for our veterans. Let us do them justice in today's circumstances, and not within the limits of the late 1940s and the 1950s with artificial ceilings which are totally unrealistic and unjust.

[Mr. Lambert (Edmonton West).]

[*Translation*]

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am proud to support the bill to amend the War Veterans Allowance Act.

[*English*]

Mr. Speaker, this bill continues the fine tradition of this House in recognizing that Canada owes a special debt to the men and women who served our cause in time of war. These are the men who, because of their belief in our way of life, for $1.10 a day withstood the murderous gas attack at Saint Julian when troops of other countries could not stand, who took Vimy Ridge after other nations soldiers had failed, who fought gallantly at Beaumont-Hamel, Passchendaele, Cambrai and many other places.

These are the men who, paid $1.30 a day, landed in Sicily, defeated the enemy at Ortona, broke the Hitler line, assaulted the beaches of Dieppe, advanced the farthest of any allied troops on D-Day in 1944, liberated Holland and fought their way into the enemy heartland. They are the men who rolled and tossed in the destroyers and frigates of the North Atlantic convoys, and who faced the rigours of the aid to Russia sea route; others held steady in the flak of the bomber runs and maintained air umbrellas over the fighting troops.

The recipients of civilian war allowances include many of the merchant seamen who braved the cold, bleak, dangerous seas of the Murmansk run to deliver supplies to the Russians, or travelled on the Atlantic convoys taking supplies to beleaguered Britain. Their pay was small, their living conditions rigorous, and many were torpedoed and suffered hours in the chill Atlantic waters.

Bill C-148 will provide for an improved standard of living by increasing the rates and ceilings by $20.14 for single persons and $39.60 for those who are married. This will mean that the new monthly rates will be $151.14 single, $257.21 married, and the new annual income ceilings will be $2,293.68 single and $3,926.52 married. In addition, those who are in receipt of old age security pension and guaranteed income supplement will continue to benefit by an additional $15 a month single, and $30 married, by way of the exemption of those amounts of old age security pension and guaranteed income supplement.

• (2140)

Clause 2, which removes the limitations on personal property, is also of great importance because it will relieve many recipients of the disappointment and frustration experienced when from some source a small amount of personal property is acquired and as a result their allowance has to be cancelled and often an overpayment established. This clause will add to the peace of mind of many of the more than 78,000 recipients, and will also pave the way for others who are just over the personal property limitation to apply and qualify for the war veterans allowance or civilian war allowance.

This legislation is definitely in keeping with the attitude demonstrated by this government in earlier measures introduced and referred to by the minister which have improved the lot of war veterans allowance and civilian war allowance recipients. This government's pride in the accomplishment of Canada's servicemen and women is reflected in the measures by which we have provided for them. I wish to congratulate the Minister of Veterans

Affairs (Mr. MacDonald) for his ability, efficiency and a job well done, benefiting our veterans.

Some hon. Members: Hear, hear!

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to join in this debate on Bill C-148 and the amendments to the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act. I join the hon. member for St. Boniface (Mr. Guay) in congratulating the minister on presenting this bill. This is the first bill he has presented to the House, although he appeared before the standing committee with regard to the study of basic rates which was carried out last year by the veterans' association and officials of the department. I must say that the minister acquitted himself very well before the committee. I am happy to join other hon. members in congratulating the minister in presenting his first bill to the House.

This bill will increase benefits allowed under the War Veterans Allowance Act as well as the ceiling on earnings of recipients. One important aspect of the bill is that it removes the limit on personal assets which a recipient may have at the time of making application. I understand this is called a modified income-tested program.

Last week we debated the Old Age Security Act and guaranteed income supplement bill. It is fitting that this is being followed by amendments increasing allowances under the War Veterans Allowance Act. Perhaps it is a tribute to the minister that he assumed his responsibilities at the time amendments were being brought forward to the Old Age Security Act with compatible increases being brought in at the same time to the war veterans allowance legislation. This bill is important to some 76,000 Canadians who are recipients of the war veterans allowance.

I wish to speak for a moment about the committee's study of basic rates, because I feel sure that in the not too distant future there will be pressure for the principle that was adopted by the committee to apply this to the War Veterans Allowance Act and other old age pension legislation. The principle is that we not only increase pensions annually by the amount of the cost of living, but by the increase in the standard of living. When the committee adopted the recommendations of this basic study report and recommended them to the House for acceptance, it was a very significant, almost revolutionary step because it has important implications for our whole old age security system.

Last year we tied the old age pension and veterans benefits to the cost of living index and the increases that take place there. In the past several years these have been in the order of 3 per cent or 4 per cent. I believe in 1972 it was 3.6 per cent and in 1973 it will be 4.5 per cent. This is not nearly keeping pace with the average increase in earning of Canadians, which is often in the realm of 6, 7 or 8 per cent. When we tie the benefits of the old age pension to the standard of living rather than the cost of living, there is a significant difference. It means that every so many years we do not have to go back and increase the basic amount in order to catch up with what has been lost due to the difference between the cost of living increase and the standard of living increase.

Mr. Speaker, I support Bill C-148. Perhaps by some standards it is a modest increase, but to the recipients of these benefits it is very important and significant.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I rise to say a few words in support of this bill. As usually happens when veterans affairs legislation is before the House, there is complete unanimity of opinion. I echo the sentiments expressed by other members of my party, indeed, by members of all parties, in support of the bill now before the House.

I wish to pay special tribute to the new Minister of Veterans Affairs (Mr. MacDonald) on this, his first bill. It may not be customary for members of the opposition to pay tributes to the government, but on this occasion they are justly earned. I know that veterans throughout this country respect the new minister, not only because he is a veteran but also he is a veteran who has suffered, being a double amputee. That is a handicap which better enables him to judge the condition in which many veterans across this land find themselves.

• (2150)

Although it is impossible to turn back progress, if one can call it that, or change certain aspects of veterans legislation, I wish to protest the fact that the war veterans allowance is now to be mixed up with the old age pension and guaranteed income supplement. Many veterans consider the war veterans allowance as a burned out pension, if one may call it that. They fell that this pension is given to them because of the service they rendered to their country.

Many members of the House have paid tribute to our veterans. It seems to me that we are doing them a dishonour, if one may call it that, by mixing up payments under the war veterans allowance with payments under other social programs. As I have said, veterans feel that the allowance is theirs as of right because they served their country in time of need. Also, the pension and supplement are subject to income tax, whereas the war veterans allowance is exempt from such tax.

The big thing we must remember is the pride which veterans feel for having served their country. They feel that that service was recognized by the payment of what they call the burned out pension and what we call the war veterans allowance. I suppose there is no way to change this part of the legislation, but I think the Department of Veterans Affairs ought to take cognizance of what I have said. If it is possible on a future occasion to again give the veteran his just dues in the form of veterans allowance rather than in the form of pension, I think we should do so.

Apart from the increased benefits under this legislation, which are important, one of the most important parts of it is that which removes the restriction regarding the amount of property that a veteran may own before he is eligible for the full war veterans allowance. This new provision will certainly remove some of the roadblocks which have prevented veterans from receiving the full allowance. It is high time that this change was made. Veterans have protested to me, and I am sure to other hon. members, about the restriction on the amount they

can earn. Granted, the ceiling has been raised. That is good and I do not quarrel with it. I ask, would we lose too much if we removed the ceiling altogether on veterans' earnings? Surely a veteran is making a contribution to society by the work he does, and we are doing him a great disservice by placing any ceiling on the amount he may earn and reducing his war veterans allowance accordingly.

Those are just a few of my thoughts, Mr. Speaker. Let me return to the war veterans allowance, or to the burned out pension as the veteran calls it. He has a certain pride in having served his country. I submit the allowance should be paid to him without any strings attached and without any liability for income tax. I will certainly support this bill, as will members on all sides of the House. I think the haste with which the bill was dealt with by the study group is evidence of the interest in it. We are ready to pass it almost immediately.

When this bill goes to committee I am sure we shall witness the same speedy consideration that the report of the study group received. I look forward to seeing the bill in committee very shortly so that we may work on it, bring it back to the House for final approval and make available to veterans benefits which will accrue from April 1.

The Acting Speaker (Mr. Laniel): Order, please. I remind the House that if the minister takes the floor at this time it will be to close the debate.

Some hon. Members: Agreed.

Mr. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I have listened carefully to all hon. members who have spoken on the bill and was extremely pleased to hear them support its measures. Regarding the suggestions made, especially by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) and the hon. member for Winnipeg North Centre (Mr. Knowles), I look forward to exploring these matters further when the bill goes before the committee. I thank hon. members for their kind words and sincerely hope that this bill will be before the Standing Committee on Veterans Affairs at the first opportunity.

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

Mr. Knowles (Winnipeg North Centre): Ten o'clock.

The Acting Speaker (Mr. Laniel): Does the House agree to call it ten o'clock?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

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

[Mr. Knowles (Norfolk-Haldimand).]

AIR TRANSPORT—ADVANCE BOOKING CHARTER REGULATIONS—ASSURANCE THAT TRAVELLERS WILL BE PROTECTED AGAINST PRICE FIXING

Mr. Don Mazankowski (Vegreville): Mr. Speaker, in the few minutes available to me this evening I hope the parliamentary secretary to the Minister of Transport (Mr. Guay) will be in a position to clear up the confusion on questionable features surrounding the new regulations that were announced in January concerning advance booking charter regulations. For some time now a number of hon. members have been asking the minister questions in the House about the many areas of confusion and uncertainty surrounding the new regulations. I hope that after almost two months of concern, there will be some clarification of the regulations.

I know that the minister's powers are limited. The National Transportation Act limits the powers of the minister to alter decisions of the Canadian Transport Commission. However, the minister has responsibility for dealing with matters of transportation policy that affect our nation. Surely he is in a position to wield a great deal of influence in policy matters and in the bringing in of regulations that are prescribed by the Canadian Transport Commission within the ambit of the National Transportation Act. I say this in view of the many regulations which affect detrimentally many members of the travelling public. I believe it is fair to say that the regulations prescribed by the Canadian Transport Commission do not reflect the wishes of the travelling public nor the wishes of the retail travel trade.

In my opinion, without doubt the new regulations are making air charter travel more difficult. The new regulations are making air charter travel more confusing and more expensive. Above all, the new charter regulations do not provide the necessary protection against the so-called "bucket shop operator" or the undesirable operator who has plagued the charter industry in the past few years. Furthermore, it will place an increased burden on prospective charter passengers and also create undue hardship on the legitimate charter organizations who are dedicated to providing air charter travel to the many Canadians who are desirous of obtaining economic holiday travel.

• (2200)

I believe it is fair to say that these regulations are weighted very heavily in favour of the profitablity of the scheduled air services in this country at the expense of the travelling public. A look at the policy of price fixing, which in my opinion is monopolistic, reveals that foreign carriers are not allowed to file a tariff of fares that is below the fares filed by a Canadian carrier. As a result, undoubtedly air fares will be forced up to a much higher level.

The 90-day pre-booking requirement with a 25 per cent, non-refundable deposit places a very severe economic burden on those who are contemplating such holiday travel. In the event that a person has to change his holiday plans at the last minute, he has to surrender the 25 per cent deposit that he places on his trip. I seriously believe that this requirement should be altered and that there should be a 45 or 60-day pre-booking period. This has

been the suggestion made by a pioneer of the air charter industry in Canada, namely, Max Ward. I also believe that a great deal more flexibility should be given to the substitution of passengers using, say, a 30-day or perhaps 15-day period.

The whole matter of marketing the new ABC's has created a great deal of confusion and uncertainty. There has been delay in publishing the regulations. There has been delay in interpretation, which has created mass chaos in the air charter industry. We now have subsidiaries of airlines that are retailing the air charter bookings. We have Intervac, which is associated with Ward-Air, and Econair, associated with Air Canada, and so on. There is no question in my mind that these firms are operating at arm's length with the air lines.

I reiterate that the rules contained in the new regulations do not prevent the illegitimate operator from taking advantage of the public. I submit that the regulations should be tightened up. I believe they can be tightened up through meaningful discussion and consultation with the retail travel trade and with those engaged in the travel business. I must say that the whole approach to the formulation of these regulations was conducted on a unilateral basis. I believe the Canadian Transport Commission, in its wisdom, should have consulted to a much greater degree those involved in the travel business. Above all, we must know who is authorized and who is not authorized to organize a charter.

As reported at page 1758 of *Hansard* for February 28, the minister indicated that under section 43:37 of the regulations, permission may be authorized to depart from any of the provisions of the regulations, and I believe that this is welcome. Surely there is ample justification for this. Following a number of representations by interested travel groups, and indeed by myself, the minister recognized that there were indeed some very severe shortcomings and failings in the regulations.

I would urge the parliamentary secretary to consult his minister and members of the Canadian Transport Commission, persuading them to take due consideration of some of the further shortcomings I have enunciated this evening and, if necessary, scrap the regulations now prescribed because I believe they are unworkable. I think consideration should also be given to the fact that it is about time we recognized that the Canadian Transport Commission should concern itself more with the welfare of the travelling public than with the airlines and the railways to the degree it has in the past.

We are all aware of the lessons of the rail passenger service as a result of the protective shield provided by the Canadian Transport Commission. I urge that we do not allow that commission to shield the operations of the Airlines in the way it has shielded the operations of rail passenger services.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I should like to assure the hon. member for Vegreville (Mr. Mazankowski) that I will be pleased to bring his representations of this evening to the attention of the Minister of Transport (Mr. Marchand). To my knowledge, no new regulations have yet been finalized. I should like to direct the hon. member's attention—no doubt he is aware of this—to an answer given by the minister to a question posed by the hon. member which is to be found in *Hansard* for January 25, at page 636. He said:

> Mr. Speaker, it is generally known that new regulations have been enacted regarding advance booking charters and published on January 8. I feel it is somewhat premature to draw conclusions on the implementation of the new policy because when preparing these regulations we consulted the Transport Commission and other authorities involved. As and when we become aware that the risks pointed out by the hon. member can really materialize, we shall certainly review the regulations.

I should also like to refer the hon. member to an answer by the minister in reply to a question posed by the hon. member for York West (Mr. Fleming) which appears at page 1758 of *Hansard* for February 28. The minister stated:

> Mr. Speaker, the chairman of the Canadian Transport Commission informs me that the relevant regulations authorize the commission to remove or waive some restrictions in certain individual cases.
>
> Now the Canadian Transport Commission has decided to waive certain delays for all travel towards eastern Europe, which means that no ethnic groups will meet with the problems they faced so far.

CANADIAN CULTURE—MULTICULTURALISM—REQUEST FOR GRANT TO SASKATCHEWAN PROVINCIAL LIBRARY TO BUY BOOKS IN VARIOUS LANGUAGES

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, on Tuesday, March 6, I asked a question of the minister responsible for multiculturalism regarding library grants to the provincial library of Saskatchewan. The question was taken as notice by the Secretary of State (Mr. Faulkner). I was disappointed that the minister responsible did not answer. However, I should like to outline in a little more detail the problem we have in this regard.

This problem has been brought to my attention by a number of letters from my own province. The provincial library in Saskatchewan has been carrying the operations of the public library system in that province and has from time to time provided multicultural services. In Saskatchewan we have small libraries and a regional library system which are financed largely by provincial government grants and also by local taxation.

• (2210)

Originally the service was adequate for the limited use to which it was put by a few borrowers. Gradually over the years the borrowers from that library have demanded improved library service in the many languages of the Saskatchewan pioneers. With increased attention to the question of bilingualism and multiculturalism in Canada, this will become more important to the people of Saskatchewan as time goes on. I should like to remind you, Mr. Speaker, that the reports of the 1971 census regarding the mother tongue of the population of Saskatchewan showed that 208,000 people, from a total population of 926,000, spoke neither English nor French as their first language. A total of 31,000 people in Saskatchewan spoke French as their first language. The breakdown by ethnic origin is still available only from the 1961 census. At that

time, 550,000 out of 925,000 people were of non-British origin, and of these 60,000 were French.

For several years the provincial library has been buying books in the languages of the major ethnic groups. The budget for this program has always been extremely limited, and since the French language is placed in this group the collection is still extremely small. The original method of circulation was by sending blocks of 15 books in a language to the public library in the small towns of Saskatchewan. As the regional library system has been rapidly developing, the number of libraries has also greatly increased. People in charge of the various libraries have tried to increase the number of selections of books for an individual by increasing the number of blocks in a branch library. There has been an increase in the budget but it is not great enough to serve the people properly. So far, in this library books are available in the following languages: French, German, Ukrainian, Russian, Polish, Hungarian, Dutch, Czech and Slovak. There are still some demands which have not even been attempted to be met, for example, in the Swedish, Icelandic, Chinese and Italian languages, and so on.

They have also a fairly adequate collection of all types of material concerning the native Indians and the dialects of Saskatchewan. Last year, when an amount of $1 million was available through the Department of the Secretary of State, an attempt was made to obtain a grant to purchase more books for this library. This attempt was met with a roundabout "No". Members of the public service attempted to explain the impossibility of the federal government making a grant to a provincial government agency.

I should like to remind you, Mr. Speaker, that the government of Saskatchewan co-operated wholeheartedly—and we agree with this—with the bilingual program. Many schools in my native province have started teaching French from grade one up. Of course, this program has been given an incentive through the grants obtained from the provincial government which originally come from the federal government. So there was no problem in obtaining grants for expanding bilingualism in the province of Saskatchewan. In the same way, the people of my province feel there should be no problem in obtaining a federal grant for a government agency in Saskatchewan to expand multiculturalism in that province, and indeed perhaps in any part of Canada.

Saskatchewan at present is also considering the use of the Cree and Chipewayen languages, in the northern areas of the province, in the school system. They are experimenting with many exciting ideas on multiculturalism. I feel that the answer I received on Tuesday was not adequate enough and I would like a more detailed statement from the minister or the parliamentary secretary.

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): Mr. Speaker, regarding the question raised by the hon. member I can say that no official request was made by the Saskatchewan public library. An oral inquiry was made by them, and it was replied to by the regional office of the Department of the Secretary of State. On March 5 last, the Minister of State (Mr. Faulkner) who is in charge of multiculturalism received a written inquiry about funding under the multicultural program, from the library consultant in the Saskatchewan provincial library. The matter is now under study by officers of the department. In addition, I can say that the national library has a special program to supply third language books to libraries. The Department of the Secretary of State will be looking further into the matter.

[*Translation*]

I would like to congratulate my hon. friend the member for Meadow Lake (Mr. Nesdoly) for the very interesting information he has given me on the progress of bilingualism and multiculturalism in Saskatchewan. As a member from Quebec, I am extremely happy about that; I encourage him to go on in that direction and I can assure him that, as a French-speaking Canadian, I will always gladly co-operate with him in order that the formula which we have adopted concerning bilingualism and multiculturalism be complied with in co-operation with all citizens, whatsoever their ethnic origin.

[*English*]

AIRPORTS—VANCOUVER INTERNATIONAL—PROPOSED NEW RUNWAY—REQUEST FOR INFORMATION ON ENVIRONMENTAL IMPACT

Mr. John A. Fraser (Vancouver South): Mr. Speaker, looking back over the last several months of debate which has taken place in the House concerning the proposed runway at Vancouver airport, I find we have a situation which I am certain has caused a great deal of anguish to members on this side of the House and also, I suspect, to some members on the government side.

Despite the fact that no adequate environmental studies have been made with respect to the possible or potential environmental damage caused by this new runway, the government has seen fit to proceed with the expropriation of the last of the homes in the affected area. As I said on another occasion in the House, in fact on several occasions, this is not the right way to make our decisions; this is not good environmental decision-making. If the truth were to be stated, I am probably supported by most members of the House when I say that the environmental impact must come at the front end of decision-making.

• (2220)

In answer to some questions raised in the House, the Minister of the Environment (Mr. Davis) said on February 15 this year, with respect to this new runway, as recorded at page 1335 of *Hansard*:

> When we come to the expansion of the airport which will begin, say, in 18 months' time, we will need prior to that date a published environmental impact statement. I hope it can be prepared within 12 months; that is the deadline the task force is working to. It must gather all the information available to date. After the publication of that information we must hold hearings.

But it is curious that when this matter was raised on January 31 of this year, the Minister of Transport (Mr. Marchand) said, as recorded at page 829 of *Hansard*:

> We have consulted all specialized government services on the consequences of noise and temperature on the environment. The Department of the Environment is supposed to collate all those reports. I shall be happy to send one to my hon. friend.

Mr. Speaker, the fact of the matter is that if the Minister of Transport was right on January 31, 1973, then the

Minister of the Environment did not need to make the statement that he made on February 15, 1973. And if you look through *Hansard* at the confusing replies coming from the government side, the only conclusion you can come to is that no environmental study was done and the government at the present time does not know what the environmental impact will be. But the Minister of the Environment has committed us to a 12-month deadline by which this study will be completed. To corroborate this, Mr. Speaker, on March 2, 1973, the Minister of Public Works (Mr. Dubé) made a statement in the House of Commons, in the course of which he said:

—the Minister of the Environment will conduct a thorough study during the next 12 months into the effects of a new runway on the environment.

I draw to the attention of all hon. members and excerpt from a brief from the Vancouver Citizens' Committee for Noise Control, dated February 27, 1973. I quote only one short part of it. This refers to the amount of land fill that will take place at the mouth of the Fraser River in order to build the runway. It reads:

Fisheries studies just being made public disclose that a significant number of young Chinook salmon fingerlings spend up to six months in the shallows of Sturgeon Bank after coming down the Fraser River and before journeying further in their life cycle; obviously, the salmon fishery would be seriously affected by the land fill on Sturgeon Bank proposed in the expansion.

That is just one matter which has to be studied before we really know whether we should go ahead with this runway. As a consequence of that and of other matters which have been raised and debated in this House, I ask these questions: Can these studies in fact be prepared in 12 months? We have found out recently in the Squamish area, in the province of British Columbia, that in fact salmon migrating downstream do spend time in the mouths of rivers. This seems to be something we did not know before. I do not know how many other things in connection with the fishery run in the Fraser River we should know before we build the runway.

What assurance do we have that if proper studies are not done, the airport expansion will not be undertaken until the studies are completed? Under what legislation will this study promised by the minister be done, if any legislation does exist, and will there be public hearings? Will there be an opportunity for the public to take part, are we going to be faced with the situation where we have an entirely ad hoc response by the government as a result of the political pressures brought to bear here in the House of Commons during the past month or two?

I know that I speak for many people in this House when I say that we want answers to these questions. We want these promised hearings and studies to take place under proper circumstances, with the maximum of public input, and not rushed to meet the construction deadline, so that we will have sufficient information to know whether the construction should proceed at all.

Mr. Joseph-Phillipe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in answer to the hon. member for Vancouver South (Mr. Fraser) I should like to quote the three ministers who said that if, after reviewing the hearing officer's report, the federal government decided to proceed with a second new parallel runway for the Vancouver international airport, no construction would take place until a full 12-month environmental study had been completed and was made public. This release was made by the Minister of the Environment (Mr. Davis), the Minister of State for Urban Affairs (Mr. Basford) and the Minister of Transport (Mr. Marchand).

I should like to add that the Minister of Transport has stated that following a review of the hearing officer's report concerning the intended expropriation of land required for the expansion of Vancouver international airport, the federal government has decided that it will proceed to complete the acquisition of the necessary land on Sea Island.

The Minister of Transport stated that Vancouver international airport is the springboard for Canada and the Pacific rim countries, and as such is an essential facility in Canada's air transportation network. The Minister of Transport expressed his deep concern about the property owners involved and the feelings they expressed. The minister stated that the rights of property owners to full and fair compensation could best be provided under the terms of the expropriation act.

The hon. minister also stated that the government would ensure that the expansion of the airport facilities would not be undertaken without full consideration of the impact on the urban and natural environment, and the studies involved would be made public and freely discussed. Further, to ensure that federal plans are co-ordinated with the activities of other levels of government and that public concerns are taken fully into account, the minister announced that the topic of airport expansion, if other levels of government agree, would be placed on the agenda, on a continuing basis, of the greater Vancouver tri-level committee.

The proposed tri-level committee group for greater Vancouver will bring together political leaders and officials of the federal government, the province and the greater Vancouver regional district. Regular meetings would be held to discuss a wide range of urban issues involving consultation and co-ordination among the governments. In addition to airport expansion, other issues which could be placed on the tri-level agenda include urban growth patterns—which includes the question raised this evening—and the whole question of transportation patterns and facilities for the lower mainland and connections with Vancouver Island.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Friday, March 9, 1973

The House met at 11 a.m.

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF ANGLICAN, LUTHERAN, PRESBYTERIAN, ROMAN CATHOLIC AND UNITED CHURCH LEADERS

Mr. David MacDonald (Egmont): On a point of order, Mr. Speaker, may I take this opportunity to indicate the presence in your gallery this morning of the national leaders of the Anglican, Lutheran, Presbyterian, Roman Catholic and United churches who have come here today to launch a national campaign of "Ten Days for World Development" in the belief that development both at home and abroad demands justice. Earlier this morning they met with the external affairs committee, and later they are going to meet a number of cabinet ministers. I am sure all hon. members of the House wish them well in this important undertaking.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

NATIONAL CAPITAL

GATINEAU PARK—ANNOUNCEMENT OF EXCHANGE OF LANDS WITH QUEBEC

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, on this almost spring day I have an announcement of some interest. I wish to announce that the federal government and the government of Quebec have agreed to a mutually advantageous administrative exchange of lands contained within the national capital region, almost entirely within Gatineau Park. The province of Quebec will transfer to the federal government approximately 12,500 wilderness acres it still holds within the western confines of the park. This will enable the National Capital Commission, which manages the park, to plan, control and administer the park as an entity from the standpoints of both recreation and conservation. Generally speaking, the western end of the park is being maintained as a wilderness area.

In exchange, for the transfer of this large acreage by the province of Quebec to the federal government we are transferring to Quebec the administration of some land in the southern end of the park adjacent to Hull, and some non-park land for rights of way and road widening. Altogether, the lands being transferred by the federal government constitute some 255 acres of urban-related land.

The parcels of parkland being transferred to Quebec are to be used exclusively for educational, cultural, recreational and other purposes in the public interest. Quebec has agreed to declare Gatineau park a game reserve and to restrict mining exploration within the park.

I might add that this agreement I am announcing brings to a successful conclusion negotiations which I am informed have been proceeding on and off for a dozen years.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, on this spring day I want to echo the feeling of complete acceptance of this agreement and to say how pleased we are to hear the minister's announcement. We have always felt that Gatineau Park was really a national park in the fullest sense of the word, although it is an adornment particularly to the national capital area. It is pleasing to us to hear that arrangements are being made to develop the park as it has been slated to be developed, under one jurisdiction. To put our feelings correctly, may I say that we greet this announcement with the same joy that we would greet an announcement that there had been successful negotiations with the provinces of Ontario and Quebec with respect to the creation of a rapid transit system for the national capital area.

• (1110)

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, if I may comment very briefly on the minister's announcement I should like to say it is certainly very pleasant to hear some good news from the minister.

An hon. Member: For a change.

Mr. Mather: The completion of this agreement between the federal and the Quebec authorities will without doubt result in administrative benefits for the new land areas concerned. I have some personal knowledge of the situation because I spend a good deal of time in the Gatineau area, and in my opinion this agreement will benefit all Canadians in time to come. The pity is as the minister has said, that has taken 10 to 12 years to complete the agreement. Now that it has been brought about we hope and expect it will result in ecological and recreational benefits and, hopefully, political benefits to the federal and Quebec authorities.

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, it is nice to hear a statement such as this and to see the federal government and the government of Quebec agree on something for once. Unfortunately, I notice that Quebec is rather too big-hearted in exchanging 12,500 acres for 255. However, from the point of view of the National Capital

Commission, I think it is a good cause, one to defend and to respect, since there will always be a need for places where we can hold on to natural surroundings, which are at present escaping us bit by bit.

Again we congratulate the governments on having reached an agreement, even though it took them a mere 12 years to do so. We hope that future discussions between the federal government and the province of Quebec will not last 12 years.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

FISHERMEN'S BENEFITS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I should like to move a motion under Standing Order 43 on a very imminent and urgent matter. Because of the injustice of the unemployment insurance regulations as they pertain to fishermen, resulting in many fishermen now being forced on welfare allowances two months before the start of the fishing season, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That an immediate change be made in the unemployment insurance regulations to bring fishermen's benefits more in line with regular benefits and that in lieu of a revised fishermen's plan an immediate amendment be made to the regulation so that the number of benefit weeks be equivalent to the number of qualifying weeks.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

HOUSING

RENT INCREASES FOR OLD AGE PENSIONERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Harney (Scarborough West): Mr. Speaker, I rise under the provisions of Standing Order 43 to bring to the attention of the House a matter of urgent and pressing necessity. Because many owners of limited dividend projects are taking advantage of the proposed old age pension increases in order to raise rents in these projects and are citing Central Mortgage and Housing Corporation authorization to raise rents in mid-lease, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instructs the Minister of State for Urban Affairs (Mr. Basford) to order the Central Mortgage and Housing Corporation to cease authorizing rent increases within the terms of leases in force on January 1, 1973.

Mr. Speaker: This motion requires unanimous consent. Is there unanimity?

[Mr. Caouette (Charlevoix).]

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

[*Translation*]

MANPOWER

AVAILABILITY OF FUNDS FOR LOCAL INITIATIVES PROJECTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Roland Godin (Portneuf): Mr. Speaker, under the terms of Standing Order 43, I request the unanimous consent of the House to introduce a motion on an urgent matter concerning municipalities in Canada that wish to benefit from the Local Initiatives Program. In view of the fact that a number of very important projects have been turned down because of poor co-ordination between the approval by provincial governments of municipal loan by-laws and the approval date for Local Initiatives projects, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That this House study means of preventing very important projects, submitted as required by the Local Initiatives Program, from being turned down merely as a result of this technicality.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent, and so the hon. member's motion may not be put.

* * *

THE CANADIAN ECONOMY

EFFECT OF U.S. PROTECTIONIST TRADE MEASURES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to move a motion concerning a matter of urgent and pressing necessity, namely the American protectionist measures which threaten to worsen our economic situation. I therefore move, seconded by the hon. member for Portneuf (Mr. Godin):

That this House instruct the Standing Committee on Finance, Trade and Economic Affair to analyze the impact on the Canadian economy of the American protectionist measures adopted in the last two years, and to suggest to this House possible means of counteracting those harmful consequences on the level of employment in Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

PENITENTIARY ACT

PROVISION FOR CHAPLAINS NOT TO BE EMPLOYEES

Mr. Frank Howard (Skeena) moved for leave to introduce Bill C-160, to amend the Penitentiary Act (religious freedom).

Some hon. Members: Explain.

Mr. Howard: Mr. Speaker, under section 10 of the Penitentiary Act at the moment people who are employed as prison chaplains are in fact peace officers or policemen and are under the statutory authority of the warden and the Commissioner of Penitentiaries. The purpose of this bill is to reflect the view that it is inappropriate for a chaplain also to be a policeman and, accordingly, to provide that chaplains, while retaining all rights of access to penitentiaries and communications with inmates, shall not be employees as such under the Penitentiary Act, and thus be in a better position to fulfil their important role within a penitentiary.

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

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

POSSIBLE IMPLEMENTATION OF CONTIGENCY PLAN IN VIEW OF CONSUMER PRICE INDEX INCREASE—SUGGESTED MEETING WITH BUSINESS AND LABOUR TO OUTLINE RESTRAINT TARGETS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Acting Prime Minister a question. In light of the fact that the year to year increase, that is, from February, 1972, to February, 1973, in the consumer price index of 5.8 per cent is the highest in 22 years, is the government now prepared to announce and implement the contingency plan that the government says it has to deal with the serious problem of inflation?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I am sure hon. members would not wish their applause to be interpreted as meaning that they are in favour of an increase of that order in the consumer price index. I would like to ask the Acting Prime Minister whether the government is now prepared, in light of this very substantial increase in the consumer price index, to convene a meeting with representatives of business and labour with a view to outlining the restraint targets the government considers essential to be achieved in light of this problem?

• (1120)

Mr. Sharp: Mr. Speaker, the government has the problem, of course, under very serious consideration. I think it is fortunate that the House decided to establish a committee to look in particular at the question of food because food accounts for a very large part of the increase in the cost of living. The government does not have plans at present to convene the sort of meeting that the Leader of the Opposition has suggested. I do hope, however, as does the Leader of the Opposition, that everyone in the country will show restraint and will reflect in particular the big tax reductions that were made in the last budget in the prices that they are charging.

INFLATION—CONSENSUS AS TO EMERGENCY—GOVERNMENT POSITION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary question is for the Minister of Consumer and Corporate Affairs. In light of the fact that the Food Prices Committee has been repeatedly told that food prices will continue to escalate, and in view of the fact that the minister or at least some of his cabinet colleagues have also repeatedly indicated that there is no national consensus that we are in an emergency situation in respect of the cost of living and general inflation in this country, may I ask the minister, first, how that decision respecting the so-called national consensus was arrived at, second, whether there is any change now in that national consensus and, third, if there is a change, would he agree that we are in an emergency situation in respect of inflation in this country?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the decision whether there is such a consensus is a matter of judgment. Second, this decision was one that was arrived at obviously in the course of the government's consideration of the matter and it is continuously under review. Therefore, in view of what I have just said, I do not think that an appropriate answer can be given to the hon. member's third question.

FOOD PRICE INCREASES—INVESTIGATION OF COST TO CONSUMER OF ADVERTISING BUDGETS OF PACKERS AND DISTRIBUTORS

Mr. David Lewis (York South): Mr. Speaker, I have one or two supplementary questions for the Minister of Consumer and Corporate Affairs, although I would have addressed them to the Minister of Finance if he were here. Is the minister looking into the question of the cost to the consumer of the immense advertising budgets of both the packers and distributors of food and into the necessary policies, particularly fiscal policies, that would reduce the amount that these corporations can deduct for income tax purposes, as an expense for advertising and promotion, which is a cost to the consumer?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): In my brief to the Food Prices Committee I said that the research branch of the combines section of the department had begun a study into the implications of advertising with respect to the concentration in various industries, including the food industry. This work has not yet been completed. Second, any comment on possible changes in fiscal policy would have to come from the Minister of Finance.

Mr. Lewis: Any research under the combines legislation would, of course, be limited to certain questions about agreed prices, mergers and stuff of that sort. I am asking the minister whether his department is making a study outside the limited area of combines into the question and is going to propose some policies with regard to it?

Mr. Gray: Mr. Speaker, there is no general study of the sort indicated by my hon. friend under way at the present time. However, I am constantly considering what further extension of the department's research work should be undertaken, and I am always happy to recommend to my colleagues in the cabinet what I consider to be appropriate changes in policy.

STUDY OF IMPACT OF INCREASED MEAT PRODUCT EXPORTS ON PRICES IN CANADA

Mr. David Lewis (York South): Mr. Speaker, may I direct a supplementary question to the Minister of Industry, Trade and Commerce arising out of information, particularly with respect to pork products, that there has been an increase in exports of those products to many countries, including Japan, and that the amount of exports of some other meat products has also increased. Is his department making a study, as I suggest it should, into the possible impact on prices in Canada of increased exports of products outside Canada?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, that is the kind of situation which we have under continuous review. However, I would be pleased to make specific inquiries for the hon. member and to give him any information I have.

FOOD PRICE INCREASES—SUGGESTED INDICATION OF CEILING FOR 1973 BY GOVERNMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a supplementary question to the Minister of Consumer and Corporate Affairs. In light of the statement by the Grocery Distributors Institute that food prices will continue to increase and the fact that the association says, "We do know where it is going to end," will the minister tell the House and the Grocery Distributors Institute that the government has an idea of what reasonable price increases should be for 1973, that the government will take action to keep prices within some defined ceiling, and that the government will transmit this information to key sectors of the food industry?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, in his budget statement the Minister of Finance indicated that one of the aims of the budget was to reduce inflationary pressures on the economy, and I think that the effects of some of the reductions announced in the budget have already been indicated in press reports that are known to hon. members. I might add that so far as I am aware many of the proposals with regard to controls on prices, put forward by people in the party of the hon. member, seem to exclude any coverage of food products, which are concerning us all at the present time.

Mr. McGrath: May I ask the minister where this leaves the people in the lower income group who cannot afford to eat bananas and grapefruit?

[*Translation*]

Mr. Speaker: Order. Is the hon. member for Drummond rising on a supplementary question?

Mr. Jean-Marie Boisvert (Drummond): No, Mr. Speaker, my question is about another subject.

Mr. Speaker: I will recognize the hon. member in a moment.

[*English*]

PRICE INCREASES—REQUEST FOR STATEMENT ON CONDITIONS THAT WOULD JUSTIFY IMPLEMENTATION OF GOVERNMENT CONTINGENCY PLAN

Mr. Bill Clarke (Vancouver-Quadra): Mr. Speaker, I would like to ask the Acting Prime Minister a question. In view of the government's frequent statements that the situation is not yet serious enough for it to consider implementing its contingency plan, would he indicate to the House now, or in a statement on motions, what conditions the government would recognize as being of sufficient seriousness to cause it to initiate its contingency plan?

Mr. Speaker: Order. I would hope that this information would be given by way of a statement on motions rather than in reply to a question, but if the Acting Prime Minister wishes to reply briefly he will be recognized for that purpose.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it would not be the intention of the government to present such a statement to parliament. I am sure the hon. member would agree that it would be most unwise, if one were going to implement price and wage controls, to give any notice whatsoever of the government's intention.

* * *

SOCIAL SECURITY

SUGGESTED FINANCIAL ASSISTANCE TO LOW-INCOME FAMILIES TO PROVIDE PROPER NUTRITION—PROVISION OF GUARANTEED MINIMUM INCOME

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. In view of the findings of the National Council of Welfare that many povertystricken families have to bring up children who are undersized, sick, disabled and prone to disease because of lack of

income for food, will the minister consider making moneys available under the Canada Assistance Plan, specifically to provide proper nutrition for low-income families?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the hon. member surely knows, funds under the Canada Assistance Plan are available for such purposes. The federal government pays half of the amounts which the provinces earmark for such a purpose and, in such a case, it belongs to the provincial governments to decide what kind of program they wish to implement to help needy children.

[*English*]

Mrs. MacInnis (Vancouver-Kingsway): Mr. Speaker, I would now like to ask the minister a question about a program which is specifically federal. The National Council of Welfare has suggested that the best way of handling this problem is with a guaranteed minimum income for everybody across the country. Is the minister prepared to make such a recommendation to the House?

• (1130)

[*Translation*]

Mr. Lalonde: Mr. Speaker, I hope to be in a position before the end of April to introduce in the House proposals respecting a comprehensive review of the Canada Assistance Plan and I am sure that, on that occasion, I will be in a position to tell the House what the government's position is on the whole matter.

[*English*]

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Drummond and then recognize the hon. member for Brome-Missisquoi who I believe has a supplementary.

[*Translation*]

OLD AGE PENSIONS—REDUCTION BY QUEBEC DEPARTMENT OF SOCIAL AFFAIRS—AGREEMENT BETWEEN GOVERNMENTS

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I have a question for the Minister of National Health and Welfare.

Can the minister tell this House if he is aware of the fact that new old age pensioners are compelled to give back large amounts of money to the Quebec Department of Social Affairs, from their old age pension cheque which was already reduced by a certain amount for this purpose?

Hon. Marc Lalonde (Minister of National Health and Welfare): I am not aware of this fact, Mr. Speaker, but as I said in the House yesterday, I hope that all provincial governments will respect the wishes of the House to increase benefits to older people and that provincial governments will not, at least for the current year, increase expenses they charge older people who fall under their jurisdiction at the present time.

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary for the Minister of National Health and Welfare.

May I ask the minister if a formal agreement has been reached between the Quebec government and the federal government as regards the claims of the Department of Social Affairs, which recovers certain amounts from these people by deducting them from their old age pension cheques? Is there any kind of formal agreement in this regard?

Mr. Lalonde: There is no agreement, formal or informal, Mr. Speaker. This is a matter which has never been raised during the discussions I had in this regard with officials of the Quebec government.

Mr. Fortin: I have a supplementary, Mr. Speaker.

Now that this matter has been brought to the minister's attention, is he prepared to look into it?

Mr. Lalonde: Yes, Mr. Speaker.

[*English*]

SUGGESTED PROVISION OF SCHOOL MEAL PROGRAM

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is also directed to the Minister of National Health and Welfare. In light of the finding of Nutrition Canada that one-fifth of the population, involving over two million of our young people, suffers from nutritional problems requiring medical attention, and in light of the escalation of food prices mentioned today, is the government going to launch a school meal program as recommended by the National Council of Welfare and, if so, are talks on this specific matter being entered into immediately?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): First of all, Mr. Speaker, the hon. member for Brome-Missisquoi is certainly ahead of Nutrition Canada itself. Concerning the status of the study, publication of recommendations will start during the coming months. Actually, the study as a whole will be completed only in mid-October and I therefore feel that any factual statements should be delayed until findings have been compiled and made public.

As for the question put by the hon. member for Brome-Missisquoi, it evidently comes within the scope of both social security and provincial educational programs. That question might be raised in the course of the meetings we are to have with the provinces in April.

[*English*]

POSSIBLE DISTRIBUTION OF SURPLUS POWDERED MILK TO SCHOOLS—NEW FAMILY ALLOWANCE LEGISLATION

Mr. Howard Grafftey (Brome-Missisquoi): Is the government at last going to finance the distribution of surplus

powdered milk to schools where children are suffering inexcusable malnutrition, and is the government now prepared—

Some hon. Members: Oh, oh!

Mr. Grafftey: Oh, be quiet!

Some hon. Members: Oh, oh!

Mr. Speaker: Would the hon. member ask his question.

Mr. Grafftey: Is the government now preparing new family allowance legislation and, if so, will it be introduced immediately to help low income families in particular?

[*Translation*]

Mr. Lalonde: The first part of the question does not, of course, come under my jurisdiction, Mr. Speaker.

Concerning the second question, I have already stated repeatedly in this House that the government intends to introduce during the present session a bill on family allowances and I hope that the opposition party to which the hon. member belongs will then support the bill.

[*English*]

Mr. Grafftey: In all seriousness, Mr. Speaker, these questions are not asked with partisan overtones.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Grafftey: It is my assumption, Mr. Speaker, after listening to the minister that nothing is going to be done.

Mr. Speaker: Order, please. Again I seek the co-operation of hon. members to limit, if possible, the number of supplementaries.

WELFARE PAYMENTS—SUGGESTED EMERGENCY MEETING WITH PROVINCIAL MINISTERS ON INCREASE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. In view of the fact the minister indicated, as reported in the press, that the amount of money paid to people on welfare is a national disgrace, and in view of the fact that a couple aged 64 are only getting $149 a month, would the minister now take the lead in calling an emergency meeting of welfare ministers to discuss this problem so that an increase in the cost sharing-program can be instituted?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I would like to say first of all that the article mentioned by the hon. member is not a press release. It is a comment that was made at the meeting with the representatives of certain Canadian labour unions. Second, the problem of poverty raised by the hon. member does not exist only for people of 60, 64 or 65, it is also found at all levels of the population. Third, the funds spent on welfare are determined by the provinces but the federal government's share of the costs, whatever they are, is 50 per cent. Fourth, a very important meeting is actually scheduled for the end of April with the representatives of all provinces and I hope we can quickly reach an agreement so we can have a more adequate social security plan to meet the needs of the people of Canada.

* * *

[*English*]

TRADE

AUTOMOBILES—SUGGESTED PROVISION BY MINISTER OF CORRECT INFORMATION TO UNITED STATES OFFICIALS IN VIEW OF STATEMENTS BY SENATOR HARTKE

Mr. Barnett J. Danson (York North): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In view of the allegations made by United States Senator Vance Hartke on the television program "Encounter" last night, in which some rather serious errors in fact were conveyed, would the minister convey to him and other American opinion leaders that United Automobile Workers wages in Canadian automobile plants are effectively at parity with those of workers in the United States, that vehicles made in the United States do in fact come into Canada duty free to Canadian automobile companies, and that foreign cars coming into Canada are subject to a duty rate of 15 per cent—

Some hon. Members: Order!

Mr. Danson: —compared with 3 per cent on those going into the United States?

Mr. Hees: Say "yes".

An hon. Member: Do you like to answer your own questions?

An hon. Member: After all, the hon. member read it and the minister wrote it so perhaps the minister can say yes.

Mr. Danson: On a point of order—

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

Mr. Danson: In spite of the allegations of the hon. gentlemen opposite we are quite capable of using our own minds on this side of the House and retaining our independence.

An hon. Member: Explain!

Mr. Speaker: The hon. member for Cumberland-Colchester North on a point of order.

Mr. Coates: No, Mr. Speaker, I have a supplementary question.

Mr. Speaker: Perhaps we might allow the minister to reply first.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member asked three questions alluding to the broadcast last night—

An hon. Member: Read them again.

Mr. Gillespie: On the last one, with respect to the question of tariff duties, he is accurate. On the second question he is accurate. I cannot, on the first point, confirm or deny the parity of wages between Canadian automobile workers and United States automobile workers. One reason for that is that there are a number of different plants in the United States and a number of different plants in Canada. It depends a great deal on where these judgments are made—

An hon. Member: What about the weather?

Mr. Gillespie: I should like to say that there was so much that the senator said that was based on ignorance.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please! The minister has the floor to reply to the question.

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

Mr. Speaker: The hon. member for Gander-Twillingate on a question of privilege.

Mr. Lundrigan: Mr. Speaker, we have a situation here where an hon. member from Toronto has raised three questions. In essence he was asking the minister to convey to the senator that the statements he made were not in order. Perhaps Your Honour was not listening or was reading notes, with the greatest respect, received from members. But if the questions are read when *Hansard* appears it will be seen that the hon. member, instead of asking a question, made a representation and also an argument. The minister is obviously aware of the answers that are supposed to be placed on the record, as he is prepared with all the data. He had been going on for four or five minutes and this is going to take up about a third of the question period. I contend that because of such actions—

• (1140)

Some hon. Members: Oh, oh!

Mr. Lundrigan: —members on this side of the House who wish to ask vital and important questions from day to day are not able to place them on the record. If members of the Liberal party are having trouble reaching the cabinet, I contend that is their problem and it should not be forced on us in the House.

Mr. Speaker: Order, please. An hon. member rose a moment ago on a point of order. The hon. member rose on a question of privilege. We could go on like this for a long time and not much would be gained. The point is that questions should be asked briefly. The hon. member asked a number of questions because, obviously, from the way the minister replied he recognized three questions in what the hon. member had said.

Mr. Hees: He recognized them because he wrote them.

Mr. Speaker: The minister's reply should be as brief as possible. I think the matter would have ended some minutes ago if we had allowed the minister to reply briefly.

Mr. Gillespie: Mr. Speaker, I wanted to say that there were so many statements made by the senator in his remarks last night that to answer them all would probably take more time than I have at my disposal. Nor can I, every time—

Mr. Speaker: Order, please.

Mr. Gillespie: —an irresponsible statement is made, answer it in a way—

Mr. Speaker: Order, please. Would the minister please resume his seat? I suggest that it is certainly not competent for the minister to deny or confirm a statement made outside the House, and if this were the essence and purport of the hon. member's question I could hardly allow it. At the same time, if the Chair were to object to and not allow any question which is argumentative in tone, perhaps very few questions would be permitted during the question period.

DISPARITY IN CAR PRICES BETWEEN CANADA AND UNITED STATES

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. In view of the question asked by the hon. member for York North and the minister's reply, would he explain to the Canadian people rather than to American senator why, if all the things the hon. member for York North is saying are correct, Canadians are not able to purchase cars for the same price at which they are purchased in the United States? That is the important point.

Mr. Hees: There is no answer to that question.

* * *

EXTERNAL AFFAIRS

VIET NAM—CONTINUED PARTICIPATION OF CANADIAN ELEMENT IN SUPERVISORY COMMISSION—SUBMISSION OF GOVERNMENT DECISION TO HOUSE BEFORE END OF MARCH

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. As the minister, with other members of the House, is going to Viet Nam and as the decision regarding continued participation of Canadian forces in the control commission must be made before the end of this month, will the minister tell the House if he intends to submit the government's decision as to the continuance of Canadian participation to parliament for approval or disapproval after his return and before the end of the month?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it has always been my intention to submit the decision that the government will make to continue or to withdraw, provided, of course, that the House is in session, for debate in parliament, at which

time members of all parties can express their views on whether or not they wish to support the decision of the government.

VIET NAM—REQUEST FOR FURTHER DEBATE ON MOTION ON ORDER PAPER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I ask the Secretary of State for External Affairs whether he is prepared to give the House the assurance that he will bring back before the House the motion he introduced, I think on February 1, to which there were certain amendments proposed? Will the minister give us an assurance within what compass of time this motion will be brought back before the House?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have not had the opportunity to talk to my colleague, the House leader, but I would not recommend that this particular motion and the proposed amendment be brought before the House again. It had been our intention, when introducing this resolution, to have a debate on the merits or otherwise of the decision the government made to go in for 60 days. That debate served its purpose. There was no one who took exception. Then an amendment was proposed which would have required the government to submit, before it had made its decision, its recommendation to parliament. That, I do not think, is in accordance with the principles of good government or the principles under which this House operates. Therefore I do not intend to proceed with that debate. However, I am prepared to bring before the House the decision that the government makes, which I think is the orderly way of doing it established by precedent and one that my hon. friend would support if he were prime minister of Canada today.

* * *

TRADE

REPRESENTATIONS BY GOVERNMENT AGAINST BURKE-HARTKE BILL

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to ask a question related to the earlier questions asked by the hon. member for York North. I do not have the questions before me, as the minister had. Apparently his writing is no better than mine, but the minister will not need to try to decipher my writing. What is the government doing in connection with the Burke-Hartke bill in the United States? What complaints, observations or reservations have been made by the minister concerning that portion of the bill that would put quotas on all United States imports and place heavy penalties on foreign investment? I will not ask these questions by enumerating them as one, two and three, for if so mine would be four, five and six.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, to answer the right hon. gentleman, on previous occasions I have told the House that we have made, on a government to government basis, our

views known on this particular piece of legislation. It is not a piece of legislation that we like in any way.

Mr. Diefenbaker: Mr. Speaker, in order that these views may be known, will the minister set before the House a summary of the views? After all, we cannot understand what the views were, and that is why I must ask these further questions. With the repeal of the foreign tax credit, or double taxation on foreign earnings, the result in Canada will be, as I understand it, a reduction of a large portion of the Canadian industrial labour force. What specific statement has the minister made in this connection to the United States government, when was the statement made, and what was the reaction of the American minister?

Mr. Gillespie: Mr. Speaker, as I indicated in my first reply, it was not one statement. There have been a number of representations with respect to this issue. There will continue to be representations with respect to this bill. I stated that we do not like it.

Mr. Diefenbaker: Mr. Speaker, I do not seem to be able to get any answers. When did the minister himself make any objection? We should like to know what he is doing, except sit. When was the last objection that he raised, and what were the particulars of that objection? That is a simple question.

Mr. Hees: Answer!

Mr. Diefenbaker: Mr. Speaker, the minister is silent because he has not done so.

BURKE-HARTKE BILL—REQUEST FOR STATEMENT ON POSITION TAKEN BY CANADIAN GOVERNMENT

Mr. John Lundrigan (Gander-Twillingate): I have a supplementary question, Mr. Speaker. In order to place this matter properly before the House would the minister undertake, in view of the questions asked by the right hon. gentleman, at the next sitting of the House on motions and not during the question period to place before the House the formal position the government has taken and the variety of the views that the minister claims he has expressed on this particular bill?

• (1150)

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I believe this is going to be an ongoing series of discussions with the administration on a government to government basis, and I do not think any particular purpose would be served at the present time by following the hon. member's suggestion.

Mr. Diefenbaker: What are you trying to hide?

[*Translation*]

BANKRUPTCY ACT

INQUIRY RESPECTING WORK OF STUDY GROUP

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to direct a question to the Minister of Consumer and Corporate Affairs.

In view of the alarming situation that exists regarding bankruptcies in Canada and the considerable losses that creditors and governments suffer and which have increased by $52 million as compared with 1970-71, would the minister say if the task force appointed to study the problem is fulfilling its role adequately because it seems that fraudulent bankruptcies are having more devastating effects than ever before and that manufacturers are becoming more and more the victims of that situation?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am very happy to take that very interesting question as notice and I will be giving the hon. member an answer at a later date.

* * *

[*English*]

AIR TRANSPORT

CANADA-CHINA—DESIGNATION OF CANADIAN PACIFIC AIRLINES AS CARRIER

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to ask the Minister of Transport whether flying rights from Canada to China have been given to any Canadian air carrier and, if so, to whom?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the cabinet ratified yesterday an air agreement with China. Canadian Pacific Airlines has been designated as the carrier.

Some hon. Members: Hear, hear!

An hon. Member: Shame!

Mr. Marchand (Langelier): Canadian Pacific will fly from any point in Canada to Peking and Shanghai, probably with a stopover in Alaska.

Mr. Hales: I should like to ask the minister why these rights were not given to Air Canada?

Mr. Marchand (Langelier): Well, this is not a new practice. Usually the Pacific region is served by Canadian Pacific and Europe, generally, is served by Air Canada. So the decision was made in accordance with the traditional pattern.

REQUEST THAT CANADIAN PACIFIC AIRLINES ROUTES TO EUROPE BE TRANSFERRED TO AIR CANADA

Mr. Les Benjamin (Regina-Lake Centre): My supplementary arises from the minister's answer. In view of the fact that Canadian Pacific Airlines has been granted landing rights in Europe and in view of the decision to grant to Canadian Pacific the right to fly to China, will the minister undertake to terminate Canadian Pacific's landing rights in Europe and reserve all of Europe for Air Canada?

Some hon. Members: Oh, oh!

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the assignment of international routes to the two large Canadian carriers, CP Air and Air Canada, is being considered by the department and undoubtedly within a month or two we will try to clarify what seems a bit confusing in the assignment of routes between these two companies.

[*English*]

GRANTING OF PERMISSION TO INTERNATIONAL CARRIERS TO FLY DIRECTLY TO AND FROM TORONTO AIRPORT

Mr. Jim Fleming (York West): A supplementary question to the Minister of Transport. Has there been any development in connection with allowing some international air carriers to fly directly to and from Toronto International Airport?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the ratification of the agreement between China and Canada took place yesterday as did that between Germany and Canada. The company which will serve two new centres in Germany will be Air Canada and in return Lufthansa will have the right to land directly in Toronto.

* * *

[*English*]

TRADE

BURKE-HARTKE BILL—REPRESENTATIONS TO UNITED STATES SECRETARY OF COMMERCE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary to the question addressed earlier to the Minister of Industry, Trade and Commerce. Would the hon. gentleman advise the House when he last spoke to the United States Secretary of Commerce on the subject of the Burke-Hartke bill.

Hon. Alastair Gillespie (Minister of Industry Trade and Commerce): Mr. Speaker, I do not think it is in the interest of international relations to be giving this kind of information. I have explained on a number of occasions that discussions with respect to this issue and others of concern are going forward on a continuing basis. I can say that this week I discussed this very important subject with a senior official of the White House.

Oral Questions

HOUSING

NEW PROGRAMS TO REDUCE COST

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of State for Urban Affairs. In view of the alarming increase in the cost of housing in Canada, is the minister in a position to announce any specific new programs designed to reduce the cost of new and rental housing for Canadians?

Hon. Ron Basford (Minister of State for Urban Affairs): I should like to proceed on an urgent basis with the passage of Bill C-133 and would hope to have the co-operation of the opposition in doing so. I shall have something to say on Monday in terms of dealing with the problems to which the hon. member has referred.

Mr. Hellyer: In view of the fact that, at the present rate of inflation, by the end of the century the cheapest new house in metropolitan Toronto will cost well in excess of a quarter of a million dollars—

Some hon. Members: Oh, oh!

Mr. Hellyer: —does the minister now feel that the situation has reached a state of emergency sufficient to justify a recommendation to his colleague, the Minister of Finance, that some form of compulsory guidelines or controls be applied to costs?

Mr. Basford: The question of the cost of land in metropolitan Toronto is an extremely serious one. This is why I have proposed to parliament certain provisions related to land assembly. That is why I have obtained the support of Treasury Board and my colleagues in the government for substantial increases in money allotted to land assembly, and why I have called upon the provinces and municipalities to join with me in developing a national land development strategy.

Mr. Speaker: Order. There are three minutes left before the end of the question period. Hon. members will have noted that we have spent most of the question period on supplementaries, so we might as well finish on supplementaries.

* * *

NATIONAL DEFENCE

REQUEST THAT PENDING RENT INCREASE ON MARRIED QUARTERS NOT BE IMPLEMENTED

Mr. J. M. Forrestall (Dartmouth-Halifax East): May I direct a supplementary to the Minister of National Defence. I assume there is a probability that the rent of armed forces married quarters will be increased around April 1. Does the hon. gentleman not consider that this might be a good time to forgo any such increase in order to dampen general inflationary tendencies?

Hon. James A. Richardson (Minister of National Defence): I will take the hon. member's representation into consideration.

[Mr. Gillespie.]

HOUSING

REQUEST FOR MEASURE TO LOWER MORTGAGE INTEREST RATES

Mr. Edward Broadbent (Oshawa-Whitby): In view of the fact that neither of the bills we shall be discussing in the House in the next week or so has any direct bearing on interest rates in the terms of reducing them significantly for the average Canadian, would the minister assure the House that before the end of the present session he will introduce a measure designed to bring interest rates on mortgages down to five or six per cent?

Hon. Ron Basford (Minister of State for Urban Affairs): Any announcement with regard to the introduction of new policies and new legislation will, of course, be made at the appropriate time. The effort of the government in terms of subsidized interest rates and subsidized housing is directed to those who are most in need, on a rent to income basis.

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EXTERNAL AFFAIRS

VIET NAM—PURPOSE OF MINISTER'S INVITATION TO OPPOSITION MEMBERS TO ACCOMPANY HIM ON VISIT

Mr. W. B. Nesbitt (Oxford): I have a supplementary for the Secretary of State for External Affairs in relation to a previous question. Since the minister has made it quite clear to the House that it is not the intention of the government to consult parliament before the final decision is made on Canada's presence in Viet Nam, can the hon. gentleman tell us what is the purpose of inviting members of the House of Commons to go to Viet Nam when the information they might acquire cannot be used?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Since I have announced that I do intend to bring the decision before parliament for debate, I think it would be very useful if there were present, from the Conservative party, a representative who could ascertain the facts and not be dependent entirely on what the government tells him.

Some hon. Members: Hear, hear!

* * *

AGRICULTURE

FERTILIZER—REPORTED WITHHOLDING BY COMPANIES OF SUPPLIES TO FARMERS IN ANTICIPATION OF HIGHER PRICES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is directed to the Minister of Agriculture. Has the hon. gentleman inquired into reports that fertilizer companies are deliberately withholding supplies to farmers in anticipation of higher prices, and that their desire is to fill export orders rather than meet the needs of Canadian farmers?

Hon. E. F. Whelan (Minister of Agriculture): All I can say in answer to that question is that such a situation has not been brought to my attention. On the other hand, it has been brought to my attention that more deliveries of fertilizer have been made to farmers than for many years, at this time of year, and that the prices have not been exorbitant. If the hon. member has any evidence in support of his statement, I would be glad to have it.

* * *

• (1200)

CANADIAN NATIONAL RAILWAYS

ALLEGED SLOWDOWN BY VANCOUVER YARD CREWS—EFFECT ON GRAIN MOVEMENT

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the Minister of Transport. Several days ago I asked the minister a question regarding a work to rule situation in Vancouver involving Canadian National yardmen which had the potential of slowing down movement of commodities such as grain through that port. The minister said he would report to the House or answer the question at a future date as to what progress has been made in terms of an inquiry into this serious labour dispute.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as far as the labour dispute is concerned, I would ask my colleague the Minister of Labour to answer the question.

Mr. Knight: Then, may I direct the question to the Minister of Labour, if I can get his attention. In view of the work to rule situation in the port of Vancouver involving CNR yardmen, which could have a serious effect on the movement of commodities through that port, can the Minister of Labour give the House any progress report in terms of an inquiry into this situation?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I was under the impression that the situation had eased and this the practice was not going on at the present time. That was as of a few days ago, but I will doublecheck the situation.

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CANADIAN BROADCASTING CORPORATION

REQUEST FOR INTERVENTION BY MINISTER TO PREVENT CANCELLATION OF PROGRAM "CHEZ HELENE"

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Secretary of State and relates to the Canadian Broadcasting Corporation. In view of the fact that the CBC is cancelling a program that is par excellence for young children, and in view of the fact that we in the west consider the program to be very helpful in teaching young children the very fundamentals of and love for a second language, would the minister tell the House if he plans to intercede on behalf of the many Canadian families, especially mothers of young children, who appreciate the program "Chez Helene"?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I shall be very pleased to make that representation known to the CBC and get their reply.

Mr. Knight: On a question of privilege, Mr. Speaker. A few moments ago, I felt as the sun would feel when it goes behind a mountain. I wonder whether I could ask the minister a supplementary question?

Mr. Speaker: The Chair will recognize the hon. member for Middlesex first and then try to have other supplementaries before the end of the question period. The hon. member for Middlesex.

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CANADIAN NATIONAL RAILWAYS

ACCIDENTS ON BELLEVILLE-MONTREAL LINE—ACTION TO ENSURE SAFETY OF PASSENGERS

Mr. J. R. Ellis (Hastings): Mr. Speaker, I must have been leaning toward the hon. member for Middlesex since I am in fact the hon. member for Hastings.

Mr. Speaker: The hon. member for Hastings.

Mr. Ellis: Mr. Speaker, I have a question for the Minister of Transport. There are those of us in the back rows who are also getting a little fed up with supplementaries.

Some hon. Members: Hear, hear!

Mr. Ellis: In light of yet another accident on the mainline CNR tracks between Belleville and Montreal, and being aware that slow orders and increased security have been ordered on this line, can the minister assure the House and the travelling public that all precautions have been taken to ensure the safety of citizens travelling by train in this area?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I thank the hon. member for having given me notice of his question. Traveller safety is certainly an important issue. As we know, in Montreal, a locomotive has hit a grubbing machine. There was one dead and a few wounded. We are inquiring to see if there was negligence. We will surely try to correct any mistake.

[*English*]

ALLEGED SLOWDOWN BY VANCOUVER YARD CREWS—EFFECT ON GRAIN MOVEMENT

Mr. Bill Knight (Assiniboia): In putting my supplementary question, Mr. Speaker, since the two ministers are sitting in such close proximity to each other I hope they will be able to decide which one will answer. In view of the fact that the joint council representing the Vancouver area railway workers, numbering some 2,500, have sent telegrams to the Minister of Transport expressing serious concern about the fact that there has been no progress report on the inquiry into this situation, I wonder whether one or other of the ministers would answer the question?

Oral Questions

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would appreciate it if the hon. member would give me an opportunity to check into the present status of the situation.

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UNEMPLOYMENT INSURANCE

EXPIRATION OF FISHERMEN'S BENEFITS—POSSIBLE EQUATING OF BENEFIT PERIOD WITH QUALIFYING PERIOD—REQUEST FOR STATEMENT

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Minister of Manpower and Immigration. I have already discussed it with him and have raised the issue under Standing Order 43. I now raise it during the question period because of the urgency. In view of the fact only two months are left in the season and the fishermen have run out of benefits under the regulations, would the minister give serious consideration to making a statement on motions early next week informing us whether he will accept equating the benefit period with the qualifying period in order to prevent them from having to go on the welfare lines in the next eight weeks?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do appreciate the hon. member advising me of this the other day, along with my colleague the Minister of Regional Economic Expansion. I am examining the matter sympathetically to see what we can do under the circumstances.

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REGIONAL ECONOMIC EXPANSION

OCEAN FALLS, B.C.—INQUIRY AS TO REQUEST BY PROVINCE FOR DEVELOPMENT ASSISTANCE—RELOCATION OF RESIDENTS

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, while I am on my feet might I answer a question I took notice of yesterday, asked by the hon. member for Coast-Chilcotin who was concerned about the effect of the closing down of the plant at Ocean Falls.

With regard to the closure of the Crown Zellerback plant at Ocean Falls, which unfortunately affected some 325 workers and other persons in the community, we were successful in establishing a joint labour-management committee under the auspices of the manpower consultative service. As of March 8, 1973, there were 150 persons of the 325 still be be relocated. With the exception of only 33, most will be placed in other plants of the company and with other employers while some will accept retirement. A team of my officers, together with members of the consultative committee will be in Ocean Falls next week to arrange acceptable solutions for the remaining 33. We do not anticipate any real problems in relocating this group, although some time will be required to finish it.

[Mr. Knight.]

TRANSPORT

SOUTHWESTERN ONTARIO RAILWAY PASSENGER SERVICE—REQUEST FOR ACTION ON COMMITTEE RECOMMENDATIONS

Mr. Ross Whicher (Bruce): Mr. Speaker, I have a question for the Minister of Transport. Last June the Standing Committee on Transport and Communications recommended that all rail passenger services which were discontinued on November 1, 1970, in southwestern Ontario be re-established immediately and, second, that a joint study group of federal, provincial and municipal officials and railway employees be established to determine a minimum rail passenger network at the lowest possible cost. This unanimous recommendation to parliament was signed by 20 members almost nine months ago. When is the minister going to take action on this matter?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am sure this matter is not one over which the federal government and the Department of Transport have exclusive jurisdiction. It also concerns the Ontario government and the city of Toronto. I know the hon. opposition members have a great deal of respect for provincial autonomy and they will understand these projects can only be undertaken with the interested parties. This is what I intend to do not only in the light of the committee report but also on the basis of the Soberman report and others which were made on transportation in greater Toronto and southern Ontario.

* * *

[*English*]

POWER

JAMES BAY HYDROELECTRIC PROJECT—POSITION OF GOVERNMENT ON FEDERAL APPROVAL OF WORKS CONSTRUCTED ON NAVIGABLE RIVERS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Transport and arises from statements he made in the House on Wednesday of this week. I should like to know whether it is the position of the government that, according to the Navigable Waters Protection Act, section 5, construction of all bridges and dams on navigable rivers in the James Bay area requires the authorization of the federal government? If so, has this been communicated to the government of Quebec?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the answer I gave on Wednesday would be the same if I had to answer again.

[*English*]

Miss MacDonald (Kingston and the Islands): In view of the minister's stated uncertainty at that time about federal jurisdiction regarding the Navigable Waters Protection Act, particularly since the federal government approved an application by the government of Quebec for a bridge across the Bell River at Matagami on January 28, 1971, is the minister aware that the James Bay Development Cor-

poration has awarded contracts for 12 bridges since that date, and can the minister say whether these projects have yet received similar federal approval?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, the question put to me was about the possibility for the federal government to stop the construction of certain bridges in the James Bay area.

As for the private companies and individuals who want to build bridges, there is no doubt about this being under federal jurisdiction, if they are to be erected over waterways. It is less obvious when a provincial government is concerned. In the case of the James Bay area, there has been no protest, and I will inquire if a report has really been submitted to the department on that question.

• (1210)

[*English*]

Mr. Speaker: Order, please. Before calling orders of the day perhaps the Chair might be allowed to recognize the hon. member for Charlevoix to try to establish some kind of balance.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

ALLEGED STATEMENT BY MEMBER ON INFLUENCE PEDDLING

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I thank you for recognizing me. I feel like saying a few words on this because since the beginning of the question period I keep rising and sitting down. However, I should like to put a question to the Solicitor General.

Could he say whether he intends to take procedures in order to clear his colleague, the hon. member for Lachine, from charges of malversation between him, the United Nurses Association Inc., and his friends, Messrs. Taylor and Fisher?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, on behalf of the Solicitor General, may I say first that this matter certainly does not come under the jurisdiction of the Solicitor General's department.

[*English*]

Mr. Reilly: Mr. Speaker, I apologize to the hon. member as I did not want to intrude upon the question period with this point of order, but I would really like to correct something said yesterday by the hon. member for Broadview (Mr. Gilbert) during his speech. He said of me that when I was younger I was a member of the Liberal party, then I went into the NDP and he expected I would eventually wind up in the Creditiste party. I had the opportunity of saying I had never been a member of the NDP, and I would have remained quiet about the allegation or the prediction about the Social Credit party, but enough is enough. I hereby solemnly declare I have never been a member of the Liberal party.

Some hon. Members: Hear, hear!

An hon. Member: That is very reassuring.

Mr. Gilbert: Mr. Speaker, I must apologize to the hon. member for making that allegation. It is obvious that members of the Liberal party are just as happy as members of the NDP that he has never been a member of either party.

Mr. Muir: It is all one party; a coalition.

GOVERNMENT ORDERS

HOUSE OF COMMONS

COMMITTEE REVIEW OF AND REPORT ON STANDING ORDERS AND PROCEDURE—AUTHORIZATION TO TRAVEL OUTSIDE OF CANADA DURING STUDY

The House resumed, from Wednesday, March 7, consideration of the motion of Mr. MacEachen:

That the Standing Committee on Procedure and Organization be authorized to consider the Standing Orders of the House and procedure in both the House and its Committees with special regard to all the matters that Mr. Speaker suggested during the Twenty-eighth and Twenty-ninth Parliaments that may require the consideration of the said Committee, and to report to the House its views on any facets thereof that may require reform and to recommend what manner of reform may be required;

And that the Committee be authorized to travel outside of Canada during consideration of the aforementioned subject.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like today, as a result of a previous agreement, to continue and conclude the speech which I began on March 7 concerning the Standing Orders and the procedure governing us as well as the motion of the President of the Privy Council (Mr. MacEachen) aimed at enabling the Committee on Procedure and Organization to carry out its review of our Standing Orders.

Mr. Speaker, at the very beginning of my speech on Wednesday last, I explained rather briefly why we are dissatisfied with such and such a point and I raised, as you know, some special problems.

I would like, since I have that opportunity, to conclude my speech by making some specific proposals. As for the oral question period, Mr. Speaker, we are embittered and frustrated, not because we do not get the floor, even if on some days we get it more often than on others. Speaker, the matter is beyond your control, since you have to deal with the influx of supplementaries.

Mr. Speaker, some colleagues wanted the oral question period to be extended. We believe that a 40-minute period is sufficient, provided it is well used. Even if we had an 80-minute oral question period, it would still be 80 minutes of clowning of we do not change the procedure.

Mr. Speaker, if we stick to the same method during the oral question period, and extend it, it will be 80 minutes of torture for you and for us. I believe we should consider, in the Committee on Procedure and Organization, serious

reforms as to the proceedure during the oral question period.

During the meetings held by the Committee on Procedure and Organization and during that trip to Westminster, it was often proposed to proceed from now as follows: any member wishing to ask an oral question would give notice of it to the minister concerned who could thus reply in a more serious way. On the one hand, it would improve answers and the political aspect of our question period would be removed, while on the other hand, it would inable the Chair to put aside questions that lead to clowning, waste time or have but one reason, namely to get the member's name in *Handsard*. At any event, we are ready to consider most seriously the proposal concerning notices during the oral question period.

But we shall be more watchful in connection with the famous supplementary questions. Mr. Speaker, after a serious examination of the result of the oral question period, we have come to the conclusion—and we have statistics in support of that—that more time is given during the 40-minute oral question period to supplementary questions than to first questions.

Mr. Speaker, I believe that hon. members should be responsible enough to recognize the need to abolish, and I repeat abolish, the practice of supplementary questions.

We propose that a member be allowed to ask a question and even a supplementary to his own question. Then, another member could be recognized, but not under the pretext of asking a supplementary question.

Mr. Speaker, that is our position. Of course we don't have your experience and knowledge although we would like to very much, but in spite of our shortcomings in that regard, we intend to fight in all sincerity to put a stop to supplementary questions.

What happens? It happened today, it happened yesterday, it happens every day; there is an oral questions period.

• (1220)

Mr. Speaker, that is why we hate that period. The Leader of the Official Opposition (Mr. Stanfield) rises to ask a question and then 10, 15, 20, 30 or 40 backbenchers want to take the opportunity to ask supplementaries. If a serious examination is made, which I hope the committee will do, not only of the number but also of the content of these questions, one will note that very often their content has no relation to the initial question and as the question period progresses, the further the final supplementary is from the initial subject; as Speaker, you cannot refuse to recognize a member. The backbenchers who have a question on another subject cannot put it since the Chair must deal exhaustively with a matter before going on to another one.

Mr. Speaker, our suggestion comes to this: First, the question period is long enough as it is; second, an equal distribution of time between opposition parties must be made on the first round. We do not accept and we will not accept, Mr. Speaker, to go on putting up with the same ridiculous system under which the first question asked by the Speaker of our party practically comes at the end of the first half of the oral question period, and this because of the supplementaries.

This situation is injust and antiparliamentary in that it does not equally respect the rights of each party on the first round. As for the first round, we seriously consider that the party leader or his delegate should be allowed to ask a first question, and then that a maximum of two or three supplementaries be asked on the subject. Thus, members of our party would be more quickly recognized. Then, Mr. Speaker, no supplementaries should be allowed from anyone other than the member who asked the question initially and only one supplementary should be granted if the member deems it necessary.

Since any procedural reform is made on an experimental basis—we must admit it since the House rules are continuously revised—this formula should be voluntarily accepted and made part of the rules so that the Chair will no longer have to do the thankless task of exhausting a subject before going on to another.

If hon. members were not so respectful of the Chair surely all those who are in our situation, and there are many, would protest. Everyone knows that those critics are not aimed at the Chair but at the system which turned the question period into a joke for the public in the House at that time and into a shame for the Chair because it is caught in this situation. I am saying it because your politeness and dignity will keep you from saying so, Mr. Speaker; it is our duty to say so ourselves and for the hon. members it is a source of continued and daily frustrations.

I sincerely hope, in the name of my party, that the proposal to eliminate the supplementary questions will be seriously examined to give new value to the question period which fundamentally is an excellent initiative based on excellent principles in that sense that current questions are raised daily and thus the government has to take position every day on his actions as a government, and it enables the opposition to check on those actions and to get information.

I think that with the implementation of Standing Order 39(5), which permits the Speaker to order that non-urgent questions be put on the order paper, we can have again question periods worthy of the name.

Finally, Mr. Speaker, in connection again with Standing Order 43 I stated in my speech of last Wednesday that it was abnormal that the Chair be required to get involved to accept or reject a motion under section 26 because under this seciton it is incumbent on the Chair, which has been given notice, to decide as to the national importance or urgency of a question. I think that if Mr. Speaker is requested, under Standing Orders, to get involved and rule on the urgency of a question, I do not see why the other members, when they refuse their unanimous consent under Standing Order 43, should not have also to identify themselves and to get involved as the Chair does under Standing Order 26.

Then, Mr. Speaker, we would really move in the direction anticipated when we tried to amend Standing Order 26. Therefore, we are suggesting that each time fewer than five hon. members refuse unanimous consent, they be identified in order to clarify the official report of the

House of Commons, and that those who hide behind anonymity to refuse leave to move a motion under Standing Order 43 from now on be compelled to take their responsibilities and to identifythemselves, as the Chair does with such dignity and ability when making a decision on a motion moved under Standing Order 26.

Mr. Speaker, in this debate I wanted to make another remark: since entering the House in 1968, I have been trying to take interest in the procedure of the House of Commons, to learn the Standing Orders as much as I can. However, the task is not easy. The reason is that the documentation concerning the procedure is published in English.

Beauchesne's Parliamentary Rules and Forms available for our guidance is an outdated book. The only decent book on the subject is the last edition of May's Parliamentary Practice, published in 1971. Now, that edition is exclusively in English.

Mr. Speaker, the government having one day recognized the right of each hon. member to speak in the House in his mother tongue, the importance of providing simultaneous translation and of publishing the Standing Orders of the House of Commons as well as the Parliamentary Rules and Forms in French, I consider that it would be sensible for the House of Commons, even at the price of increasing its budget, which should be recommended by the Committee on Procedure and Organization, to have the last edition of Sir Erskine May's Parliamentary Practice translated into French, in order to prevent the French-speaking hon. members from being caught off guard when it is a matter of knowing about precedents. That would be a positive step which would allow all hon. members, whatever their language may be, to really understand those citations.

I would like to make another suggestion concerning the work of committees. In the speech he made the President of the Privy Council quoted very interesting figures—even surprising figures—to illistrate a comparison between the work of committees and the work of the House. It is found that the work of parliamentary committees increases from one session to the other to the point of becoming a nightmare for all parties and all members.

We have looked into the matter. We met, studied the problem and came up with certain findings. First, committee meetings should not be held when the House is sitting. That means that it would be suitable for the Committee on Procedure and Organization—since its terms of reference are rather broad—to consider the possibility of scheduling the week differently in order to allow the same subject matter to be examined in committee and in the House at two different times.

We would also like to make another suggestion to give the House more time and allow hon. members who wish to introduce a bill or a motion to really participate in the business of the House. We know that at the present time private members' hour comes up four times a week and after the total of 40 hours has been reached there are only two hours a week after that on Thursdays and Fridays. We would like to propose that private members hour be abolished during the week in order to allow the House to devote more time to its business; furthermore, we would like to have Fridays—except for the question period—devoted exclusively to private members' business.

So a good many hon. members could devote Fridays to their private affairs. On the other hand, hon. members who live far away could spend more time with constituents in their ridings, whereas they now have very little time to meet people, what with travelling back and forth between Ottawa and their residence. Hon. members who are not directly interested in private members' business could do what they what during that day as these motions are normally not put to the vote.

A third proposal concerning private members' business or committee work is that—especially when the government is in minority—the government could do much more work more quickly in the Committee of the Whole, even if the rules of the House must be changed, because it would be given more work. Let us change the rules of the House while giving the Committee of the Whole the opportunity to play a more efficient part in the House.

• (1230)

For some years we have tended increasingly to keep the parliamentary committees busy. The speech of the President of the Privy Council contains ample proof of this. I wonder why we could not, not necessarily put an end to committee work, but pick out certain very important bills from the government's list so that they can come before the House of Commons more quickly.

The advantage of a Committee of the Whole over a parliamentary committee is that all the latter can do is to approve a bill, hear evidence and then approve the decision of the House. It can amend a bill, but this happen very seldom. When a committee has reported and recommended that the bill be passed, the House of Commons has to study the bill all over again. A Committee of the Whole has the advantage of cutting out one whole stage. Clauses of a bill are studied and approved simultaneously, the report is made, and that is that.

I think that, in view of how important it is to speed up our proceedings, we should certainly look into the possibility of doing more as the Committee of the Whole.

Also, Mr. Speaker, in order to increase efficiency and improve individual members' contributions, the government should previously, as early on as possible, supply a list of the bills it intends to table at the opening of a session. The government should, in my opinion, give us a list of bills that they are ready to table, prior to each session; that would enable members to carry out research in their own time rather than in haste, and to prepare well-documented speeches rather than well-padded ones, and would thus improve the quality of debates. It seems to me only right that members should have copies of bills sooner in advance than at present, when a day or two is the rule.

These bills could then be put in order of priority and, under an agreement between House leaders, I believe that our proceedings could be speeded up, according to the experience we would have had.

Mr. Speaker, those are the remarks that I wished to make. My last point relates to a reform that has been made in the British Parliament. In the British House of

Commons, it is understood that second reading of a bill should not last more than a day, unless the House decides otherwise. This is not laid down in the rules of the House, but in view of the pressure of parliamentary business today, the principle has the mutual agreement of the government and opposition parties. It is one of the conventions or "gentlemen's agreements" governing the schedule of parliamentary debates. I wonder whether it might not be appropriate to try or adopt a similar policy in this House, namely to shorten consideration on second reading since, at any rate, one can see that in view of increased parliamentary business in committees, second reading of a bill has become of minor importance and is almost a formal procedure.

As the work done in parliamentary committees has been increased and that it is also intended to increase the work of the Committee of the Whole—this is obvious since the beginning of the present session—I wonder whether it might not be appropriate to come to a mutual agreement in order to cut down the time devoted to consideration of a bill on second reading to one day, for instance, so that there will not be any duplication.

What disappoints me most, Mr. Speaker, in this House, is the fact that we are constantly doing the same work. First reading of a bill is a formal procedure, second reading is a waste of time; consideration in Committee of the Whole or in a parliamentary committee must still be done. Our approach is piecemeal. We hear witnesses and then we make a thorough study of the question. At the report stage the House of Commons does over again from the beginning the study of the bill made at the committee level. Hon. members who were on the committee again take the floor. Then, after the report stage, the third reading is the most important step because it is final. Therefore, I do not see why the other parties could not do as we do and agree to reduce to one day the time spent on second reading so as to save more time.

We should not forget, Mr. Speaker, that each member had been elected according to a democratic process, to work efficiently. Moreover, we should not forget that the rules and procedure are nothing more than tools and not an end in themselves and that a tool is useful only to the extent that we use it to our advantage. We are not here to serve the rules; indeed, the rules must be our servant.

That is why, Mr. Speaker, this party is prepared to co-operate at any time to facilitate the business of the House, to make it more efficient, more modern and more active; but we also expect the other opposition and government parties to be more serious when they study the procedures so that each member be entitled to give his own views and that the House not be crippled by protracted debates.

I know that we will reach that objective, Mr. Speaker, if we show some willingness. Then we will have some results if we make a special effort with respect to the oral question period, a matter which happens to be the central issue right now.

In conclusion, Mr. Speaker, I say again that our fight will bear on the oral question period and that we will certainly urge very strongly that supplementary questions be abolished.

[Mr. Fortin.]

[*English*]

Mr. David MacDonald (Egmont): Mr. Speaker, I am sure that you must be delighted to be listening to a debate this Friday afternoon on a matter as dear to your heart as the rules and proceedings of this House. It will give you a great deal to ruminate about, I hope, in the course of what I hope will be a relaxing and pleasant weekend.

The comments that have been made so far on Wednesday, and again today, have contributed I think a great number of positive suggestions which, I am sure, will be seriously considered by the committee and, I trust, as well by all members of the House. I think is has become transparently obvious in a little more than the two months that parliament has been sitting that we have some particularly difficult problems to grapple with in terms of the effective procedures of this House.

The President of the Privy Council (Mr. MacEachen), when he was speaking in opening the debate on Wednesday made two comments that he had heard when visiting parliament at Westminster. He said that over and over again those who were commenting on the situation with regard to the procedures of the British House of Commons said that they had discovered two things: one is that there were only 365 days in the year, and second, that after a certain amount of discussion enough was enough. I think that that is something with which all members would agree, but how we resolve the many intricate questions that balance off the competing interests and necessary requirements for this parliament is a most difficult exercise.

As the President of the Privy Council remarked, we are getting into an increasing progression of examinations with respect to the procedures of the House. I think he said that in the first 30 years of this parliament back in the last century there was really no re-examination of the basic rules that had been established, but that with greater and greater frequency up until the past decade we have examined and re-examined the rules of the House.

I do not think that this should concern us, and certainly it does not concern me. In fact, I would be disturbed if it were otherwise. I am, after all, a Progressive Conservative and perhaps, if I may say this without any particular label being attached to it, I think the approach one must take in examining the rules is a progressive and a conservative one. I believe there are basic elements which quite obviously must be conserved in the functioning of the House and in the protection that it affords to individuals as well as to the total society of this country. I think we have to recognize increasingly that parliament is faced with a vastly changing and, might I say, an accelerating change of situation with respect to our responsibilities and with respect to the country which we seek to serve.

I will not spend long talking about how we should deal with estimates, but I think it is important to realize how difficult this can be. If I remember correctly, the strong feeling that came from many members of the House when we decided to make a major change in our rules was that the debates that had taken place, literally since the beginning in the House, on estimates were increasingly being frustrated by the fact that when we were dealing with the estimates of expenditures of a particular department the debates often tended to fly off in all directions. For one

reason or another, because of either a member's particular constituency interests or some momentary distraction, essential questions and essential information with respect to a government department was not adequately dealt with. I say this regardless of which government happened to be in power at any particular time.

There was a sense of real frustration for Members of Parliament generally, and I think for the general public, that we were really not getting into the departments in a detailed way, that we were not probing to a sufficient extent so that the fullest possible amount of public stewardship could be exercised with respect to government expenditures. Therefore a majority decision was taken. The decision was taken to move the examination of the estimates from the Committee of the Whole into a growing number of standing committees. It was felt that there Members of Parliament would be free, not just for one or two hours, but literally for days and weeks, to examine not only the ministers—and ministers of course are fundamentally responsible—but all of the battery of officials who have such an important role to play in the administration of government business. From a theoretical standpoint I do not think anybody could seriously question that decision. But what has been the result in practice? It has been twofold.

• (1240)

In the first instance, there has been a tremendous number of committee meetings. There has been a tremendous increase at least in the amount of information put on the record. We might well ask whether or not the way in which that information has been presented, and the completeness of that information, would still be regarded as sufficient. I personally feel, from the time I have spent on a variety of standing committees, that there is still much room for improvement in the eliciting and the presentation of detailed information in committees. But further than that, we have found two structural problems. First since we have not yet arrived at a systematic arrangement for committees within the last few years we have found that the way in which committees have been examining estimates has been very erratic, to say the least.

For instance, Mr. Speaker, I think of the meeting that took place last year of the Committee on Health and Welfare, which is the committee also responsible for examining the estimates of the Department of Consumer and Corporate Affairs. How those two are connected is somewhat of a mystery to me, but I suppose it results from the fact that our standing committees still do not match the various departments of government.

As a result of our having gone in a thorough manner through previous estimates under the health and welfare umbrella, we were then faced with the necessity of processing the estimates of the whole Department of Corporate and Consumer Affairs within a matter of hours, with just the briefest and skimpiest kind of examination. As I recall it, the minister made an opening statement. There was little more than one hour left in which a few questions could be asked and then, as the President of the Privy Council (Mr. MacEachen) himself suggested, the guillotine fell because under our rules, once we reach the end of May, all estimates are considered to have been passed by the committees. I think all hon. members will agree that that is a most unsatisfactory, in fact I would say most irresponsible, way for use to deal with a basic responsibility, namely, our stewardship of the public purse.

Further to that, the usefulness which parliament achieved over the years, going well back into the last century, of being able to exercise final control over the expenditure of public money by its granting of supply, has well nigh been lost under our present rules arrangement. I think it is clear to all members of the House that we will have to look very closely at, and deal much more effectively with, the whole question of the granting of supply and the final right of parliament to grant supply, because if there is anything we can seriously criticize in the most recent rules revision it is the fact that parliament was emasculated with respect to its control over the expenditure of public funds. I think all hon. members will have to ensure that, when rules and recommendations come from the Standing Committee on Procedure and Organization, this serious fault in the present rules is corrected.

I have risen today, Mr. Speaker, not to speak principally about the difficulty with estimates but to put before you the problems that have arisen with respect to the growing pre-occupation with the effective functioning of the question period. I do this because I have long been a devotee of the question period, as you will recall, Sir. You, Sir, may be somewhat disappointed by the fact that I have not been nearly as active in seeking Your Honour's eye in this session as I have in previous sessions, although it may be that you are not so disappointed. In fact, I know that some of my colleagues to my left and even to my right are somewhat pleased that I have chosen to contribute one less body to the daily forest of figures attempting to engage Your Honour's attention. However, we have gotten into a very serious situation with the question period. I, for one, am extremely glad that we will shortly give the question period very effective scrutiny in this committee and, I presume, at a later date in a more general way in this House, when that committee makes its recommendations.

The President of the Privy Council, when he was speaking on Wednesday and dealing with this same problem, expressed concern about the way in which questions and answers had stopped being questions and answers, and had moved more towards being mini-debates or, to use my own phrase, had become more of a form of political posturing on one side of the chamber or the other. I think that his concern about this is valid. I think he would agree with me that all questions and answers, because of the very nature of this place, will carry a political edge with them. If they do not, then the individuals who are providing one or the other are really not effectively fulfilling their function. But I am more than a little concerned that the President of the Privy Council feels that a simple extension of the question period will not alone be a sufficient remedy. Putting it just in those terms there may be some validity to his concern, and I notice that the hon. member for Lotbinière (Mr. Fortin) made somewhat the same comment. But I think we have to recognize a physical situation when it exists.

In the adjustment of our rules during the last ten years we have moved to restrict increasingly the time of the

question period. Question periods, in a way, are the thermometer of parliament itself. Question periods get to be contentious, disputatious, active, vibrant simply because parliament, in any general political situation, is itself of that nature. It would be the strangest possible world indeed if we were to have, in the present particular situation, a question period where, after ten, 15 or 20 minutes, it was decided to go on to other business. The wonder may well be, given our present situation, that there are not more people either attempting to ask or answer questions during that period. It is a well known fact that in the last parliament, which had 50 less members on the opposition side, there was hardly a time, certainly within my memory during those three or four years, when we reached the end of the question period that Your Honour was still not trying to recognize about half a dozen members seeking to be recognized for the purpose of asking questions.

Now, we are in a situation where the opposition side has grown by 50 per cent. Indeed, I would argue in a de facto sense that it has grown by 100 per cent. It is not only that there are 50 more members to Your Honour's left in this parliament but it is also true that the attendance and concern for recognition, both combined, have grown by at least another 50 per cent to 100 per cent. We know, when it comes to the matter of voting, that we have achieved some unusually high voting figures during the first two months of this parliament. Perhaps we will not see soon again the 95 per cent batting average that we have recently displayed with respect to vote participation, but that same kind of participation has been and is a factor in the day to day question period.

We all know that this particular parliament is fragile and quite likely will be short lived. And members, whether they are new members, of whom we have roughly 100, or whether they are veterans of more than one parliament, realize there will be a very short space between the election of last fall and the next election in the close, foreseeable future. Therefore, no matter how long the question period is, it still will not be long enough. But that is not just the sole question. I think we will have to achieve an acceptable length of question period that can be adjusted somewhat depending on the realities of any particular parliament. Certainly, the reality of this parliament is that 40 minutes are not long enough, and I do not see that much of an argument can be made on either side of the House that 40 minutes should be long enough.

• (1250)

How should we do it? I think, quite frankly, that on an average basis the question period should last 60 minutes. I hope Your Honour will not shudder at the thought of having to put up with that. As a member of the opposition, I want to say to Your Honour that I appreciate the way that at times you have been able not to see the clock. Today, you were kind enough to extend that brief period at the sufferance of all members so that individual members could be recognized, but I do not want to put Your Honour in the difficult position of having to make that kind of subjective decision too frequently. I do not think, however, that we should lose the virtue, and I believe there was some element of virtue in it, of what was in existence in this parliament for almost the first 90 years when there was no time limit on question period.

[Mr. MacDonald (Egmont).]

Lest hon. members believe that I am now going to argue for a unlimited question period, I am not. We need an equitable time which I regard as one hour, but I think that parliament has to be able to adapt to the realities of its political situation and there should be an additional safety valve to allow for this. I propose that on occasion, perhaps a designated day of the week, when at the end of the question period an hon. member requests additional time, if ten members stand to concur with this request, then additional time should be granted. I do not know how radical this will seem to some of my more conservative friends or how conservative to some of my more progressive friends, but I suggest that more flexibility must be built into the question period.

Some members may argue that the question period is already too great a part of the parliamentary day. To them I would point out that at the present time it occupies something like 12 per cent of the day, and 75 per cent or 85 per cent is left for other things such as government business. If we are looking for some greater sense of discipline and stewardship in the use of time, we should consider seriously suggestions such as that made by the hon. member for Lotbinière (Mr. Fortin) about unlimited time for almost everything else. There is no coming to grips on such things as say, the time of debates to establish parliamentary committees, one of which took four days recently, or debate on second reading which goes on for a long period and other such matters. There are time limits on the budget debate and the Address in Reply debate. I think it is unrealistic to believe that parliament can function effectively without some effective discipline on our time. But there must be greater flexibility with regard to the probing that is part and parcel of the question period and it need not be unworkable.

The suggestion of the President of the Privy Council that we might make more use of notice in the question period has some merit. By tradition this has been an informal thing and has not been used to any great extent. I think there is a greater problem, however, in the use of the order paper. The President of the Privy Council referred to this briefly when he said that the written questions on the order paper had "gone out of sight". He has been around here longer than I, so perhaps one's vision depends on what one regards as the fundamental measure. He listed 1,420 questions of which 329 had been answered, but I would not think that was a great number of questions for the number of members we have. We need not be unduly alarmed about the need for expansion when we compare it to the expansion of government itself. We are dealing with close to $20 billion of public money and expending it through almost 30 departments and 300,000 employees, so the 264 members must try to do their job as extensively and resourcefully as possible. It would be a mistake to deny the possibility for vigilance.

The hon. President of the Privy Council would agree that there is a need to distinguish between parliament and government. Parliament is not the government; it is a forum, the nation's public forum where the rights of citizens are protected and government actions can be examined, ratified or rejected and where nationally accepted laws are put forward and passed. If this is to be done effectively, the number of questions will be increased. I was glad to hear the President of the Privy Council say

that he was working to improve the machinery of government in order to facilitate responses. Members will not feel like resorting to written questions if they are going to lie dormant on the order paper for months, not just days or weeks. While the President of the Privy Council took some pride in the fact that 329 questions have been answered, I must point out that more than 1,000 have not. It could well be that some of these questions need to be put in a more responsible way so that they can be answered in a reasonably short time. If we are not going to provide better machinery to deal with them and the production of papers, then obviously the frustrations will not be restricted to the oral question period.

I was glad to hear the President of the Privy Council suggest that guidelines will be drawn up for requests for the production of papers with the possibility of debate and further examination by a committee. This is an area which needs to be upgraded. The rules should be agreed upon and made known to all members of the House with regard to the presentation of government reports. As the hon. member for Fundy-Royal (Mr. Fairweather) suggested the other day, I suspect that a good many of the ground rules, formal and informal, are concerned with the security of the government rather than the security of the state.

I have left open the assumption that there is a real necessity that all governments accept, that the public has a right and a need to know.

Mr. Speaker, perhaps this would be an appropriate time to call it one o'clock.

Mr. Speaker: Order, please. It being one o'clock I do now leave the chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. MacDonald (Egmont): Mr. Speaker, I have just about exhausted the suggestions I wish to make about the question period, and I presume I have exhausted the listening capacity of hon. members of this House.

Mr. MacEachen: No. We have all had a good lunch.

Mr. MacDonald (Egmont): Perhaps a good lunch has fortified us. I want to mention a couple of issues that are related to the question period. A moment or two before we rose at one o'clock I was referring to the need for written questions to be answered rapidly. I also concede that there is much wisdom in one of the suggestions made by the President of the Privy Council (Mr. MacEachen), namely that we should look at the form in which written questions are put so members will have the right to expect that, when written questions are submitted, they will be answered within a reasonable period of time. This will lead, I submit, to broadened and more relevant participation in the proceedings of the House on the part of hon. members.

With regard to starred questions, I think the committee should look at the usefulness of starred questions. I am not sure of the original reasons for the introduction of starred questions. To me, there is attached to starred questions a somewhat odd quality in that they do not perform any function more useful than that of ordinary, written questions. Certainly, in the last few weeks we have seen some examples of time consuming, extended answers to starred questions. Perhaps we ought to consider the suggestion brought forward by the right hon. member for Prince Albert (Mr. Diefenbaker) from time to time, a suggestion which, so far, has not been incorporated in the accepted practices of this House, namely, that some time limitation be imposed with regard to answers to starred questions. Starred questions, if they are to be useful at all, should occupy an intermediate position between questions asked during the oral question period, when answers are given immediately, and written questions, the answers to which may take a few days, or even one week, to be brought forward. I think the 48 hour limit suggested by the right hon. member is workable, and should be considered by the committee.

So far in this debate the question of adjournment proceedings being used for the purpose of answering questions has not been raised. However, I would point out to Your Honour that at the present time there is a list of some 70 questions awaiting to be dealt with on the adjournment debate. If one computes by very simple mathematics that we have, when all is working well, roughly nine opportunities a week to present these questions, and then divide 70 by nine, it would show that something like two months would pass before we reached the end of the present list.

• (1410)

Now, we know that special debates, opposition days and other things occasionally intervene, so that not often do we in fact get nine opportunities a week to put these questions. Therefore, the time frame for the answering of questions becomes even more extended. What has happened, then, is that these questions have already backed up to a considerable degree. These are the questions which Your Honour has suggested are more appropriate for the adjournment debate than for extensive discussion during the course of the regular question period.

If I may just refer to a few of the questions listed to date, it will give Your Honour an idea of the kind of unworkable situation we have. There is one question submitted by the hon. member for Central Nova (Mr. MacKay) dated January 15 in which he seeks information about a meeting of federal and provincial finance ministers. Mr. Speaker, if that meeting is the one to which I think he refers, it took place at the end of January. My hon. friend will have to re-word his question, obviously, so that he can talk about future meetings of that sort. The hon. member for Winnipeg North Centre (Mr. Knowles) placed a question on January 19 concerning veterans' allowances. Well, Mr. Speaker, it is well known that this matter has been the subject of a bill since that time and is now before this House for consideration. Another hon. friend of mine, the hon. member for Simcoe North (Mr. Rynard), on January 25 put a question on the subject of cost of drugs to senior citizens, a subject which was to be raised at the Conference on Old Age Pensions. Well that conference was held a month or a month and a half ago.

The hon. member for Lotbinière (Mr. Fortin) asked a question on January 30 seeking better information on the Local Initiatives Program. This program is rapidly approaching its expiration date. Finally, and perhaps the most bizarre example of the situation in which we now find ourselves on February 2 the hon. member for Peel South (Mr. Blenkarn), put down a question on the subject of the income tax forms and the difficulty some people are having in getting help with their forms through the use of the Zenith telephone number. Mr. Speaker, by the time the hon. member gets an answer the whole subject will likely be academic, for the present fiscal year, anyway. The present arrangements in connection with these adjournment proceedings are becoming increasingly unworkable.

I agree there is need for such a half hour period but I wonder whether there is need to provide as we do, for a seven minute question and a three minute answer. In most cases, half the time would be more than enough. I often feel that the questioner, or the responder, is trying to fill a much larger hole than the occasion calls for, simply to put in the time. We could process twice the number of questions and answers in the time now available and thus give these proceedings a reasonable chance of being timely.

Then, we have the old favourite, or new favourite, of Motion 43. The President of the Privy Council has already suggested we have covered a fair amount of territory with national emergencies which are raised on a daily basis. I certainly concur with one of his comments to the effect that there must be some better system for the carrying of these mini-debates, as he described them. I am not suggesting that this need be on a daily basis, but certainly an opportunity should be afforded to members from time to time to focus attention and response on issues which demand the attention of this institution.

I think I would agree with a comment which I believe the minister has made from time to time, but which was not part of his statement the other day. It is not quite fair for individual members to stand and present motions, sometimes at length, when there is no opportunity for a reply to be made. I think the President of the Privy Council has said that to be fair in this situation there must be some right of reply, limited as it should be, so that in dealing with the mini-debate a fair opportunity would be given to respond to the issue raised.

In conclusion, Mr. Speaker, I would now like to turn to one further area which I hope receives examination by the committee, that is, the whole area of standing committees. The President of the Privy Council made some remarks about the activities of the standing committees. There seems to be no doubt that the committee system will play an increasingly important role in the functions of this and future parliaments. But there are some very obvious shortcomings to our present committee system. I cannot possibly catalogue them all in the few minutes at my disposal here this afternoon, but let me briefly point to some of the more obvious aspects of the committee system which should be examined.

The size of the committees should be reviewed, to start with. We have, I understand, reduced the size of committees over the years as compared with the size of similar committees in the beginning. Only a few years ago, I understand, committees used to have memberships of up to 60. I do not know how they could ever have functioned in an effective manner and I rather doubt they did so. But I would argue that even committees made up of 25 or 20 members are still, in many instances, too large. My own experience in dealing with many committees, both of a political nature and of other kinds, is that once membership goes beyond 12, people are merely performing the function of being a body to be listed on the record. If these committees are to perform an active function, I think that something in the order of 12 members, and certainly not more than 15, is necessary to make up the permanent membership roll.

Another point I would make concerns membership itself. The President of the Privy Council rightly suggested that we have gone from one extreme with respect to membership to another. It used to be somewhat difficult, involving a time delay of one day, to change the membership on a committee as compared to the instant changes which can now be made. While I recognize there may be some necessity to retain an emergency procedure by which a full membership can be provided to a committee, the increasing frequency of changes which occurs in the membership of committees, a procedure which almost seems to be encouraged, is not good.

As anyone who has studied the committee system which exists in Washington will agree, there is a certain drawback in having a committee system which is so moribund that there can be no movement, as has happened under the well-known seniority system operating in the United States Congress. But I think we have gone to the other extreme, which is just as ridiculous, and has made the system almost meaningless. I believe that all members will wish to look very closely at the question of how we can upgrade the importance of the committees to the individual Member of Parliament, to the press and to the general public. We really cannot expect anybody else to take the committee system very seriously unless we do so ourselves. I do hope that this whole area will be given serious consideration.

There are, in my opinion, some straight physical problems we have not solved. It is ridiculous when you think, Mr. Speaker, that one of the problems we face when trying to arrange committee meetings is that of getting enough room. We do not have enough rooms available with translation and recording facilities to service the committees. In many instances we do not have enough staff. There is insufficient provision for the printing and distribution of reports. There is a whole host of just physical problems which should not be tolerated for one moment. If we are to operate in a contemporary and effective parliament we have to recognize that we need adequate committee rooms, committee staff and facilities to make the system work.

• (1420)

This ties in very closely with what was said by the President of the Privy Council about the scheduling of committees. We have made some improvements and experiments with regard to scheduling, but the cloak and dagger operation that we have now when scheduling committees is absolutely ludicrous. No modern parliament should put up with the kind of surprise and nonsense that

goes on in regard to when committees are or are not going to meet. We must have some established method whereby times of committee meetings are well known by all and are adhered to as much as possible.

I also relate this to the whole business of whether or not committees should be established on a permanent basis. It was questioned earlier in this debate whether we should have departmental reports along with estimates referred to committees, and whether this might well be made some kind of permanent arrangement so that, in effect, committees have a life that is ongoing.

There is another fundamental problem that I want to raise, and it is one of the reasons that I think the committee system is often turned into a cynical exercise by many Members of Parliament. I refer to the final product that often comes from a committee—its report and/or its recommendations. In this parliament, after a committee has laboured long and hard on a specific subject matter and makes a report to this House, there is clear cut machinery for the disposition of this report or its body of recommendations. During a brief conversation I had with a visiting British parliamentarian the other day, I was told that when his committee submits its report to parliament, the members of that committee know there will be a departmental or ministerial answer given within a recognized period of time. If committees are to become a serious element in our parliamentary processes, there has to be some kind of response to a report either from this institution itself, or from the minister or department to which the committee report relates.

I have spoken much longer than I should, Mr. Speaker, but I feel that this committee is an extremely important one and I hope it will do its job with great effectiveness for all members of this House.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, in conclusion—

Some hon. Members: Hear, hear!

Mr. Peters: I was amused by the theologian who spoke last who said "in conclusion" and then went on to make three or four additional points. I was expecting that we would soon hear him say: "Now let us pray", and then we would have known that he had finished.

Mr. MacDonald (Egmont): See me on the weekend.

Mr. Peters: It is my opinion that this discussion has been a poor one, which is almost an indication that this committee's work is doomed to failure before it starts. The President of the Privy Council (Mr. MacEachen) spoke at length. The House leader of the Conservative party spoke at length. My House leader—this was a rare exception in this particular case—did not speak at all; he was out making points in another place at the time. I think he made the right decision. The hon. member for Lotbinière (Mr. Fortin) also spoke, but from a different point of view.

Those who have participated in this debate have discussed the subject academically. it is the backbenchers who are really the members who should have made some input into this discussion. They have been here for a while now and should have said what they think is wrong with this place. Let us not have the mandarins of parliament setting the rules and changing the rules. They have been shuffling the rules about for a long time now, and the last time they made changes to the rules the results were not satisfactory. What they did had the effect of eliminating the three back rows on both sides of this House. This is why I say the backbenchers should have made some input. They think they do not know anything about the rules, which is the only credible position to take in this House, and in my opinion it is the only credible input to the deliberations of the procedure committee.

Considerable reference has been made to the question period, but again I have the same criticism. The House leader, the opposition leader, the leader of my party and the leader of the Creditiste party set the question period. It is no longer a question period for members of parliament; let us not kid ourselves about that. We hire people to set the questions, and we are paying people to provide the answers to those questions. Again, the parties are making the decision as to who will ask the first question. We provide Mr. Speaker with a list of names of those who want to ask questions. John Blow from Dry Gulch wants to ask about a problem he has which is important to the people that he represents. Obviously, it is not a party matter or a matter of national importance, and he will not be able to ask his question unless he is provided with a totally different format for the question period.

I do not care if the question period is extended. The last speaker convinced me that it may be a good idea to have nothing in parliament except the question period. Perhaps this could be the microcosm for the representations that we make, and we would not handle any legislation at all. But I do not think that this is what the backbencher wants. He wants a way in which he can ask a stupid question, one that everybody else thinks is of no importance at all but which is of vital importance to the people whom he represents, and he sure ain't going to get into this question period that is now becoming as highly organized as any other segment of governmental operations.

I have been here for quite a while, Mr. Speaker, but I do not consider myself an expert on the procedures or on the rules of this House. I think the rules should remain as they are so I can use them, break them, or do with them whatever seems to suit my purpose at the time. If we keep changing the rules, it makes it more difficult for me. As I say, I think the new members of this House, particularly the young members, should have some input into this committee which they have not been allowed to have so far. We should not do what three or four previous speakers have said. We should not start with the idea that we must make this place function like a well-piled machine. We should start with the premise that every backbencher who has a problem in his area should be given the opportunity of doing something about it.

When I first came here the backbencher had that right if he had guts enough to exercise it. He was given that right in several ways, and one of the ways was to wait until the estimates came before the House. When we reached a certain item that related to the bridge that he wanted to see built over a particular river in his area, that was his chance. I can remember Mr. Van Horne, who represented Restigouche-Madawaska or some such riding, discussing such a matter over a period of time, and eventually a

bridge was built. I am not saying the bridge was built solely because he took advantage of that opportunity, but he did have the right to ask the officials questions about it. That right has now been taken away.

I think all hon. members should consider whether we should allow the parties to arrange the question period. I think Mr. Speaker has an obligation to the backbencher not to honour the list that is sent to him by the parties every day. I suggest that most Members of Parliament asking questions of particular interest to their ridings will not want to ask more than one supplementary question. The party microcosmic debate that takes place during the first and second questions usually relates to party matters rather than matters of concern to members.

• (1430)

For these reasons, I am sorry that more members do not take two or three minutes to outline the subjects they feel should be discussed by the procedural committee. They should get up and say what they think is wrong with this place, because obviously there is a lot wrong with it. There are too many who follow precedent and refer to authorities such as May and others. Most of us have never even bothered to open these books. They refer to precedents that are long gone. If the procedural committee looks at the Standing Orders and makes changes, I hope we can dispose of all the other books such as Beauchesne's first edition, second edition, third edition, fourth edition as well as May's, Knowles and all the rest of them.

An hon. Member: Knowles! That's the 50th edition.

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Peters: That was Knowles senior. I hope they dispose of these books and refrain from the idiotic practice of using precedents that apply to a totally different set of rules than those we are now trying to adopt.

An hon. Member: What about the "Peters' Principle"?

Mr. Peters: An hon. member refers to the "Peters' Principle", but I honestly believe that we should be trying to make this a workable place. I believe there is as much intelligence in the back rows as in the front. I discount to a great extent the idea that the length of time spent here will change that, or even make it necessary to make change. I hope there will be an opportunity provided members in the back benches to take part in the discussion about necessary changes. They may not do that now because there is some desire to rush this through, but I hope there will be some format for this kind of discussion.

This committee has already asked for permission to travel. It does not even want to be exposed to backbenchers dropping in from time to time. It wants to hold meetings at some place where that would not be possible. There are a number of changes that should and will take place.

Before I conclude, I would like to suggest that if we are going to be rid of Standing Order 26, and replace it with Standing Order 43 requiring unanimous consent, we should require a number of members to stand and indicate that they are opposed to a matter being discussed. I think it is unfair to the person who moves the motion when the President of the Privy Council (Mr. MacEachen) turns to the Speaker and indicates his opposition or requests that a matter be transferred for debate as a matter of habit rather than listening to the subject matter and making a decision.

I make those very few comments with the hope that history and my idea of the success of this committee will prove that the new rules are more workable than many of those we have now.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Deputy Speaker: It appears the House is ready for the question. Is it the pleasure of the House to adopt the said motion?

Motion agreed to.

* * *

EXPORT DEVELOPMENT ACT

INCREASES IN AUTHORIZED SHARE CAPITAL AND IN CEILING ON LOANS AND GUARANTEES BY CORPORATION

The House resumed, from Friday, February 2, consideration of the motion of Mr. Gillespie that Bill C-3, to amend the Export Development Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I rise to speak on Bill C-3 somewhat dismayed at its lack of scope. The bill, in effect, will increase the authorized capital of the Export Development Corporation from $7 million to $125 million and raise its allowable liability limit from $850 million to $1,500 million. What is lacking in my view is any mention of export assistance to small business. There is nothing whatever for our small, secondary industry in this piece of legislation.

The throne speech made mention of assistance to small business and here we have the first opportunity for the government to assist small business, yet nothing is forthcoming. I should have thought this bill would have made provision for a small businessmen's division. All over this country there are thousands of small industries making well designed products which could be exported, but they need help and guidance to enter this market. They should receive guidance, assistance and financial aid from the Export Development Corporation. We seem to spend considerable time in this House talking about wheat, fish, oil, Indians and even polar bears, and while I have every sympathy for these subjects and realize their importance, it seems to me far too little attention is paid to the labour intensive small business and secondary industry in Canada.

There is no shortage of talent or initiative in Canada. Only last evening I spoke by telephone with a member of my riding who started a new business in January manufacturing solid wooden toys. He asked me about a LIP grant of some $200,000 given to a motorcycle club in Montreal to assist it in manufacturing wooden toys. He asked me about the wisdom of the reduction in tariffs on toys featured in the budget speech of February 19. He

asked me to inform this government that all he really wants is a chance to have funds available to him at a reasonable rate of interest, allowing him to develop the full potential of his business. He also asked about export assistance.

That man is typical of the intelligent and aggressive Canadian businessman who must somehow get the attention of all governments to make them realize how vital the contribution of these businessmen is to our economy, and what a great contribution they could make in lowering the level of unemployment on a permanent basis. We have such promise and so much potential it is frustrating to those of us who see the picture clearly. There is such an abundance of raw material, a talented and intelligent population with industrial skills, business and secondary educational facilities to feed these industrial skills, and we know we need only put them all together to make things work.

• (1440)

So long as we continue to introduce into this House bills such as C-3, which completely ignores the small businesses and secondary industries of Canada, we will continue to flounder and flop with the grievous level of unemployment we have today. I think it is time we looked at that very seriously. A few weeks ago the hon. member for Hastings (Mr. Ellis) introduced a private members' motion to raise the limit on loans under the Small Business Loans Act from $25,000 to $75,000. I spoke in support of that motion. The hon. member for York North (Mr. Danson), I am sure on instructions, talked out the motion. In reviewing that action, and on reading the contents of Bill C-3, I can only conclude that although this government gives lip service to the cause of small business it is in effect anti-small business.

I have travelled in approximately 35 different countries of the world. I have observed how other countries assist businesses. I have travelled over most of Europe and somewhat in Asia. In northern Sweden, I visited a town about 40 miles south of the Arctic Circle where there is an exhibition centre devoted exclusively to products manufactures in northern Sweden. Trade missions from all over the world visit this exhibition centre and orders are taken on the spot. All arrangements are made there. All export details are available at the exhibition centre. Their banks will advance funds to a manufacturer or processor against an export order. In other words, they are tuned to an export market as well as a domestic market.

In Great Britain, the merchant banking system is tuned to export business. A small businessman, whether a processor or manufacturer, has a relatively easy task compared to a Canadian small businessman. He prepares his export documents and has his money within 48 hours of presentation of shipping documents. The small businessman works closely with the merchant banking system in that country. I believe it is significant that our party leader has recommended this system or one similar to it for Canada. I hope we have the opportunity to introduce such a system in the not too distant future. German banks now deal directly on short-term paper with Canadian customers at pretty low rates of interest compared to what we have in this country at the present time.

There seems to be a reluctance on the part of the government to take a stand on secondary industry and the role of the small business in Canadian economic life. The Gibson Report of May 14, 1968 reads in part:

> Giving exports a high priority does not take away from other desirable national objectives such as better housing or regional development. On the contrary the well-based industrial growth to which export-oriented policies would contribute is the essential element of the higher production on which advances on welfare must be based. Giving exports a high priority is essential if reasonable progress is to be made in other directions.

"Reasonable progress in other directions" were the last words in that quotation. If we are to make reasonable progress in the reduction of unemployment in this country, the government must take a firm stand on the part secondary industry and small business will play in our national economy. A sound export directive must be part of that stand and a strong aggressive policy for secondary industry and small business must be the key ingredient of that policy.

In my view the government must stop the practice of playing off the production of our secondary industry against export sales of unfinished and semi-finished raw materials when settling our balance of payments accounts. We will never establish a strong secondary industry position while this policy persists. The government, I believe, must also stop the practice of bartering away the tariff protection of our secondary industry at GATT conferences. Mr. Benson's move to accelerate the Kennedy Round tariff cuts turned out to be a major setback for secondary industry in Canada. We might look at Japan and Germany where there is zero unemployment. Both these countries have tariffs protecting their industries. We seem to be the leader in promoting absolute free trade at the expense of our small business and secondary industry.

I would have thought that Bill C-3 would have announced the establishment of regional offices for the Export Development Corporation in the five major regions of Canada. Small business and secondary industry has always been the whipping boy of Liberal governments. Mr. Benson reduced tariffs at an accelerated rate to control inflation, he said. He meant: "Get back in line boys; we will bring in outside competition and if you don't want to bring down your own prices we will show you how to do it". Canada is the only signatory to the GATT agreement who slavishly abides by all the rules. I do not advocate wholesale breaking of the rules, but we do see other countries bend the rules to suit their national purpose while we hold fast to the agreement. Other countries with whom we trade impose surcharges, set up special legislation such as DISC, or raise tariffs against our manufactured goods while at the same time seeking duty-free status for their exports to Canada. I think that until we put all these pieces together we will not make very much progress. We have in this country, I believe, an abundance of talented people, creative, ingenious people crying out to express their talents as entrepreneurs. They are stalled at every turn of the road.

In my riding I have an aggressive, talented small manufacturer who has designed, and is marketing, a unique product. He exports almost all his production. He is frustrated by his inability to obtain adequate financing in

Canada. He is considering moving his office to New York State. He was approached by a United States group and asked to move into a plant they will build for him. A new company would be formed and he would have 49 per cent of the stock. They suggested to him that they would set up a DISC operation and export back into Canada. I think this is a critical situation. We really must get together and talk to the small business people and the people in the secondary industries of this country in an effort to develop policies which would aid them in their efforts to move ahead.

Mr. Speaker, 90 per cent of the small businesses in this country are Canadian owned. We need strong policies to encourage growth in this area of our economy. An export policy tuned to small business and secondary industry is a cornerstone to the growth we must have in this area. Any thinking businessman will tell you, Mr. Speaker, that the only way we will beat unemployment in this country is by encouraging our small businesses and secondary industry. It is the responsibility of the government to create an economic climate in which business, particularly small business, can grow and prosper. The essential elements in that climate are: banking facilities that will supply the financial needs of business and encourage them to venture and expand their facilities; a tax act that they can understand and work within; a competition act based on reality and devoid of the hollow protected idealism of that infamous instrument introduced in the 28th Parliament; consumer legislation that is fair and just to the consumer and the producer or manufacturer. We need tariff legislation that is realistic in today's market and tuned to the needs of our secondary industry; we need an export policy that makes provision for the needs and requirements of small business and secondary industry and that would serve as well the large established manufacturers who, of course, must be part of the package that we put together for business.

• (1450)

These six essential elements must be the cornerstone of any national industrial strategy, if there is such a thing. We hear it talked about. I have not heard it defined very well, but these are the things we need to make business go and to allow it to grow in this country. I am a businessman myself and I have gone through all the frustrations of tight money, through the experience of planning an operation for a long period of time, of acquiring property and of hoping to build, only to have my plan turned down by the bank. We cannot continue to develop with policies such as these.

If this bill passes second reading, let me, through you, Mr. Speaker, serve notice on the minister that we will make strong representations at the committee level to have this legislation amended. There is a feeling among some people that there is some urgency in the passage of this bill. It has been suggested that perhaps the Export Development Corporation has exceeded its allowable limits, and of course by passing this legislation we can legalize an illegality. Be that as it may, I do not think that should cause us to rush through our consideration of the bill because, as I said at the beginning, this is the first opportunity the government has to do something for small and medium sized businesses. I say that, regardless of what else goes on, we should stop here, take a long look at this bill and do what we can.

Mr. Gillespie: Are you going to vote for it?

Mr. Kempling: The Export Development Corporation has within its ranks some excellent people who are well aware of the needs of small business and secondary industry. The Department of Industry, Trade and Commerce has many talented persons ready, I am sure, to assist in the development of a strong policy for this part of our economy. I would like to see all these talents put together. Let us take the first step to encourage the harassed small businessmen and owners of secondary industry by developing export legislation that has some meaning for them. Perhaps I have answered the minister's question.

Mr. Gillespie: No, you have not. Will you vote for it?

Mr. Kempling: You will see when the vote is called. In conclusion, let me say that if the government is not prepared to take this position, then they should move over and let others, who have a clear picture of what is required, get on with the job.

Some hon. Members: Hear, hear!

Mr. Bill Knight (Assiniboia): Mr. Speaker, I enjoyed listening to the remarks of the hon. gentleman who just concluded his speech. I must say that some of the proposals put forward in general terms by some of the Conservative members for the reform of the Export Development Corporation in order to make it more helpful to small manufacturers and businesses in this country have a considerable amount of merit. I hope the Minister of Industry, Trade and Commerce (Mr. Gillespie) will take a serious look at that aspect of the corporation's work. The Export Development Corporation plays an important role in a country such as ours which is so dependent upon export trade.

If I look at the table on page 20 of the report of the Export Development Corporation for 1971, I see an analysis of commodities insured in 1971 for export. I note that 32 per cent of the principal commodities insured were wood and other products related thereto and 23 per cent were agricultural products, which are of some significance to those of us in the west. Livestock, for example, was insured through the Export Development Corporation for a little over $2.5 million, and the shipment of wheat was insured for around $82 million. So, there is some merit in the activity of the Export Development Corporation. But a corporation which works in such close alliance with the large multinational corporations in our country is open to considerable criticism as well.

At page 6 of the annual report, you will see a breakdown of credit insurance policies as carried out by the corporation, and on looking at that breakdown you will see the types of goods that have been insured by the corporation. One area that interests me above all others is investment abroad. According to those who espouse the outdated free enterprise system, whether they come from my right or across the way, when you make an investment, either abroad or at home, you are supposed to be

taking a risk—at least that is what I have always assumed. In fact, some of my good friends close to my right often say that I have never taken a risk in terms of going into business. But I think this is one part of the Export Development Corporation which needs very serious examination.

It is a fact that the corporation is now moving into the area of insuring Canadian investment abroad. What this means is that $14 million of investment by Canadians is being insured by our government for investment mainly in the area of the Caribbean and Central America. We in this nation have often looked with a great deal of hesitation at the foreign control of our economy through investment by the United States and Great Britain. Now, however, we have established an Export Development Corporation, which in principle is of merit in terms of assisting certain nations to buy our commodities and to increase our exports, but which now moves into the area of insuring investment in foreign countries. To my mind that is eliminating the risk from investments, and I think the corporation should cease to involve itself in foreign investments of this nature. I find that 39 per cent of the inquiries concerning foreign investment relate to investment in the area of the Caribbean and Central America.

We have operated in conjunction with what is called the Inter-American Development Bank and we have been involved in it to the tune of $100 million for development in Central America. I do not think we should involve ourselves in backing private investors who are seeking, in some sense of the word, to exploit the areas of Central America and the Caribbean. We do not have to involve ourselves through a public operation in backing those investors. I suggest that if they wish to invest in those areas they should take the risk of investment. I think this is important.

Then, there is another area within the annual report relating to what I would call invisible exports. These cover such things as the sale and licencing to foreign customers of any right in a Canadian patent, trademark or copyright.

• (1500)

In that regard I think there should be serious examination of whether it is in Canada's interest for a public corporation to be backing such things as the sale or licensing to a foreign customer of any patent or copyright. I believe it is potentially dangerous for a public corporation to promote any such open trade on behalf of the Canadian public.

On page 7 of the annual report of the corporation it is stated:

> EDC has, in co-operation with Statistics Canada, nearly completed a survey of the 'terms of credit' granted by some 1,100 major Canadian exporters. When the results of this survey have been studied, it is hoped that the information collected can be interpreted and translated by EDC to determine to what extent EDC is meeting the requirements of Canadian exporters.

Considering the fact that Statistics Canada has grown so much during recent years, it is good to see a reference in one annual report to the fact that it is doing some work. But we should not be dealing with this bill or giving serious consideration to amendments to improve it, such as suggested by the hon. member for Halton-Wentworth (Mr. Kempling) in his excellent speech, until we see that report. I hope it will come before the committee when we are discussing this legislation there. I trust the minister is listening closely to this point.

The report details certain financing agreements with foreign countries. One is Australia, and the transaction involved railway hopper cars. As one who comes from the prairie region, this is a subject that interests me greatly. The amount of the financing was $10,355,916. It was for the purchase of railway hopper cars, the exporter being the National Steel Car Corporation Limited. It would be interesting to have a comparison of the price at which Australians bought these hopper cars with the price which our government paid for 2,000 hoppers cars for the railways in Canada, which was over $40 million. This is a matter we should seriously examine in committee.

There are many other items I could mention but I will not go into them all today. The Export Development Corporation shows us that to a certain extent a public corporation can be involved in promoting the export of Canadian goods and that the government can play a role. We can give our tacit approval to that. But there is a problem. That problem concerns whether the corporation is acting in the public interest when all it does primarily is promote exports by foreign-owned, multinational corporations.

The corporation is serving multinational corporations at the expense of smaller, independent businesses in Canada. It is giving multinational corporations an advantage in addition to those they already enjoy in terms of write-offs by the U.S. government, the DISC program and many other breaks that they receive. Now those corporations can play off the government of Canada against other governments, at the expense of smaller, independent operators in this country.

When I talk philosophically about the relationship between government and business, there immediately comes to mind the program called Interchange Canada. I wonder how far this is a sweetheart relationship between multinational corporations, large Canadian corporations and the government of Canada. Is it in the interest of the ordinary people of this country? For example, through Interchange Canada the president of Labatt's Ontario Breweries Limited takes a job with the Department of Industry and Commerce, and in exchange a senior civil servant will work for a large, multinational corporation in order to gain experience in the private business sector. This develops a sort of sweetheart relationship between the two groups.

The president of Labatt's will be running a foreign exchange, export program. He was recently quoted as comparing the role of the civil servant with the role of the businessman. He says the similarities are fairly easy to identify. The taxpayer would seem to occupy the same place in a public servant's mind as does the shareholder in the mind of the business executive. That was not good news to me, Mr. Speaker. It means that shareholders and taxpayers are both irrelevant so far as the upper echelons of the civil service and of the corporate elite are concerned. He also said that parliament, or more particularly the cabinet, can be compared to the board of directors of a private firm. That is not good news to me, either. This kind of sweetheart relationship evidenced in some aspects

of the Export Development Corporation and the Interchange Canada program can be potentially detrimental to the public interest. It is not an open kind of relationship.

I am sure I could go back to my area and find a dozen producers who would like nothing better than to be able to operate the Department of Agriculture for a couple of weeks. They could probably straighten it out better than some of the economists who have been in it for 30 years. I tie these things together to underline my initial valid criticisms.

I believe that the government's moving in the area of insuring foreign investment and taking the element of risk right out proves there should be more involvement of public investment within this country simply because there is no real risk. By assisting investment in other countries the government is helping them to become imperialistic, a problem which we face in our own country.

• (1510)

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I appreciate the opportunity to speak in this debate on second reading of Bill C-3. I hope the debate will conclude today so that we can send this important bill to committee and have a detailed examination of the activities of the Export Development Corporation, its approaches and philosophies. In his speech on second reading, the hon. member for Trinity (Mr. Hellyer) welcomed this opportunity.

Mr. Speaker, the Export Development Corporation is a successful part of this government. Its scope has been improved by us. We are proud of it and we welcome the opportunity to tell the public how good the EDC has been to the Canadian economy. It has provided jobs for Canadians by financing Canadian suppliers abroad and by making loans to foreign buyers of Canadian products.

Members of the opposition, especially in the Conservative party, have raised the question of the activities of the EDC, claiming that they are not oriented enough toward small business. Of course, this is a reflection of the narrow point of view that the Conservative party attaches to any discussion of this sort by trying to confuse the facts. They are attempting to say that because the EDC is involved in major loans to major suppliers, and because it looks after large projects, it does not do anything at all for small business.

Mr. Knight: I did not say anything about that.

Mr. Breau: The hon. member for Assiniboia (Mr. Knight) does not have to be concerned about this, because I mentioned the Conservative party and not the whole opposition, although I know that sometimes his party does not make any more sense than the Conservative party. I am speaking of the Conservative criticism of EDC in claiming that it supports only large suppliers. This is not the case, Mr. Speaker. Anybody knows that, by nature, assistance to foreign buyers or suppliers will be given to large companies. But we must not forget the spin-off across the country. For instance, a loan of $10 million to a foreign buyer to enable him to place an order with Northern Electric would result in orders for a multiplicity of small businesses across the country and as many as 4,000 suppliers might be involved. Even if the loan is arranged so that Northern Electric is the supplier, it does not mean that it is the only company to benefit, because the components required to fill the order might be manufactured by various suppliers who are mainly small businessmen.

An assembly order placed with the Montreal locomotive works would result in only 20 per cent being spent with them; the remaining 80 per cent would be spread among small suppliers across the country. Because EDC is mainly involved with large transactions we should not conclude that they are not interested in small suppliers. Despite the positive effect that it has on small businesses through the larger transactions, there are other programs that affect small business directly, such as the export credits insurance program. This has about 1,000 policyholders, 700 of whom have less than $250,000 worth of exports per year: they can hardly be categorized as large companies. That is one program that helps many small businessmen across the country.

The Conservatives and members of the other opposition parties omitted to mention the re-lending program of the EDC which is available through Canadian banks in foreign countries and which, upon reference by EDC, arranges for assistance to be given to small suppliers.

Mr. Stevens: What volume?

Mr. Breau: Just a moment. Re-lending is available to foreign banks or foreign correspondents of Canadian banks, and they are authorized to lend as little as $50,000 to buyers of capital equipment or services in Canada from small Canadian manufacturers. When a state agency or buyer in another country is talking about a transaction with Canadian businessmen and it involves special financing, that automatically is a large order. Therefore it is normal that most transactions of the EDC are large.

In his speech the hon. member for York-Simcoe (Mr. Stevens) again attempted to confuse the public and members of the House by using the percentage of loans made to large corporations, saying that this government's program was helping large corporations only. He sinned again by saying that this is terrible because they are foreign-owned corporations: in other words, the Export Development Corporation should discriminate against foreign-owned corporations. If we are to follow his logic, we should come to that decision.

An hon. Member: Keep going; you are hanging your program.

Mr. Breau: That there might be a problem of foreign ownership in Canada, I agree. But I do not agree to the extent of some members of the NDP.

An hon. Member: All members of the NDP.

Mr. Breau: If there is a problem, then the Minister of Industry, Trade and Commerce (Mr. Gillespie) has placed a very good bill on the order paper. If the opposition is interested in that bill, then let us wait and discuss it when the time comes.

Mr. Baldwin: Have you got NDP support on it yet?

Mr. Breau: I should like to remind hon. members that when the government started the evolution of foreign ownership policy last year—

An hon. Member: Evolution?

Mr. Breau: Yes. The former minister of industry, trade and commerce brought in a foreign takeovers bill. Who stopped it? This government attempted to do something about it.

Mr. Knight: We stopped it because it was useless until you changed it. Give us the credit.

Mr. Breau: I agree that it was the opposition, and maybe it was the NDP. The government attempted, but the bill did not go far enough so it has been changed substantially. It is to the credit of the government, Mr. Speaker, that my party is the first to come up with a positive step on foreign investment. It was not the Conservative party, who has never had any policy on foreign investment. The only policy they have had on foreign investment is: Give more incentive to Canadian businessmen.

• (1520)

Mr. Nowlan: What is wrong with that?

Mr. Breau: Be calm; don't be so sensitive. Does the Conservative party's non-policy take into account foreign investment across Canada?

An hon. Member: You are against Canadian business.

Mr. Breau: Again, the Conservatives on this issue are trying to throw a smokescreen before the public and leave the impression that they want to do something about the problem. They are trying to tell us that a satisfactory way of dealing with foreign ownership, which constitutes an important problem, is by giving incentives to Canadian businessmen. This government has given incentives to Canadian businessmen. It has done that for many years with many programs involving the Department of Industry, Trade and Commerce and all sorts of lending programs. Those programs are good for Canadian business. The opposition is trying to throw up a smokescreen on this issue by saying, we should deal with the foreign-ownership problem only by giving incentives to Canadian businessmen. Of course we want to give them incentives, but incentives alone will not deal with the question of foreign ownership. The best description of the Tory policy on foreign ownership was that given by the Minister of Industry, Trade and Commerce when he called it a non-policy; it was superficial nonsense. That describes adequately Tory policy on foreign ownership.

What did the hon. member for York-Simcoe say about this bill? He said, "This is terrible, because the Export Development Corporation is lending money to foreign-controlled companies." If a miracle were to happen and his party were to come to power, I hope that that hon. member will not have influence with the EDC because his suggested policy would not resolve the question of foreign ownership. He would say, even though a great percentage of our foreign manufacturing industry is controlled by foreign-controlled companies, "Those foreign companies will not get loans from the EDC." That is what the hon. member would do, but that would not deal with the foreign ownership problem at all.

An hon. Member: Has the government dealt with it?

Mr. Breau: Well, we will deal with it. We brought forward a proposal last year and we will bring forward another bill this year. Ours is a clearcut, positive policy, something which the Conservative party has not yet suggested. In this regard we have done more than the Conservatives. There could be a problem regarding foreign ownership in this country, but we will discuss that at the appropriate time. Let us discuss it in the proper context and let us not, in the meantime, introduce all sorts of confusion and distort facts by saying that the Export Development Corporation is not doing its job, or that the job it is doing is terrible because it lends money to foreign corporations.

An hon. Member: When did we say that?

Mr. Breau: If our manufacturing industry is controlled too much by foreign interests, we will deal with that question when the time comes. Surely we cannot deal with this problem by discriminating against foreign companies. In other words, surely we should not try to hamper the export of Canadian products merely because the Conservatives have no policy on foreign investment.

The hon. member for York-Simcoe tried to confuse the issue by raising the question of domestic needs. He mentioned urban transportation. I had to re-read his speech because at first I could not believe it. He spoke about the Export Development Corporation lending so much money at such and such interest rates. That was the speech of a man who has experience with the financial institutions of this country. Apparently he does not understand that there is a world of difference between lending rates domestically and lending rates internationally.

An hon. Member: There sure is a difference.

Mr. Breau: Of course there is. This situation is not confined to Canada alone; it is an international condition. Canadian exporters, whether foreign or domestically owned, must compete, not only with lending institutions of other countries which offer services to potential buyers of our products all over the world, and sometimes offer better rates and concessional financing, but with the financial organizations and institutions of other governments which specialize in export financing. Examples of these are to be found in the United States, Europe and Japan.

The hon. member for York-Simcoe was upset because of the difference between the interest rates the EDC charges exporters and the rates that are available to Canadian businessmen. Canadian businessmen in the domestic market do not have to export and meet competitive rates on the international market.

An hon. Member: Why not change the Bank Act?

Mr. Breau: That is another question. I do not remember the hon. member's party suggesting lately that there should be changes in the Bank Act.

An hon. Member: Oh, yes, we have.

Mr. Breau: Well, I have not heard of it. I am saying that the Export Development Corporation must take into account international rates if that institution is to do any business at all. If hon. members opposite are against the EDC and against government intervention in the field of exports, they should say so.

Mr. Gillespie: They should vote against the bill.

Mr. Breau: Yes, they should vote against it if they do not want the Canadian government to help Canadian suppliers who sell abroad. If that is what the Conservatives want the Canadian government to help Canadian suppliers who sell abroad. If that is what the Conservatives

The hon. member is trying to make people believe that the government is subsidizing these low rates. Nothing is further from the truth. One must consider this question in the context of costs and benefits. In some cases, depending on the rates which the corporation has to pay for its money from the government, there could be a loss. As I say, it could happen that the corporation could lose money on some agreements in order to meet competition from other countries. When that happens, the loss is borne by the EDC and not by the government.

An hon. Member: And who owns the EDC?

Mr. Breau: One can look at the financial statements. The EDC accounts for its operations every year. If hon. members find that the EDC is operating at a loss, we could discuss in this House the question of whether we should pay that loss or not. Sometimes the corporation must lose money in order to meet competition. I emphasize this point: it must meet competition. It could be that a Canadian supplier who wants to sell his product in Turkey will compete with a Japanese supplier who has access to better rates of interest, or the Japanese supplier might offer the buyer better rates of interest. In that case it is up to the EDC to accommodate the Canadian supplier, because it is important for the Canadian firm to make the sale.

The cost of money from the treasury, as all hon. members know, can and does vary from time to time. It depends on the average cost of government borrowings. If it has cost the government 6 per cent to borrow money, the treasury's lending rate to the EDC would be 6-1/8 per cent. These rates vary every three months. From time to time EDC's borrowing costs are high because the government's borrowing costs are high, and losses occur when the EDC is forced to give guarantees at lower rates. It could be that the original arrangement was made when money from the government was available only at high rates. If there is loss, that loss must be borne by the EDC.

Currently, the average cost of money for the EDC to meet outstanding loans is 5-7/8 per cent, whereas the average yields on these loans is about 7-1/8 per cent. This means that there is a margin of about 1-¼ per cent. That is hardly operating at a loss, no matter how the accounting is done in the banks. Even if the EDC at times has to sustain a loss, it is totally contrary to the facts for hon. members to say that the low interest rates charged by the EDC are subsidized by the government. The hon. member for York-Simcoe tried to argue that the government should subsidize domestic interest rates, or in some way make available better rates for domestic needs. Priorities have to be decided in connection with spending on domestic needs. At this point discussions are going on between the Minister of State for Urban Affairs (Mr. Basford) and the provinces on the subject of urban transportation. To try to compare these two factors is not fair at all.

• (1530)

The hon. member for York-Simcoe (Mr. Stevens) has expressed concern lately that the ceiling under which the EDC operates has been exceeded; that the loans outstanding amount to more than the ceiling allowed. I realize he is a new member of this House and that he may not be aware of the terms of the legislation, but I would invite him to read section 30 of the act. If after doing so he is still confused, I would be glad to spend five minutes showing him how it works.

Mr. Stevens: Did you read your own financial statement?

Mr. Breau: The hon. member who is interrupting is new to this House and I would hardly expect that he has read section 30 of the act. As I say, I would be happy to take five minutes explaining it to hon. members opposite. It might be, though, that they would still be confused.

Mr. Baldwin: You don't understand it yourself.

Mr. Breau: I do. Maybe the hon. member for Peace River (Mr. Baldwin) has not read section 30, either. It has been alleged that because the EDC has to date signed financing agreements totalling $865 million, it has already exceeded its existing statutory lending ceiling under section 30 of the act. This is not the position. The confusion arises because of a misunderstanding as to what is meant by the ceiling. Under section 30, the corporation may not have instruments outstanding at any time in excess of $850 million. As of January 31, 1973, the level of instruments outstanding totalled $500 million.

Instruments become outstanding only when disbursements are made under signed financing agreements. Disbursements take place over an extended period after the signing of financial agreements. Concurrently during this period instruments are being retired as repayments of principal are made on loans outstanding. The corporation may therefore sign financing agreements somewhat in excess of the ceiling applicable to instruments as long as this never obliges the EDC to purchase instruments exceeding the statutory ceiling. And it has not done so. Maybe the hon. member has not read the act carefully. Maybe he thought the ceiling applied to financial agreements.

Mr. Stevens: And I still do.

Mr. Breau: That is not the case.

Mr. Gillespie: He has tunnel vision.

Mr. Breau: Maybe the hon. gentleman cannot read.

Mr. Stevens: Check with your auditors.

Mr. Breau: I again invite the hon. member to read section 30.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): I should like to read an audited financial statement.

Mr. Breau: If the hon. member would read the Financial Administration Act, he would be aware that a Crown corporation such as the EDC is required to submit its audited official statement by March 31 of each year if its financial year ends December 31. Today is only March 9, so it is hardly fair to suggest the EDC is not complying with the law.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Wait for the statement.

Mr. Breau: The hon. member for Peace River should tell his hon. friends that we on this side respect the Auditor General.

Mr. Baldwin: That is why you are getting rid of him.

Mr. Breau: It is completely untrue to say that. The Auditor General was engaged for a definite term. It is totally untrue to suggest that the government is getting rid of the Auditor General.

Mr. Baldwin: Why don't you reappoint him, then?

Mr. Breau: That is a policy question which will be answered in due course by the proper authorities. The statement will be submitted to the Auditor General. The government respects this procedure and wishes to follow it, despite requests by the opposition to bypass the Auditor General in this case. I might say, though, that it will be possible to give copies of the financial statement to members of the committee even though the corporation is not required by law to submit its report before March 31.

Some hon. Members: Hear, hear!

Mr. Charles Thomas (Moncton): Mr. Speaker, I wish to say a few words on Bill C-3 and try to get a few answers from someone on the government side in explanation of its purpose. I thought the parliamentary secretary might have given us some answers. It is Friday afternoon. I want to leave early today and I do not want to go home with my stomach and mind all upset.

After listening to the ranting and raving of the parliamentary secretary, I am beginning to wonder why he got to his feet at all. He gave us no reason for asking for this increase in the ceiling. He did make a number of vague accusations against members on this side, alleging some of them had said the corporation ought to be wiped out, that it was no good. I defy the hon. member to show that anyone on this side has ever questioned the validity of the corporation's role. What we have said, and what I want to repeat, is this: while the corporation is worthy of support in principle, we question the way in which its funds have been administered.

We also question the tactics of the government of overspending and trying to do indirectly, by warrant, what it cannot do directly. We have seen examples of this before now. The latest concerned the Unemployment Insurance Commission. The funds were overspent and the government had to come back to parliament to get the ceiling removed. In that case there was some excuse because as a result of the government's policies and government bungling, unemployment insurance benefits cost a billion dollars more than was estimated; the money had to be spent and it had to be replaced.

Surely, though, there can be no excuse for bringing in this bill demanding another half a billion dollars to be made available to exporters. They will not tell us how much they have put out to date, or how much they are committed to advancing in the next few months. My hon. friend from York-Simcoe (Mr. Stevens) has been trying to get this information, and his words have been construed by the parliamentary secretary as a condemnation of the corporation. The parliamentary secretary had better read our speeches again.

Mr. Breau: Would the hon. member permit a question before he goes on to another point? He referred to special warrants. Is he implying that the Export Development Corporation has benefited in some way from Governor General's warrants?

Mr. Thomas (Moncton): The hon. member had better sit there and listen for a while. He cannot understand what people are saying.

Mr. Breau: Do you know what you are saying?

Mr. Thomas (Moncton): We are not denying the value of the principle here. I agree that exports are a vital part of the Canadian economy and it is essential we should develop exports in order to create jobs and keep the economy moving. I realize that over the past few years exports have shown a steady increase and that the prospects this year are excellent. But I question whether much of this development can be attributed directly to the activities of the Export Development Corporation.

• (1540)

To establish the basis for my remarks, which are an endeavour to get some answers and the reasons behind this request for an increase of half a billion dollars, let me say something about the rationale for the Export Development Corporation, about the reason that was given in 1969 for the formation of the corporation. At that time the minister who introduced the bill, the Minister of Justice (Mr. Lang), who at that time was speaking for the Minister of Industry, Trade and Commerce, said as recorded at page 7474 of *Hansard*:

> —exports are an essential key to our industrial development policies, providing as they do outlets beyond our limited domestic market.

I will not quote the minister verbatim, but in the next paragraph he goes on to say this:

> In the interest, then, of optimum growth of the economy and of employment opportunities, stimulation of exports, particularly of manufactured goods, should have high priority at this stage of our economic development.

The minister went on to say that the purpose of the act is to make it easier for exporters to finance their sales. That being the case, my interpretation of the primary purpose of the Export Development Corporation is the

creation of jobs by increasing exports. Therefore, when the minister comes to this House asking for another half a billion dollars, I think we should ask him some questions about his request. Many questions have been put to him, but one question I should like him to answer, either here or in the committee, is what figures can he produce to indicate the number of jobs that have been created by loans granted to the EDC?

Before the minister rises to his feet, let me inform him I have looked through the annual report of the EDC and through other material in which I thought I might find these figures, but the only information I have obtained so far in this regard has been from the minister's speech of February 2 when he was talking about outstanding loans amounting to $700 million which had the equivalent value in jobs of roughly 100,000. I should like to know where he gets this figure. Is it a figure that he has just pulled out of the air? Does the minister mean that this $700 million has created 100,000 new jobs, or does he mean that if we had not financed these companies to the tune of $700 million, these 100,000 jobs would vanish? I have not been able to find the answer to that question, so I hope the minister will give us the basis for the figures when he replies.

The only explanation I have seen of this request to increase the ceiling by an extra half a billion dollars is the minister's statement that the corporation needs more money. The hon. member for York-Simcoe and others have tried time and again to get from the minister some accurate figures of the actual amount of money that has been expended or is left. The minister keeps telling us that the $850 million has not been used up. However, it is interesting to note that in reply to question No. 903 on February 28—a written reply to the question put down by the hon. member for Trinity (Mr. Hellyer)—the minister said that the total dollar amount of signed contracts under section 29 of the Export Development Act, as of December 31, 1972, was $841 million.

That was as at the end of December, and since then the figures I have been able to find indicate roughly $60 million more has been committed. That information I derived from news releases, and so on, put out by the Export Development Corporation. Between $6 million and $9 million has come back in the form of interest. This indicates to me that the total amount outstanding by way of commitments must be about $900 million, if the minister's figures are correct.

The parliamentary secretary went into quite a tirade, accusing members on this side of not being able to read or able to understand the act. He referred to section 30 of the Export Development Act. As I understood what he said, he implied that the ceiling does not matter until the funds are actually disbursed: in other words, you can go ahead and commit $1 billion or even twice that; the actual ceiling applies only when the funds are disbursed.

Another question that I do not think will be answered by the parliamentary secretary, but which I should like to put to the minister, is this. On page 18 of the 1971 annual report published by the Export Development Corporation, under the heading "Notes to Financial Statements" there is a statement that does not agree with what the parliamentary secretary was trying to tell the House. I will read it:

> The authority to guarantee and lend on the security of instruments under sections 29 and 30 of the Export Development Act is limited to $850 million outstanding at any one time.

What does "outstanding" mean? The note goes on to say:

> As at December 31, 1971, the corporation had undertaken undisbursed authorizations aggregating $262,539,000. The uncommitted authority to guarantee and lend on the security of instruments as at December 31, 1971, amounted to $212,769,000. The aggregate of outstanding notes receivable as at December 31, 1971, under section 29 amounted to $374,692,000.

If you total those three amounts, Mr. Speaker, you have exactly $850 million, so my interpretation of that section is that not only disbursed amounts but also committed amounts are to be considered under the ceiling of $850 million. Perhaps the minister would explain that point in his remarks here or in the committee.

I go back to my initial point, that what we are concerned with here is not so much an analysis of the EDC and its functions. Of course the corporation has made mistakes, every corporation has. But I want to know whether Canadians have received full value for their money. When putting forward the rationale for setting up this corporation, the minister made it quite clear that the primary purpose of these funds was the creation of employment. My question to the minister is this: Is he satisfied that this $850 million or $1 billion that is being granted in foreign loans is doing the job it is intended to do? Could we not have created more jobs, or as many jobs by assisting industries in Canada to sell in Canada?

To emphasize what I am saying, let me refer once again to the remarks of the hon. member for Trinity when speaking to this matter in the House on February 2. At that time he pointed out very clearly that while it is fine to export, there is a *quid pro quo*; something has to come back. The old philosophy that a country can survive by exporting alone probably goes back to the days when England ruled the waves. But the fact is that a healthy economy today depends on the total aggregate of demand, not only for exports but for what is produced for domestic consumption.

I suggest that if this $1 billion was spent in Canada to assist Canadian manufacturing to meet domestic demands, it would create more than 100,000 jobs, the figure that the minister tossed around so cavalierly. This is our point; it is not a condemnation of the EDC as such.

• (1550)

These are some of the things the minister has to answer in committee. How much has he committed over the next two or three years? What value did he get for this money? How many jobs has he created? Does he think it is fair to send money to foreign customers when we have provinces, municipalities and other government bodies crying for more funds but receiving the stock answer that this government cannot provide more housing or money for transportation because the economy cannot stand it? These are the questions I want answered when this bill is considered by the committee. In conclusion I say that we are anxious to get the bill to the committee where we can perhaps get some straight answers from the minister. If the minister can satisfy us that we are getting full value

for our dollars then, as far as I am concerned, we should let the bill pass third reading.

[*Translation*]

Mr. Gilles Caouette (Charlevoix): My remarks will be somewhat brief, Mr. Speaker—

Mr. Isabelle: Good.

Mr. Caouette (Charlevoix): That seems to please the hon. member for Hull, but to get to Bill C-3 which is before us, I observe that the aim is to increase the corporation's shares and at the same time enable it also to increase its loan possibilities.

Before introducing a bill such as Bill C-3, the government should perhaps review the use of funds invested in the corporation.

In the past, has the Export Development Corporation served the interests of Canadian manufacturers, or has it merely put its funds to use by large multinational corporations? These are questions that we should ask ourselves.

Under the terms of this bill, we would be accepting that the corporation be obliged to restrict its aid to basically Canadian companies. Since they are talking about industrial controls, I should have thought that this would be just the indirect way of favouring our Canadian industries and manufacturers.

Mr. Speaker, increasing share capital and raising the ceiling for loans seems quite appropriate to me, especially considering the spiraling costs in all areas. I therefore feel that the government's request is logical.

We cannot therefore criticize the increase as such, but we can be most sceptical about the allotment of funds. We feel that it is necessary to assist exportation, even to promote it, but this bill and some others in no way guarantee that the Canadian people will be served first, before our products are sold abroad.

What protection does the government give to the Canadian consumer? The party in power seems to believe that we can resort to any means to export our production. The Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Breau) said a while ago that the corporation even granted loans to other countries to purchase our production.

In my opinion, if the government is in position to increase the assets and shares of the corporation, it should in the first place increase the purchasing power of the Canadian people who in many cases are deprived of the products whose exportation is now promoted by the government.

As always, this government reshuffles the order of priority of his motions and again, we see it favouring foreigners to the detriment of Canadians or, to be more accurate, coming to the aid of foreigners before taking care of the basic needs of Canadians.

I may be repeating myself but why should we not introduce a bill to restrict exports until we have satisfied the essential needs of Canadians? Then the government could draft a bill designed to protect Canadian producers through preferential export loans, granted only to Canadian firms and only for export of our surpluses. Should need arise to stimulate the export of these surpluses, the government could introduce a bill such as the one before us today and thus favour export as such. But again, I repeat, only as a last resort.

That, Mr. Speaker, is the gist of my remarks. I am not criticising the government for its intention to increase the potential of the corporation, but I regret that it did not deem necessary to respect the needs of Canadians and then guarantee protection of essentially Canadian companies before merely promoting exports.

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): I should like to say a few words before four o'clock, Mr. Speaker, on one or two grave concerns which I have about Bill C-3. On the surface it looks rather innocent. It will increase the capital shares of the corporation to $125 million and increase loan guarantees from $800 million to $1,500 million. There are two areas of grave concern. The first is that the corporation tends to be big business or multinational corporation oriented. Perhaps the experience members of the Liberal party have had with multinational corporations tends to prejudice them in that direction. At any rate, this is one of my concerns.

All one has to do is pick up the annual report of the corporation and look at the first, second and third pages to see who is on the board of directors. We find there is an interrelationship between the government and big business or multinational corporations. It might be of interest to the House if I named some of the directors. First of all we have James Grandy, who is the deputy-minister of the Department of Industry, Trade and Commerce. He is chairman of the board. We have other government mandarins, such as L. C. Audette, who is chairman of the Tariff Board, Paul Gérin-Lajoie, who is president of CIDA, and S. S. Reisman, deputy-minister of the Department of Finance. We also have Louis Rasminsky, the former governor of the Bank of Canada.

Let us look at the corporate side. Serving as the corporation's president we have Paul Leman, president of the Aluminum Company of Canada; we have A. F. Mayne, president of A. F. Mayne & Associates Limited, Montreal; we have R. D. Southern, president of Atco Industries Limited, Calgary; and we have P. R. Sandwell, who is chairman of the board of Sandwell & Company Limited, Vancouver. All these people are presidents of various corporations, so obviously there is a tremendous relationship between government mandarins and the presidents of corporations in respect of the activities of the Export Development Corporation.

Mr. Speaker, may I call it four o'clock and pursue some of these ideas further at a later date?

The Acting Speaker (Mr. Laniel): It being four o'clock, we will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions and private bills.

Alaska-Yukon Highway Authority

• (1600)

PRIVATE MEMBERS' PUBLIC BILLS

NORTHERN AFFAIRS

MEASURE TO ESTABLISH ALASKA-YUKON HIGHWAY AUTHORITY

Mr. F. Oberle (Prince George-Peace River) moved that Bill C-18, to provide for the establishment of the Alaska-Yukon Highway Authority (Alaska Highway), be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

He said: Mr. Speaker, the matter I have the pleasure to introduce to this House this afternoon is neither an ordinary bill nor an ordinary subject matter. It is a Canadian legend, a Canadian shrine—the matter of the Alaska Highway.

This year the Department of Public Works has a very ambitious maintenance and construction program in respect of the Alaska Highway. In addition to normal maintenance work, tenders have been called for two gravel resurfacing maintenance projects from mile 250 to mile 413, from mile 413 to mile 483 and reconstruction of another section. This work is scheduled for completion by the fall of 1973. There are other minor innovations to the highway plan for this year.

Hon. members probably assume that I will speak about the highway with the idea of having it completed, of having further work done and eventually having it built so that it will be a transportation link between the United States and that province of the north called Alaska. However, I would like to speak about some of the other aspects in connection with this Canadian dream, or legend.

The construction of the Alaska Highway had been proposed for many years before the outbreak of World War II. However, it was not until the Japanese occupied some of the Aleutian Islands and threatened the air ferry supply to Russia that a highway was actively considered. Construction of a pioneer road by engineer troops followed rapidly on the heels of the location crews. Speed was the first consideration and this road detoured around swamps, gullies, rock knolls and other obstructions, resulting in a very crooked road with many steep grades.

After August, 1942, efforts were directed to getting the pioneer trail converted to a passable road at the earliest possible moment. This road disregarded the public roads administration procedures, where design alignment and grade would delay completion, and followed the path of least resistance. In March, 1943, instructions were issued to complete the work at the minimum possible cost and standards were reduced still further. Road construction ceased in October, 1943, but bridge construction continued until 1944.

The resulting highway, while passable and providing a good gravel driving surface, had geometrics of a varying but generally poor standard. After the responsibility of the highway was transferred from the United States army to the Royal Canadian Engineers, the terms of reference under which they operated did not permit major road relocations. Temporary bridges were replaced by permanent structures at many locations and some exceptionally hazardous areas were reconstructed, but the alignment of the highway is essentially that of 1943. In 1959-1961, the highway was paved to RAU 50 standard from mile 0 to 84. This standard provided two 12-foot traffic lanes and 5-foot shoulders. The British Columbia department of highways has been responsible for the maintenance of the paved section since 1962.

[The Acting Speaker (Mr. Laniel).]

After this brief outline of history of this great highway linking our northern regions to the more developed area of our country, I would like the members of this House, whose support I am asking, to recognize the important part played in the past by the Alaska Highway and the much more important part that it will play in the future development of our last frontier. Many tales are told of pioneers, past and present, travelling this road and many chapters of history have been written about the legends of this highway. I am more concerned about the implications of the highway and its benefits in recent times.

First we must consider the economic state of affairs in the Peace River country and in the northern part of British Columbia, where farming has suffered a severe setback. The farming situation is disastrous. The copper mines have closed. The economy of Fort Nelson is in a disastrous state. The government so far has disregarded the plight of that area in respect of all its programs such as DREE.

In 1966, the Stanford report was prepared for the government. It recommended that any further action in respect of the highway be shelved for at least ten years and that the government should not be concerned about the development of our northland and the development of our resources since the highway is an outdated mode of transportation for the movement of goods and people today, when we have jet airplanes and other more up to date modes of transportation. I am not in conflict, of course, with that statement in the report if one considers only the need to find, extract and exploit our natural resources and does not consider the human factor, the people who live there, our first citizens and early settlers, and does not consider that even in that region, with all the modern facilities of transportation, people would be required in order to develop and populate the area.

I am also concerned about the industries already located in northern British Columbia and the Yukon territory, as well as the plight of these industries through not having a proper means of transportation for the shipment of their products and for the maintenance of the work force in their plants. All the resources of the great region of the Yukon must be shipped, or are presently being shipped by an outmoded transportation system to a port linked to Alaska and end up in ports strange to our land. I am very excited about the plans announced for the northern part of British Columbia in respect of the transportation network, and I am hopeful that the government will seriously consider helping industries locate in northern British Columbia and the Yukon territory by the provision of proper transportation facilities.

I am encouraged by the plans of the British Columbia railways. The line has now been extended to Fort Nelson, 300 miles up the highway. An ambitious program to extend the line even further is being planned. The empha-

sis on northern development in that region must not be concentrated around the extraction of our resources. Any strategy in respect of the development of that region must be related to the establishment of secondary industries as well. First of all, it must be geared to the development of our renewable resources, our great timberlands, which so richly endow our region. The type of industry referred to will again require people.

It is not necessary to elaborate on the importance the development of these industries will have in helping alleviate the unemployment crisis in Canada. Furthermore, an immediate result would be a great increase in tourist traffic, an industry of prime importance to that area. A traffic survey carried out by the Department of Public Works underlines this statement. As members of this House well know, a great number of our neighbours to the south use this road link in travelling to the state of Alaska. The people visiting our country, who share with us its vastness and its beauty in that area, take nothing home with them but memories of a unique adventure and pictures which they might have taken en route. However, they are contributing to the western economy to an extent that the tourist industry ranks second only in importance in our area.

• (1610)

The bill proposes the establishment of an authority that could act on behalf of our government in discussions with the United States, which has indicated its great interest in this endeavour. I am referring in particular to discussions held with that country regarding the sharing of costs. The authority could also represent our government in discussions with officials from areas and regions bordering the highway, such as officials of the province of British Columbia, the Yukon and the Northwest Territories.

I have lived in that area and I have been involved in the service and tourist industry for the last 20 years, so I know a little about the highway in question. If we are concerned about northern development, it is essential that we develop a transportation policy and a road strategy, which does not exist in Canada today, and it would help if the proposed authority could develop this strategy and a general philosophy concerning northern highway travel. Many people who live in the north and many leaders up there have voiced a need for such a strategy. In fact, some of the people living up there will have to take a stand soon. They will have to tell us soon that there should be no more construction of roads, highways and road links in northern Canada until a philosophy is developed and we protect the way of life which they have valued for so many years. So far as our native people are concerned, the first wars in Canada against our natives were fought over roads and railroads, the iron horse that traverses our country.

When we go up to our last frontier, we find that we have built the Mackenzie Highway, the Dempster Highway and now we are completing the Alaska Highway without any over-all plan, strategy or philosophy. In this bill I am proposing that we establish such a plan. I can visualize the highway and the commission developing a highway system with proper campsites for tourists to enjoy. Every 75 or 80 miles there would be an airstrip which would contribute to the safety and comfort of the people travelling on the highway and which could be used in emergency cases, because highway accidents do occur. I live there, and I know.

The commission could develop rest areas where people could stay for a day or two, visit with the people who live in the area and share their dreams. They could go home with rich memories. We could establish parks along the highway and negotiate with provincial and territorial governments for those things that we hold so dear. I would like hon. members to share with me for a moment a picture of what it would be like 100 years from now—and I am only dreaming—if we could develop this area. Perhaps we could have on each side of the highway a park reaching out 1,000 miles, and we could compare the benefits of that park in perhaps 50 or 100 years with what we would have if industry and commerce, with no proper control, were to clutter up the highway.

The commission could take into account the provision of special facilities for the maintenance and establishment of new tourist facilities. It could ensure that the necessary amenities are provided to ensure the safety and comfort of tourists. In other words, the bill would ensure that those of us who have pioneered on the last frontier may have some input into plans which are normally worked out by people who are not familiar with the area and are certainly not familiar with the dreams and ambitions of the local citizens, nor the dangers involved in carrying out such ambitious plans—dangers to the environment and ecology as well as to the native people who have lived there for so many years. They will be speaking out, and if they do not remember to do so I will remind them that if we carry on with a northern development concept such as the one we are embarking upon right now, without giving further thought to it, then indeed we will have spoiled our last chance to do something different for once.

The urgency of the Alaska Highway construction has been recognized by all governments affected by the route and they have made submissions to the federal government expressing their concern. The Alaska, Yukon and British Columbia Chambers of Commerce have always considered the Alaska Highway to have top priority, and the Canadian Chamber of Commerce has included the reconstruction and paving of the highway in their policy paper and has brought it to the attention of the government. As I have said before, the government has indeed responded and some minor improvements have been carried out in the past.

In closing, Mr. Speaker, let me say that the highway from Dawson Creek to Whitehorse presents today as unique a challenge as it did in 1942. In fact, it represents an even greater challenge because we must surely have recognized over the last 100 years that we cannot just blindly pursue monetary and economic gains and that we must accept our responsibility, not just to ourselves but to the people living in the area.

We have a responsibility to the rest of the world to develop at least one region on this earth in such a way that we and our children can be proud of it. I am afraid that if we do not establish a commission to supervise this task, the highway will be just another road link and another mess such as we have in northern Canada and such as existed in the early days when the settlers trav-

ersed our land. The highway holds so many answers to so many pressing national problems that it is even more urgent now than it was in 1942 that we embark upon the development of that great Canadian dream.

I therefore strongly recommend that if this bill cannot be adopted today, that at least the subject matter be referred to the Standing Committee on Indian Affairs and Northern Development and that I be given the opportunity to bring to the committee the dream of so many northern Canadians to establish something of which we can all be proud as Canadians.

Mr. Knight: Mr. Speaker, I rise on a point of order. Would the hon. member entertain a question for clarification? I may preface it by saying that these kinds of private members' bills which are of substance are the ones I appreciate and that I hope will be dealt with. I think this is a good bill to consider. Could the hon. member explain to the House the necessity for the establishment of a non-Crown corporation to take over the development of this highway? What non-Crown corporation is he referring to?

Mr. Oberle: Mr. Speaker, the bill proposes that a commission be established which would incorporate members of this House and members of the territorial and provincial governments connected with the building of the highway. The bill also makes provision for officials from the United States and people in different walks of life to sit together and develop a strategy and a philosophy, regarding the development of the highway, with which we could live in the future.

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I know that I speak for most members in this chamber when I thank the hon. member for Prince George-Peace River (Mr. Oberle) for giving us an opportunity to discuss one of the most important highways in Canada, a highway about which for a number of years we have heard a great deal in the House.

• (1620)

The hon. member's predecessor spoke on this very subject whenever the matter arose in the House, and I remember him lobbying behind the scenes also on the subject of the Alaska Highway. In 1970, or possibly in 1971 in the last parliament the hon. member for Red Deer introduced a private member's bill dealing with the subject of the Alaska Highway. In my remarks at that time I advanced a proposition which at first glance may have appeared a bit far fetched, but I think on analysis hon. members would agree it is the key not only to getting the Alaska Highway problem solved but also to solving another major Canadian problem, namely, a better, faster link between central Canada and the Maritimes.

My proposition, which I consider sound and has a good chance of success if we can convince a few more people, involves encouraging the U.S. government to construct a four-lane, high speed highway across the top of the state of Maine, linking the eastern townships auto route with a point in New Brunswick, possibly involving some part of U. S. Interstate 95, in return for the Canadian federal government spending an equal amount of money on upgrading and paving the Alaska Highway. The arguments in favour of this proposition are obvious. It would promote Canadian unity; it would bring Canadians closer together by reducing travelling time between central Canada and the maritimes by a minimum of five hours. I am not talking from the eastern Canadian point of view.

In addition, it would reduce transportation costs between central Canada and the maritime provinces. It would make possible a large increase in tourist traffic between the maritime provinces, central Canada and the American mid-west. Residents of Montreal and of eastern Ontario would be able to drive to P.E.I. or Nova Scotia easily in one day. This would make a great difference for tens of thousands of Canadians who now normally vacation on the coasts of Maine and New Jersey simply because they can drive there in one day.

[*Translation*]

Considering that there would be two or three times more tourists visiting the maritime provinces and that the instability of the weather in the area might bring a premature end to many seaside vacations, it can be felt that more tourists could turn to other regions of the maritimes, and also to Forillon Park, in the Gaspé Peninsula, which could certainly attract many.

I also suggest that a national park be developed along the northeast coast of New Brunswick, which would increase the movement of tourists visiting all other regions of the maritimes.

[*English*]

Although Maritimers may feel more exposed to Upper Canada commerce as a result of such a highway, and I suppose this might worry some people, I am confident that competitive Maritimes business operators would benefit enormously.

There are growing protests in the state of Maine about speeding Canadian tourists on their present east-west roads. These complaints about fast-driving Canadians presumably would be eliminated or reduced. An additional argument is that such a route would open up for possible exploitation and development a new national park area in the eastern townships region of Quebec along the Maine-Quebec border. This is one of the most depressed areas of Quebec, the southern Beauce region. This would be an ideal location for a national park. This kind of highway, pushing the eastern townships auto route through to the Maine border, would be a main link to the park for the 2½ million people in Montreal. In effect, it would put them two hours away from another major national park. In my opinion, Mr. Speaker, this project would do more in economic terms for the Maritimes and Quebec than scores of past projects and programs costing ten times as much.

[*Translation*]

It could well be that, in the Gaspé Peninsula, in Rimouski, in eastern Quebec as well as in northern New Brunswick, some people strongly oppose the construction of such a highway.

Indeed, they could fear that it would reduce the influx of tourists in their area. They claim that the tourists would head for the beaches of P.E.I. as quickly as possible, to return home by the quickest and shortest route. According to that argument, tourism, which is their best

hope for a more prosperous future, would really take a beating.

I do not agree with that argument; I am convinced that we can reasonably hope to triple the number of tourists in the Maritimes, and that those tourists will affect the whole area, including northeastern New Brunswick and the eastern part of the Gaspé Peninsula.

[*English*]

Undoubtedly, some maritimers would feel that they might lose the protection against Upper Canada's commerce that is afforded them by geography. But, as I said earlier, I am confident that competitive Martimes enterprises would be in a much better position than they are now. Maritimers in general would benefit from this closer and faster road link. Presumably, some negative feelings would also exist in southern and central Maine. The argument would be that tourist traffic would be diverted away from the Maine roads which presently carry a substantial percentage of the Canadian tourists going to and returning from our maritime provinces, and Maine tourism would suffer in consequence.

Maine environmentalists are also anxious that northern Maine be preserved as a wilderness area. Here I am pinpointing the problems to be faced in implementing this kind of road project across the top of Maine. I feel that the Maine fears of losing tourism are as unjustified as northern New Brunswick and eastern Quebec fears. If you pour three times as many people into an area, by a direct route, as went there previously, they will filter back in all kinds of different ways and by different roads.

The weather down there is never certain for two weeks at a time. As I said earlier, vacations are cut short. People will come back in a variety of ways, and as a result benefit all the maritimes and Maine. The time difference that this route would make in travel between, let us say, Ottawa, Montreal or even Toronto, and P.E.I. would be anywhere from four to five hours. This is enough to make it very easy to drive from Montreal to P.E.I. in one day. It would even be possible to drive from Toronto to Prince Edward Island in one day if one did not mind driving for ten or twelve hours. The potential benefit to the Maritimes through tourism would be enormous—far greater than any program we have ever developed in that area. The question is, Mr. Speaker, how do we get this project implemented? There have been proposals regarding the Maine corridor for quite a while. In 1969, Governor Curtis of Maine approved a $30 million bond issue to build a road across the state. In 1970, this bond issue was rejected by the voters. That is where the matter stands now as far as Maine is concerned.

• (1630)

What I am arguing is that Canada should hold out to the American government the incentive that we would spend a lot more money on the Alaska Highway, as they want us to do, and consequently could get them to put up a substantial sum of money for the highway which I propose—in fact, get them to pay the total cost of the highway across the state of Maine. Residents of that state would be delighted to find that they did not have to pay for it.

I am convinced that the American authorities are responsive. Indeed, in the discussions I have had with Senator Gravel and Senator Stevens of Alaska, they were most enthusiastic. I have also had discussions with several other congressmen and senators and all are responsive to the idea who have indicated that they are prepared to support it and help get it through Congress. As you are aware, Mr. Speaker, congressmen and senators have the power to institute legislation, and I have a number of indications that senators and congressmen are prepared to sponsor such a bill. In their view it would have an excellent chance of success.

I have talked about the benefits to eastern Canada of such a project, and the hon. member for Prince George-Peace River has indicated the tremendous benefits that will accrue to the west. The Alaska Highway route has great tourist potential, of course, because nearly everybody wants to go to a place they have not visited before. When the Dempster Highway is finished, people will be able to go to the Arctic Ocean. With the facilities that the hon. member for Prince George-Peace River has suggested, there would be a fantastic additional tourist potential in the west.

We can accomplish something that is rather wonderful for both east and west at one time, without an enormous expenditure above what is already required for upgrading the Alaska Highway. As the hon. member for Prince George-Peace River pointed out, the complete paving of that highway is a long way off. Perhaps two or three hundred miles of it have to be rebuilt. The upgrading must come before the paving, so the completed highway is a long way off.

To get back to the project which I am proposing, I am indebted to the hon. member for having been fortunate enough to have his private member's bill drawn so early in the session. I have a motion on the order paper which reads as follows:

> That in the opinion of this House, the government should give consideration to entering into contractual arrangements with the United States of America providing that that country should expend an amount to build a highway of inter state highway system standards through the State of Maine, one of the United States of America, connecting the province of Quebec with the Atlantic provinces in return for Canada expending an equal amount on upgrading and paving on that portion of the Alaska Highway that lies within Canada.

That motion is so far down the list that it will not be discussed in this session, so I am glad to have the opportunity to talk about it this afternoon. To implement it, we would obviously have to obtain the green light from the provinces of Quebec and New Brunswick, the state of Maine and the governments of the United States and Canada. I think that if we can get the approval of Quebec, New Brunswick and Maine it should be possible to work things out with both federal governments. I certainly intend to do some additional lobbying to try to convince the provincial authorities that they will not lose by it. Some hon. members from northeastern New Brunswick and from Quebec seem to think that there will be a loss to their areas but, Mr. Speaker, every one would benefit from the Maine corridor.

Several options are available. One of the long-time promoters of the project, Mr. Douglas Fullerton, chairman of the National Capital Commission, has proposed that Canada should guarantee to Maine an immediate

throughput on a toll road across that state, but I feel this approach might entail more difficulties than the project I am suggesting. Quebec may be hesitant because of pressure in the Rivière du Loup, Rimouski and Gaspé areas. I think this could be overcome by stressing the benefits which would accrue to the depressed Beauce area. If we threw in the sweetener of additional national parks for those areas of New Brunswick and Quebec, this would help convince any remaining doubters.

I believe there is no single project that this government could support which would provide as many side benefits, for as many people, and which would be as important for the Canadian balance of tourist payments as this. It would do great things for Canadians in the west and the east, and without question it would bring us closer together.

Mr. Oberle: I rise on a point of order, Mr. Speaker. I was going to interrupt the hon. member. It was obviously getting quite painful for him to continue this discussion, so I was going to give him the opportunity for a little rest. Mr. Speaker, he has obviously completely missed the point. I did not read the morning papers, so I should like to ask him if the state of Maine has been annexed to our country? What the hon. member has said has nothing to do with the question at hand. He has missed the point; he was talking about capital expenditures. I said that that highway is being constructed, but I am not arguing that; I am arguing on behalf of the people living in the northland of Canada—

The Acting Speaker (Mr. Laniel): Order, please. I must interrupt the hon. member because he is extending the speech he has given. He is not asking a question, but seems to be raising a point of order on the ground that the hon. member is not discussing the bill that is before us. This is a valid point.

• (1640)

Mr. Watson: Mr. Speaker, on the same point of order, may I point out to the hon. member for Prince George-Peace River that if he looks at the map of Canada he will find that Maine juts several hundred miles into Quebec. What I am proposing is a direct road link north of the forty-fifth parallel which of course runs east and west. The road, as I say, would be above the forty-fifty parallel, would run east and west and would connect the eastern townships auto route with New Brunswick. This, in my view, would allow us to do more for the Alaska Highway and for the people in the hon. member's riding than anything that has so far been suggested.

The Acting Speaker (Mr. Laniel): Order, please. The Chair is faced with a difficulty in that the time allotted to the hon. member for Prince George-Peace River expired a short time ago. I see the hon. member is rising to ask a question. Unless he has unanimous consent he may not ask a question. Is there unanimous consent to allow the hon. member to ask his question?

Some hon. Members: Agreed.

Mr. Oberle: Mr. Speaker, my question is this. I know a little geography. I think it is quite obvious that the suggestion I made earlier in my remarks, namely, that this matter be referred to committee, will not be consented to by hon. members opposite. I wonder if the hon. member would agree that I raise this subject when the main estimates are brought before the House, so that we may discuss this question again. Would the hon. parliamentary secretary agree?

Mr. Watson: Mr. Speaker, I certainly would agree. I am as enthusiastic about the suggestion as the hon. member for Prince George-Peace River. I simply feel that we should do a lot more than he is suggesting. We could kill two birds with one stone. I think we would have a better chance, on both counts, if we proceeded in the way I have suggested.

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I rise to speak for only very few recorded paragraphs in the somewhat long hope that we can accede to the wish of the hon. member who has brought this timely and important proposition before us for establishment of an Alaska-Yukon Highway authority. In passing, may I say that we are living in a small world. The previous speaker, I was amazed to hear, managed to go from Alaska to Maine, back to Alaska and then back to Quebec in about 20 minutes. That is a wonderful achievement and shows the importance of our transportation links.

Our country is somewhat odd. Looking at the map, one will see that Canada is topless; the country goes on and on over the pole. On the other hand, some parts of Canada extend south of northern California. Proposed highways are easy to justify if one considers our geography. I think the hon. member for Prince George-Peace River (Mr. Oberle) has brought forward a good proposition and we favour sending his proposal to the appropriate committee. Without doubt, the north and the area for which he speaks generally is ripe for better highway links and construction. Continuing in the way we have for many years, by bits and pieces and patchwork policies, is not good enough. We need a definite planning agency in this area. In my view, that agency or authority should be set up as a Crown corporation. Of course, if this bill were referred to committee we could discuss it in greater detail.

It is wonderful how times change. I can remember how, 35 years ago, the people of Vancouver opposed the construction of a highway, and certainly of a railway link, up to the Peace River country because it was thought that building links to that area would enable the people there to leave the area and come down to Vancouver. Now the people of Vancouver and of the west are as keen as members representing central and northern parts of the country to see a responsible authority established that will help to plan, establish and promote highways such as the one the hon. member has in mind. Such a highway, I am sure, will prove the key to the development of industry and the planning of the entire area contiguous to the highway. Certainly it will lead to better relations between our country and the Americans and will be a boom for the tourist trade.

Those are my thoughts, Mr. Speaker. I hope the House will permit the bill to go to committee, as the hon. member wishes, where it can receive detailed examination.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, without wishing to take anything from Your Honour's dignity, I think Your Honour cut short a rather pleasant occasion this afternoon when the hon. member for Louis-Hébert (Mrs. Morin) occupied the Speaker's chair. There is a lady speaker in the other place and I am wondering if this afternoon, for the first time in Canadian history, a lady acted as Speaker of this House. I congratulate her.

Some hon. Members: Hear, hear!

Mr. Hopkins: I realize that the hon. member for Prince George-Peace River (Mr. Oberle) feels strongly about those matters outlined in his bill. I have had the pleasure and opportunity of visiting the west on several occasions, and I have visited the Yukon territory. I think Canadians cannot have any idea of the size and beauty of Canada unless they have made a trip such as I did.

The Alaska Highway was built to be an important road link, mainly in the war years. The hon. member referred to its history prior to that time. When one visits the Yukon territory and stands on the shores of the Yukon River, thinks of that river's past history and what it has meant to generations gone by, one cannot help being carried away by the beauty and magnitude of Canada.

The hon. member is to be congratulated for bringing forward a measure that would, if passed, affect his region to a large degree. He has done what other hon. members of the House have done. If we, as individual members of this House, do not stand up and speak on behalf of our various regions of Canada, we will hardly form a federal parliament.

I am greatly concerned about the hon. member's proposal to set up an authority which is to be a non-Crown authority. I do not quite know what he means by a non-Crown authority, even after reading the bill. I am concerned about the matter because I feel that the Department of Public Works has for many years been downgraded by various governments, and the money which the department is permitted to spend on projects in all Canada has been reduced. Rather than establishing a separate authority to handle any project in any particular area, it is my contention that we should use the Department of Public Works as a federal agency in order to establish the federal presence everywhere in Canada. For this reason, I feel it should have the capability of making a contribution to projects such as the hon. member has mentioned.

• (1650)

Let us look at the past. When the Department of Public Works, with the assistance of the military, constructed the Rideau Canal it had wide powers and almost complete authority over waterways such as the Ottawa River. Some of the department's achievements, such as the canal structures in Ontario, are an important part of Canada's history. Yet today, when minor items concerning tourist projects are brought forward, so many difficulties arise that one feels rather like an athlete trying to jump over a ten-foot wall.

The Department of Public Works should be a department making a considerable financial contribution in all regions. From talking to people who have been concerned about the Alaska Highway, I understand that a large section would need to be relocated before paving could be carried out. This involves a major construction project. I do not suppose it would be out of line with projects carried out in the past when the Department of Public Works was one of the major departments in government. That situation could return.

Not many days ago I was speaking about the Department of National Defence in the course of the debate on the budget. As we know, that department made an important contribution to the construction of the Alaska Highway in the early stages. I mentioned this in my speech. I also put forward a proposal with regard to a pioneer tourist train up the Ottawa Valley, a proposal which has received widespread support from my area, as I am sure the bill before us will be widely supported in the hon. member's region.

But, Mr. Speaker, it is not easy to get things done in connection with a suggestion of that kind. One feels like an athlete attempting to jump over a ten-foot wall. One is confronted with questions such as: Where shall we get a steam locomotive? Where are we going to find coaches? One is told, for example, that the roadbed is not firm enough. We are talking now about a fairly simple project intended to encourage the tourist industry by bringing back a semblance of the old pioneer days when the timber trade was flourishing. If a scheme like this seems difficult to realize, compare it with the relocation and paving of a large section of the Alaska Highway. Nevertheless, it is proposals such as these which all hon. members should encourage and promote with support from others.

Mr. Oberle: I am sure getting it!

Mr. Hopkins: The hon. member says he is sure getting it. I am quite prepared to back up any effort the Department of Public Works may make. I believe the department should be a major factor in carrying out many of these projects. But it has been downgraded financially for the past several decades. I believe it should be restored to the position it held at the turn of the century. I am not criticizing the hon. member's proposal; I am simply taking it by another route. I am saying it would be good for the unity of Canada if it were done from Ottawa by a federal department in close liaison with the local authorities.

I am concerned by the recommendation in the bill that three Members of Parliament be appointed to the corporation which is envisaged to carry out the hon. member's plan. I am even more concerned when I see that the three Members recommended in the bill are members of Her Majesty's Loyal Opposition. A number of bills have been brought forward in the last few years seeking to have Members of Parliament appointed to the boards of Crown corporations or agencies. All of them were talked out, no matter which government was in power at the time. I would be somewhat afraid that the presence of three members of the opposition on such an important body might jeopardize the project, rather than assist it. That is why I should like to see the work sponsored by the Department of Public Works, since that department involves all members of this House.

Mr. Knight: You have a good sense of humour.

Alaska-Yukon Highway Authority

Mr. Hopkins: I have put forward my suggestions for the upgrading of the Department of Public Works. This can only be done if more funds are supplied to it. As chairman of the national resources and public works committee, I have in the past four years had occasion to get to know many of the officials of the Department of Public Works on a personal basis. They are dedicated people. Contrary to the impression held by some people, this is a department with imagination.

I have talked with people from the Yukon, and it seems to me they tend to downgrade the activities of the federal government and the Department of Public Works. This disturbs me, and to my mind it constitutes another reason for making extended use of the department rather than setting up a separate authority. By our entering into every region, a contribution could be made to the unity of Canada—

The Acting Speaker (Mr. Laniel): Order. The time appointed for the consideration of private members' business has now expired. It being five o'clock, this House, looking forward to an early spring weekend, stands adjourned until Monday next at 2 p.m.

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

HOUSE OF COMMONS

Monday, March 12, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

HOUSING

ANNOUNCEMENT OF PROGRAMS TO MAKE MORE SUBSIDIZED UNITS AVAILABLE

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, for some time we have been seeking alternatives to the large public housing projects we have been building in conjunction with the provinces and at the same time seeking ways to make more units available to those on lower income who need them.

The new amendments to the National Housing Act presently before this House will offer more desirable alternatives to public housing, but I am pleased today to announce three new program proposals under the existing legislation, the National Housing Act, whereby more units of subsidized housing will be made available, and whereby a desirable social mix of low-income families and middle-income families can be obtained by using ordinary apartment and townhouse complexes.

First, in certain privately owned and financed buildings, a federal-provincial partnership will lease 25 per cent of the units for low-income people. The tenants will pay the same rate as in public housing with the two governments sharing the deficit on a 50-50 basis.

Concurrently, a second alternative program we are suggesting is to lease space in projects financed by Central Mortgage and Housing Corporation under the limited dividend and non-profit sections of the housing act. In future, loans by CMHC in certain municipalities will be conditional upon 25 per cent of the units being made available to the federal-provincial partnership for low-income tenants.

At the same time, a third alternative program is being established to improve the social mix in subsidized housing by allowing non-subsidized middle-income people to live in publicly-owned housing on an experimental basis.

I am hopeful that our efforts to encourage a better mix of families by housing low-income people in privately-owned buildings will be welcomed by the private sector. I am pleased to announce that arrangements have been concluded with the province of Ontario to experiment with these changes. The Hon. Allan Grossman, the minister responsible for the Ontario Housing Corporation, and myself are making a statement in more detail on this today. An invitation to all provinces is being issued by me to take advantage of these new techniques for providing housing for those that need it most.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in rising to respond to the minister's statement I should like to say first of all that we are generally quite pleased that the government has taken this step. We think it is a constructive move and one that we hope will be expanded upon if it turns out to be a successful venture.

I should like to mention, however, that we hope that the minister, by making this statement or in his reference to legislation that will be coming before the House probably this week, is in no way failing to look at the true problem that exists at the present time in many of our urban areas, that is, the high cost of serviced land. We believe that is the root cause for much of the housing problems in this country and that his department should direct its attention to solving that basic problem as it has become almost critical, certainly in areas such as metropolitan Toronto.

Dealing generally with this statement, we welcome it.

• (1410)

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the members of the New Democratic Party welcome the statement made by the minister a few minutes ago. Like the minister, we believe there is a need to increase the mix of housing available to low-income Canadians. The proposals outlined in the minister's sketchy statement seem to move in a basically desirable direction. Having said that, I should like to raise three problems associated with the statement.

First, when the minister announced about a year ago his new scheme for assisted home ownership it was seen initially as the alternative, in the sense of replacement, for public housing in Canada. Very appropriately, there was almost wholesale rejection of that idea by those who have any degree of expertise and concern about housing for low income citizens. Since that time the minister, as I understand him, has either changed his position or corrected the impression that we are not to have a cutback in public housing as such but are going to add to it by broadening the range of choice. The crucial test, however, will be the amount of money provided by the government for low-income housing regardless of the type. That is the area we will be looking at with considerable interest. There is every justification for increasing the total amount of money spent on low-income housing in Canada, and as a party we certainly would not accept a policy that resulted in spending merely the same amount of money but shifting it from one category of low-income housing to another. We need a substantial increase in total outlay.

The second point I should like to make involves a matter of some concern. We must look at the details of implementation of the proposal to provide in privately owned and financed residences space for low-income people which in effect would be subsidized by Central

Mortgage and Housing Corporation or by the federal government. Our concern, if we are to move in the direction of providing accommodation for low-income people in privately financed buildings, is the degree of profit that will accrue to the people who own these private buildings. We do not want to see repeated any kind of financial rip-off on the part of developers on this area. What could happen is that they would take a certain limited percentage of low-income tenants but the level of financial support by the taxpayers of Canada could go well beyond the amount required merely to subsidize, if you like, in a socially necessary way the low-income people and simply provide very lucrative profit margins for private corporations.

The third point concerns the absence in this statement of any reference to moving in a significant way toward co-operative housing. The housing legislation that, hopefully, we will be discussing soon does contain some provisions in respect of co-op housing, but essentially as we read the legislation the provisions for co-operative housing projects to be supported in a significant financial way by the government are essentially of a charitable nature. We believe we must change and make owner-occupied co-op housing of the apartment type or single family separate unit type appealing to low-income Canadians. That is really what we see as a significant alternative to public housing of the kind we have had up to this point. This will require some changes in the bill that will come before us soon, and we will be pushing for them.

The final point I would like to make concerns land. There can be no doubt that the most significant aspect in housing today is the increasing cost of land for both public and private housing. The minister has made the right kind of signs that he is interested in dealing with that question, but we all know that nothing will be done about the matter of land unless the minister puts up millions of dollars for a significant land banking system. Therefore we support any move in this direction. But in the most serious way we enter the kind of caveats I have just mentioned in commenting on the minister's statement.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, we welcome the announcement that the hon. minister has just made; however, we consider it to be but a very small step forward, since the minister did not mention the prices of land and utilities.

For each family to own its own home, I think one would have to see that utilities provided by municipalities were subsidized by the CMHC or by some other body, so that the cost of utilities would not have to be assumed by the owners of new houses. Utilities for a lot with 50 feet of frontage often cost as much as $40 or $45 a month for 20 years. If one adds to that the 11 per cent sales tax on building materials and the alarming rise of construction prices, which can be as high as $18,000 or $19,000 for a four-room one-family house, one can see that it is very difficult for small wage earners, getting between $4,000 and $5,000 a year, to buy a house. We do, however, note that the hon. minister intends the new legislation to benefit the category of those who earn from $4,000 to $5,000 a year, who did not benefit under the former act, and to help them to become homeowners some day.

[*English*]

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AUDITOR GENERAL

RETIREMENT OF MAXWELL HENDERSON—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I would like to make a motion under the terms of Standing Order 43. The motion speaks for itself.

This House regrets the imminent retirement of Mr. Maxwell Henderson, the Auditor General of Canada, and desires to place on record its high sense of the faithful services rendered by Mr. Henderson as a servant of parliament and the people, and of the independence and objectivity he has shown in the performance of the duties of his office.

If unanimous consent is given, I would like to move that motion, seconded by the hon. member for Egmont (Mr. MacDonald).

Mr. Speaker: The hon. member's motion is proposed to the House under the terms of Standing Order 43 and requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: If there is unanimous consent, the motion will be put to the House. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

HEALTH

COMPENSATION TO THALIDOMIDE VICTIMS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I rise, pursuant to Standing Order 43, to request the unanimous consent of the House on a matter of urgent and pressing necessity. In view of the significant number of thalidomide children in Canada with permanent deformities who have not received compensation from the manufacturer of the drug, and in view of the fact that the Minister of National Health and Welfare (Mr. Lalonde) stated in the House on January 23 that officials had met with representatives of the firm responsible for the production of the drug, and in view of the fact that this problem as it applies to children in Britain has been debated in the British House of Commons, I therefore move, seconded by the hon. member for Hillsborough (Mr. Macquarrie):

• (1420)

That the House request that at an early date the Minister of National Health and Welfare report to parliament on this serious problem and the extent of the government's efforts to assist the victims and families afflicted by the use of thalidomide.

Mr. Speaker: This motion is proposed under the terms of Standing Order 43. It also requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

[*Translation*]

Mr. Speaker: The hon. member for Charlevoix has the floor.

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, the motion I wanted to move has just been brought forward by the representative of the Progressive Conservative party. That is another proof of lack of co-operation.

* * *

[*English*]

CANADIAN CITIZENSHIP ACT

PROVISION FOR CHILD BORN TO CANADIAN MOTHER RESIDING OUTSIDE CANADA TO BE REGARDED AS NATURAL BORN CITIZEN

Mrs. Grace MacInnis (Vancouver-Kingsway) moved for leave to introduce Bill C-161, to amend the Canadian Citizenship Act (natural born Canadian citizen).

Some hon. Members: Explain.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Speaker, the purpose of this bill is to amend the Canadian Citizenship Act to provide, in the case of a married woman who is a Canadian citizen residing outside of Canada, that her child born outside of Canada shall have the same right for her child to be a natural born Canadian citizen as the father and as an unmarried woman. This bill would also be in keeping with paragraph (1)(b) of the Canadian Bill of Rights which gives statutory recognition to "the right of the individual to equality before the law and the protection of the law."

Some hon. Members: Hear, hear!

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

DEPARTMENT OF AGRICULTURE—CONTRACTS FOR PUBLICITY AND/OR INFORMATION

Question No. 96—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of Agriculture on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72?

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

Order Paper Questions

3. What contracts for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each case and what is the purpose of each contract?

Hon. E. F. Whelan (Minister of Agriculture): 1. 1968-69, $1,034,133; 1969-70, $1,054,349; 1970-71, $1,115,100; 1971-72, $1,499,500.

2. 1968-69: (a) Tandy Advertising Limited, Toronto, $27,-547.22. To carry out a national advertising campaign to encourage the safe and effective use of pesticides by the public in general and farmers in particular. (b) Tandy Advertising Limited, Toronto, $42,194.11. To conduct an advertising program on the subject of the Canada Department of Agriculture's responsibilities in the testing, grading and inspection of Canadian products. 1969-70: (a) Tandy Advertising Limited, Toronto, $34,634.69 (of which 3,034 is chargeable to the 1968-69 program). To continue a national advertising program to make Canadians aware of the benefits to be derived from pesticides when used safely in accordance with directions. (b) Tandy Advertising Limited, Toronto, $13,203.66. Expenditure incurred in 1968-1969 advertising program on the subject of the Canada Department of Agriculture's responsibilities in testing, grading and inspection of Canadian products. (c) Tandy Advertising Limited, Toronto, $2,300. To advertise in the Canadian High News on career opportunities in agriculture. 1970-71: Tandy Advertising Limited, Toronto, $37,960.46. To continue a national advertising program to encourage the safe and effective use of pesticides by the public in general and farmers in particular. 1971-72: (a) Tandy Advertising Limited, Toronto, $43,983.42. To continue a national advertising program to encourage the safe and effective use of pesticides. The campaign was directed especially towards urban and suburban users. (b) J. M. Eastman and Associates Limited, Toronto, $63,-541.96. To conduct an advertising program, primarily in Western Canada to inform farmers in Alberta, Saskatchewan and Manitoba on the new Prairie Grain Policy, its ramifications, its application to individual situations and how to avail of the policy. (c) Mr. R. F. Gadsby, Victoria, B.C., $3,000. To provide additional information and public relations services to the Department in British Columbia.

3. 1972-73: (a) Tandy Advertising Limited, Toronto, $34,-998.13 (Actual expenditures as of January 26, 1973) (Total commitment $36,580). To continue a national advertising program to encourage the safe and effective use of pesticides by the urban and farm publics. (b) Agravoice Productions Limited, Edmonton, Alta. $42,500 (Actual expenditures as of January 26, 1973) (Total commitment $51,000). To provide a communication extension service in the provinces of Alberta, Saskatchewan and Manitoba to increase over-all public awareness of departmental policies and programs in the said provinces. (c) Mr. R. F. Gadsby, Victoria, B.C. $2,500. Continuation of contract to provide additional information and public relations services to the Department in British Columbia.

DEPARTMENT OF VETERANS AFFAIRS—RESEARCH AND DEVELOPMENT CONTRACTS

Question No. 116—**Mr. Nystrom:** (Supplementary)

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Department of Veter-

ans Affairs on contracts to outside persons and organizations for research, development and other consulting services?

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

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

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. 1968-69, $180,988.00; 1969-70, $330,222.00; 1970-71, $244,030.00; 1971-72, $225,837.17.

2. Architect and engineering services: Graham Napier & Hebert, Halifax, N.S. $2,025.00; Robert P. Fleming, Montreal, P.Q. $21,209.34; Brais, Frigon, Hanley, Brett & Rinfret, Montreal, P.Q. $19,196.81; W.G. Hames Associates, Calgary Alta. $6,250.00; J.P. Mooney & Associates, Saint John, N.B. $4,825.71; Mercer & Mercer, Vancouver B.C. $13.220.00; Siddall Dennis Warner Associates, Victoria, B.C. $76,209.00; St-Jacques Mongenais, Green Blankstein & Russell, Montreal $963,664.38; Gérard Charbonneau, Montreal, P.Q. $11,109.40; Lorrain Gérin-Lajoie, Ste. Anne de Bellevue, P.Q. $16,640.00; Consulting and training services: Management Concepts Ltd., Scarborough, Ont. $5,-393.00; Public relations services: John Doherty & Co., Ltd., Ottawa, Ont. $7,400.00.

3. The architect and engineering services related to new hospital construction, renovations and improvements to existing hospital facilities. No report submitted. The consulting and training services related to the program of Management by Objectives. No report submitted. The public relations services related to the provision of advice and counselling on public relations matters, assistance during peak periods and the provision of special services. No report submitted.

4. Architect and engineering services: W.G. Hames Associates, Calgary, Alta. $28,727.47; Hagarty, Buist, Brevik & Milics, London, Ont. $6,771.98; Lorrain Gérin-Lajoie, Ste-Anne de Bellevue, P.Q. $8,347.65; McDougall & Friedman, Montreal, P.Q. $2,500.00; H.W. Klassen Associates, Calgary, Alta., $——; Siddall Dennis Warner Associates, Victoria, B.C. $10,006.00; Mercer & Mercer, Vancouver, B.C. $2,350.00; J.P. Moody, Saint John, N.B. $7,611.00; Brais, Frigon, Hanley, Brett & Rinfret, Montreal, P.Q. $5,991.58; Willis Cuncliffe Tait, Victoria, B.C. $1,919.00; Graham Napier & Hebert, Halifax, N.S. $12,475.57; St-Jacques Mongenais, Montreal, P.Q., $——; Robert P. Fleming, Montreal, P.Q. $7,978.17. The above services related to hospital renovations and improvements to existing facilities. Consulting and training services: Management Concepts Ltd., Scarborough, Ont. $20,000.00. The above services related to the Department's program of Management by Objectives. Public relations services: John Doherty & Co. Ltd., Ottawa, Ont. $5,000.00 The above services related to the provision of advice and counselling on public relations matters, assistance during peak periods and the provision of special services.

DREE—LOANS TO AGENCIES IN RICHMOND CONSTITUENCY

Question No. 494—**Mr. Beaudoin:**

Since it was established, has the Department of Regional Economic Expansion paid or loaned money to agencies whose headquarters are located in the constituency of Richmond and, if so, what was the amount paid in each case?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The following companies accepted offers of a development incentive under the Regional Development Incentives Act for a facility in the indicated locality of the constituency of Richmond:

Name	Location	Amount of Incentive	Disbursements to Date
Frank's Piping Co. Ltd.	Bromptonville, Que.	$ 15,900	$ 7,603
Abattoir Giroux Inc.	Bromptonville, Que.	13,000	9,412
Eastern Canada Packaging	Bromptonville, Que.	16,600	19,148
Fibres de Verre de l'Est Inc.	Garthby, Que.	102,125	47,485
Tingwick Métal Inc.	Tingwick, Que.	51,500	36,094
Confection Corriveau Inc.	Windsor, Que.	41,862	34,014

It should be noted that the actual moneys paid to Eastern Canada Packaging exceeded the amount of the authorized incentive. The reason for this is that under the terms of the regulations to the Regional Development Incentives Act, an increase of 15 per cent over the initially approved capital cost figure may be authorized provided that the concurrence of the Minister is sought. In this case, the applicant obtained the necessary approval for the upward revision.

[Mr. Nystrom.]

DESIGNATION OF "O CANADA" AS NATIONAL ANTHEM

Question No. 503—**Mr. Schumacher:**

Does the government intend to proceed with legislation to designate "O Canada" as the National Anthem and, if so, does it intend at the same time to enshrine "God Save the Queen" as the Royal Anthem by legislation and, if not, for what reason?

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): The matter is under consideration and it will be announced in due course if such legislation is to be introduced.

COMPAGNIE DES CENT ASSOCIÉS

Question No. 505—**Mr. Matte:**

Has the Compagnie des Cent Associés declared bankruptcy and, if so (a) on what date (b) was an investigation made on this bankruptcy (c) who are the creditors (d) who is the trustee (e) what is the present status of the bankruptcy?

[*Translation*]

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): (a) The "Compagnie des Cent Associés" having its business office at Trois-Rivières, voluntarily declared bankruptcy on May 9, 1969. (b) Every bankruptcy is subject to an investigation by the trustee, the official receiver and the Superintendent of Bankruptcy, to determine if offences have been committed in relation thereto. (c) The majority of creditors totalling 286 are small investors for a total amount of $662,449.86. (d) Mr. Rosaire Drolet was appointed trustee of this bankruptcy on June 16, 1969. (e) The administration of this estate continues in a normal way. In view of the nature of the assets still to be realized, namely mortgages, notes and accounts receivable, it is difficult to determine when the administration will be completed. The creditors have already received a dividend of 65 per cent of their claims and the trustee anticipates that they will recover their total claims.

[*English*]

THE CANADIAN DRUG IDENTIFICATION CODE 1972

Question No. 527—**Mr. Macquarrie:**

1. How many copies of the publication *The Canadian Drug Identification Code 1972* were printed?

2. What is the distribution range of the publication?

3. What is the estimated cost of the research for and the printing and distribution of this publication?

4. Is it planned to publish such a document for 1973?

5. How many medical practitioners or institutions have requested this book?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. 55,000.

2. The publication was distributed to: Physicians; Pharmacies; Hospitals; Dentists; Veterinarians: (Approximate numbers) 50,800. Pharmaceutical Manufacturers: 1,200. Medical & Pharmaceutical Associations; Medical & Pharmaceutical Teaching Institutions; Provincial Departments of Health: 200. The Health Protection Branch has a small balance for distribution on request.

3. Research and development (time devoted by professionals and programmers, and the development and production on computer), $55,000; Printing, $60,000; Distribution (shipping from printer, postage and handling), $48,000. Total, $163,000.

4. It is planned to publish a second edition of the Code book in autumn, 1973. Due to continual changes in drug products on the Canadian market and updated edition is planned annually.

5. Because of the general distribution of the publication to members of the health professions and health institutions there has been a very small demand for copies. A few hospitals and universities have sent requests for extra copies.

Order Paper Questions

SODAP PLANT, NOTRE-DAME-DU-BON-CONSEIL

Question No. 563—**Mr. Wagner:**

1. Has the SODAP plant in Notre-Dame-du-Bon-Conseil been sold to an American concern and, if so (a) what is its name (b) what was the total amount of the transaction?

2. Has the SODAP Company received a grant from the Department of Regional Economic Expansion and, if so (a) in what amount (b) who were the directors and shareholders of SODAP when the grant was obtained?

3. Did the SODAP Company declare bankruptcy in the spring of 1972?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Not to the knowledge of the Department of Regional Economic Expansion. (a) N/A; (b) N/A.

2. Yes. The SODAP Company accepted an offer of a development incentive authorized under the provisions of the Regional Development Incentives Act of June 2, 1970. (a) $223,636 of which a payment of $166,361 was made on October 5, 1971. (b) According to information provided at the time the offer was authorized; (i) the following were the Directors of the company: Conrad Jutras, President and Director; Charles Thiry, Vice-President and Director; J. Lussier, Secretary-Treasurer and Director; J. C. Therrien, Director; Jerome Lampron, Director; (ii) Sections 101 and 103 of the Quebec Companies' Act state that names of shareholders are available only to "holders of preferred or common shares and creditors of the company, and their representatives and of any judgment creditor of a shareholder".

3. The company filed a proposal under the Bankruptcy Act on May 23, 1972, which was rejected by the Courts on October 18, 1972. The effective date of the Bankruptcy is May 23, 1972.

"MV LUCY MAUD MONTGOMERY" FERRY

Question No. 569—**Mr. Macquarrie:**

1. When was the *MV Lucy Maud Montgomery* acquired by the government?

2. How long did this ship serve on the Borden-Tormentine ferry service?

3. For what reason was the ship withdrawn from the service?

4. What improvements have been made in the ship since its withdrawal from the service?

5. How many automobiles can be carried by the *Lucy Maud Montgomery*?

Hon. Jean Marchand (Minister of Transport): 1. The vessel was acquired in 1969.

2. The vessel served in the Borden-Tormentine service during the 1969 and 1970 tourist seasons.

3. With the introduction of the *MV Holiday Island* and the *M.V. Vacationland*, capacity in this service was sufficient to permit the transfer of this vessel to the Newfoundland Gulf Service where her capacity was needed.

4. The vessel has had a continuing program of upgrading to meet Canadian marine standards in addition to her normal annual refits. The upgrading has been done in stages and will be completed this winter.

5. The vessel can accommodate 47 to 69 American automobiles, depending on whether the MacGregor wing decks are used or not.

TRANSPORT SERVICE

Question No. 575—**Mr. Muir:**

Is the Department of Supply and Services considering providing a government transport service for messengers and messages, freeing taxis under federal contract?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): No.

VICTORIAVILLE AIRPORT, QUEBEC

Question No. 638—**Mr. Fortin:**

How many properties were expropriated for the improvement of the Victoriaville regional airport and (a) what was the total cost of the expropriation (b) what were the names of the owners (c) what was the amount paid for each property?

Hon. Jean Marchand (Minister of Transport): By an Agreement dated May 17, 1971 between Her Majesty the Queen as represented by the Ministry of Transport and the Corporations of the towns of Arthabaska, Plessisville, Princeville, Victoriaville, Warwick and the Corporation of the Villiage of Daveluyville, province of Quebec, authorized by P.C. 1965-1/10074 and T.B. 634623, June 3, 1965 and P.C. 1968-24/176 and T.B. 682326-1, September 17, 1968, the said Corporations as represented by the town of Victoriaville, agreed to acquire, at their own cost and expense, the lands essential to the development of an airport site and such other lands or interest therein as may be necessary to provide for extension, clearing and proper zoning of the said airport, together with servitudes for rights-of-way and servitudes in perpetuity prohibiting the erection of structures in the vicinity of the airport. All such lands or interests therein were to be acquired by the Corporations free from all encumbrances, including timber rights and mineral claims. In consideration of the acquisition by the Corporations of the said land and servitudes, Her Majesty as represented by the Ministry of Transport would undertake and complete on the said land certain work of preliminary development or improvement of the said airport, such work consisting in the construction of a gravelled runway, 2,500′ × 75′ within a 2,900′ × 155′ graded landing strip, with a taxi strip 30′ wide from such runway to a 100′ × 200′ parking apron. In accordance with the aforementioned agreement, the federal Crown was not responsible for the acquisition of the property required to create the airport site and I am therefore not in a position to provide the answers to the questions raised.

UNITED STATES-CANADA SCHEDULED FLIGHTS

Question No. 661—**Mr. Munro (Esquimalt-Saanich):**

1. How many United States airline companies have landing rights for scheduled flights in Canada?

2. How many United States aircraft on scheduled flights landed in Canada in each calendar year 1969, 1970, 1971 and 1972?

3. How many Canadian airports had scheduled flights by United States carriers from the United States in 1969, 1970, 1971 and 1972?

[Mr. Marchand (Langelier).]

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: 1. Seventeen.

2. U.S. aircraft on scheduled flights landed in Canada: 1969, 26,041; 1970, 25,648; 1971, 24,897; 1972, not available.

3. Eight.

CANADA-UNITED STATES SCHEDULED FLIGHTS

Question No. 662—**Mr. Munro (Esquimalt-Saanich):**

1. How many Canadian airline companies have landing rights for scheduled flights in the United States?

2. How many Canadian aircraft on scheduled flights landed in the United States in each calendar year 1969, 1970, 1971 and 1972?

3. How many United States airports had scheduled flights by Canadian carriers from Canada in 1969, 1970, 1971 and 1972?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: 1. Four.

2. Canadian aircraft departed from airports in Canada on scheduled flights to airports in United States: 1969, 15,649; 1970, 16,496; 1971, 15,289; 1972, not available.

3. Ten.

TROOPS IN VIET NAM

Question No. 713—**Mr. Stackhouse:**

Is it the intention of the government to indicate it will not expand the number of troops being used as observers in Viet Nam without first seeking authorization from Parliament?

Hon. Mitchell Sharp (Secretary of State for External Affairs): This question has been recently overtaken by events. The Canadian government, responding to an invitation from the four parties to the Paris Agreement on Ending the War and Restoring Peace in Viet Nam, has sent a delegation composed of personnel from the Department of External Affairs and the Department of National Defence to serve on the International Commission of Control and supervision in Viet Nam. In meeting its obligations and responsibilities to participate for an initial period of 60 days, the Canadian delegation is composed of 290 men and women which is the same number of persons on each national delegation indicated under the terms of the Protocol concerning the ICCS.

UNEMPLOYMENT AMONG INDIANS AND INUITS

Question No. 721—**Miss MacDonald (Kingston and The Islands):**

1. What was the average annual employment rate among Indians and Inuit in Canada in 1968, 1969, 1970, 1971 and 1972?

2. What was the average annual income of Canadian Indians and Inuit families excluding general assistance and family allowances in 1968, 1969, 1970, 1971 and 1972?

3. How many Indians and Inuits received welfare assistance in Canada in 1968, 1969, 1970, 1971 and 1972?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): In so far as the Department of Indian Affairs and Northern Development is concerned the answer is: 1. Canada Manpower does not keep records by ethnic groups and as many Indians and Inuits do not

live on reserves but in urban areas it is not possible to maintain this type of information.

2. In so far as the Indian population is concerned see answer to Question 1879 tabled in the House of Commons December 1, 1971. In so far as the Inuit population, the Northwest Territories does not keep records on an ethnic basis.

3. The reply given to part 1 applies also in the case of welfare payments.

DROP OUT RATE—INDIAN STUDENTS

Question No. 723—**Miss MacDonald (Kingston and The Islands):**

1. What was the drop out rate amongst Indian high school students before Grade 12 in 1968, 1969, 1970, 1971 and 1972?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): The Department does not maintain a drop out rate as this is extremely difficult to define and because students who move to off-reserve situations are lost to departmental records. The Department instead stresses the retention rate in school including those who take technical and vocational programs. We do know that from the period from 1959 to 1969 high school Indian enrolments increased by 250 per cent and university enrolment has increased by 200 per cent.

DEPARTMENT OF AGRICULTURE—NAMES OF LAWYERS HIRED IN DURHAM AND NORTHUMBERLAND COUNTIES

Question No. 809—**Mr. Lawrence:**

What were the names and addresses of all lawyers and law firms in the Counties of Durham and Northumberland, in the Province of Ontario, who performed services for the Department of Agriculture and any of their agencies or Crown corporations, including the Farm Credit Corporation, during 1971 and 1972, and what was the total amount of money paid to each one?

Hon. E. F. Whelan (Minister of Agriculture): Agriculture Canada made no payments to any lawyers or law firms in the counties of Durham and Northumberland for services performed during 1971 and 1972. However, The Farm Credit Corporation paid Legal Fees to: C. D. Fitzgibbon, Port Hope (Durham E.), E. R. Lovekin, Newcastle (Durham W.), J. P. Funnel, Cobourg (Northumberland E. & W.). Fees paid to lawyers and law firms acting as legal agents for the Farm Credit Corporation in the placing of loans are paid by borrowers by deduction from their loan proceeds and the Corporation does not maintain records of amounts so paid.

INDIAN HOUSING REQUIREMENTS

Question No. 858—**Mr. Korchinski:**

1. Has the Department of Indian Affairs and Northern Development made a survey of the house requirements on Indian reservations for the next two years?

2. How many houses were built on reservations in 1972 in each province?

3. What is the total Indian population in each province?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. A survey is presently under way.

2. Maritimes, 142; Quebec, 416; Ontario, 401; Manitoba, 527; Saskatchewan, 330; Alberta, 312; British Columbia, 460.

3. Prince Edward Island, 451; Nova Scotia, 4,788; New Brunswick, 4,541; Quebec, 28,449; Ontario, 56,553; Manitoba, 36,851; Saskatchewan, 37,565; Alberta, 30,021; British Columbia, 49,194; Yukon Territory, 2,561; Northwest Territories, 6,645.

INDIAN STUDENTS IN SECONDARY SCHOOLS

Question No. 884—**Mr. Orlikow:**

1. How does the percentage of Indian students beginning secondary schools compare with the percentage of the whole population graduating from secondary schools?

2. How does the percentage of Indian students graduating from secondary schools compare with the percentage of the whole population graduating from secondary schools?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. 1969-70 is the most recent year for which figures are available.

Percentage of Indians entering secondary schools	Percentage for whole of Canada
5.2	7.6

2. In 1969-70, 69.1 per cent of Indian students enrolled in Grade 12 graduated. The Department has no figures on the percentage of the whole population graduating from secondary schools.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE—COST OF REPORT FOR FISCAL YEAR ENDED MARCH 31, 1971

Question No. 933—**Mr. Andre:**

1. What was the cost of production, printing and distribution of the Report for the fiscal year ended March 31, 1971, for the Department of National Health and Welfare?

2. How many copies of the Report were distributed?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. $2,746.59.

2. 3,300.

POTATO PURCHASING PROGRAM

Question No. 962—**Mr. Lambert (Bellechasse):**

Did the Agricultural Stabilization Board receive, after January 31, 1972, any requests from potato producers wishing to benefit from the potato purchasing program intended to stabilize prices on the national market and, if so (a) how many requests were received (b) how many were accepted (c) what are the names and

addresses of the producers whose requests were thus accepted (d) what were the amounts paid to such producers?

Hon. E. F. Whelan (Minister of Agriculture): (a) 337. (b) 291. (c) and (d) This type of detailed payment information is considered to be private between the Board and the producers and, because of its confidential nature, is not included with this reply. The total amount paid on applications received after January 31, 1972 was $496,156.60.

CORPORATIONS IN QUEBEC WITH FEDERAL CHARTER

Question No. 989—**Mr. Matte:**

1. How many corporations in the province of Quebec have a federal charter?

2. Which of them have their corporate names (a) in English (b) in French (c) in both languages?

[*Translation*]

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): 1. 9,663 corporations incorporated under the Canada Corporations Act have their head office in Quebec.

2. (a) 6,916 corporations have an English corporate name. (b) 489 corporations have a French corporate name. (c) 2,258 corporations have a bilingual corporate name.

[*English*]

CAMPGROUND FACILITIES IN NATIONAL PARKS

Question No. 1,031—**Mr. Clark (Rocky Mountain):**

1. Since 1960, how many campground facilities were closed in each of Waterton National Park, Banff National Park and Jasper National Park and, in each case (a) what was the site of the campground (b) what was the acreage (c) what was the reason for closing?

2. Since 1960, how many campground facilities were opened in each of Waterton National Park, Banff National Park and Jasper National Park, and, in each case (a) what is the site (b) what is the acreage?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Waterton Lakes National Park: (a) Red Rock Canyon, N.E. ¼ section, 14 Township 2. Range 1. W. of 5; (b) Approximately 3; (c) To preserve a unique area which was not large enough for expansion. No favourable water supply for enlarged and improved camping sanitary facilities. Banff National Park: (a) Bow Lake, Shore of Bow Lake, North of Lake Louise; (b) Five; (c) Rehabilitation of the grounds which were in a very depreciated state due to heavy traffic and over use. (a) Moraine Lake, eight miles from Upper Lake Louise in the Valley of the Ten Peaks; (b) Eight; (c) Rehabilitation of the grounds which were in a very depreciated state due to heavy traffic and over use. (a) Upper Lake Louise, 1 Mile from Lake Louise; (b) Ten; (c) Rehabilitation of the grounds which were in a very depreciated state due to heavy traffic and over use. Jasper National Park: (a) Cottonwood, ½ Mile North of townsite; (b) 20; (c) Serious overcrowded conditions. Area developed for sewage lagoon. Some land needed for highway bypass.

2. Waterton Lakes National Park: (a) Belly River, N.W.¼ Section 9, Township 1, Range 28, W. of 4; (b) 35. (a) Crandell Mountain, N.W. ¼ Section 4, Township 2, Range 30, W. of 4; (b) 100. Banff National Park: (a) Protection Mountain, 36 miles west from East Gate on Highway 1A; (b) 36. (a) Two Jack Main Campground, eight miles west from East Gate, two miles north on Lake Minnewanka Road; (b) 90. (a) Lake Louise Trailer Park, 45 miles west from East Gate on T.C. Highway; (b) 55. (a) Tunnel Mountain, eight miles west from East Gate, 1 mile from Banff Rownsite; (b) 110. (a) Rampart Creek, 99 miles from East Gate on Icefield Parkway; (b) 15. (a) Waterfowl Lake, 71 miles N.W. from East Gate on Icefields Parkway; (b) 25. (a) Johnston Canyon, 25 miles from East Gate on Highway 1A; (b) 33. (a) Mount Eisenhower, 29 miles west from East Gate on Highway 1A; (b) 18. Jasper National Park: (a) Wabasso, mile 10, Highway 93A South; (b) Ten. (a) Honeymoon Lake, mile 32, Icefield Parkway South; (b) Eight. (a) Celestine Lake, Mile 7, Highway 16, North to Junction then 22 miles on Celestine road; (b) Four. (a) Snaring River, Mile 7, Highway 16, North to Junction then 3.5 miles; (b) 12. (a) Wilcox Creek, Mile 69 Icefield Parkway; (b) 24. (a) Wapiti, Mile 3, Highway 93 South; (b) 93. (a) Whistlers, Mile 2, Highway 93 South; (b) 242.

VISITORS TO NATIONAL PARKS

Question No. 1,049—**Mr. Andre:**

1. During 1972, how many visitors entered the national parks of Canada?

2. What was the distribution, by province?

3. What is the total number of campsites and trailer sites within the national parks, by province?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. 13,838,926.

2. Newfoundland, 268,509; Nova Scotia, 920,802; New Brunswick, 743,412; Prince Edward Island, 1,210,621; Quebec, 107,708; Ontario, 667,535; Manitoba, 731,163; Saskatchewan, 166,213; Alberta, 4,802,043; British Columbia, 4,220,920.

3. Newfoundland, 423; Nova Scotia, 1,263; New Brunswick, 1,024; Prince Edward Island, 623; Quebec, 136; Ontario, 415; Manitoba, 732; Saskatchewan, 707; Alberta, 4,493; British Columbia, 2,000.

OMISSION OF WESTERN CANADIAN ON CANADA LABOUR RELATIONS BOARD

Question No. 1,063—**Mr. Reynolds:**

1. For what reason did the government overlook putting a resident western Canadian on the new Canada Labour Relations Board?

2. Is it the intention of the government to correct this situation and, if so, on what date?

Hon. John C. Munro (Minister of Labour): 1. A western Canadian was approached to accept appointment, but declined for personal reasons.

2. As vacancies occur on the Board, western Canadians will be considered for appointment, along with Canadians from all other regions.

VETERANS' LAND ACT—CERTIFICATES OF ELIGIBILITY

Question No. 1,076—**Mr. Darling:**

1. Has the Department of Veterans Affairs received applications from veterans for assistance under the Veterans' Land Act who failed to file for certificates before the deadline had passed?

2. Approximately how many applications have been received that had to be rejected because the veterans failed to file before the deadline had passed?

3. Does the Minister plan to initiate action to extend the deadline to accommodate veterans who would now like to acquire small holdings, but who failed to apply for certificates of eligibility before the deadline?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1 and 2. When it is ascertained that the veteran does not have a valid Certificate of Qualification, no application for financial assistance under Part I of the Veterans' Land Act is submitted. Records have not been maintained as to the number of veterans who have contacted VLA offices since October 31, 1968, who did not obtain a Certificate of Qualification by that date.

3. Any such action would be a matter of government policy and would be announced in the usual way.

DEPARTMENT OF FINANCE—NUMBER OF FULL-TIME EMPLOYEES

Question No. 1,088—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of Finance on (a) January 1, 1963 (b) January 1, 1973?

2. How many people in each of these years were receiving salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) over $20,000?

Hon. John N. Turner (Minister of Finance): 1. (a) 486; (b) 548.

2. (a) January 1, 1963, 423; January 1, 1973, 318; (b) January 1, 1963, 62; January 1, 1973, 150; (c) January 1, 1963, 1; January 1, 1973, 80.

DEPARTMENT OF VETERANS AFFAIRS—NUMBER OF FULL-TIME EMPLOYEES

Question No. 1,094—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of Veterans Affairs on (a) January 1, 1963 (b) January 1, 1973?

2. How many people in each of these years were receiving salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) over $20,000?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. (a) 13,087. (b) 9,726.

		1-1-63	1-1-73
2.	(a)	12,654	8,246
	(b)	431	1,215
	(c)	2	265

QUESTIONS PASSED AS ORDERS FOR RETURNS

UNEMPLOYMENT INSURANCE COMMISSION—COMPUTER CENTRES

Question No. 26—**Mr. Coates:**

1. What was the cost to the Unemployment Insurance Commission for the establishment of computer centres throughout Canada, in what centres are they located and what is the total number of employees at each computer centre at the present time?

2. How many major breakdowns have been experienced at each of the computer centres since they were established and in each instance, what was the length of each of the major breakdowns?

3. How many minor breakdowns have been experienced in each of the centres since their establishment and in each instance, what was the length of the breakdown?

Return tabled.

INTEREST FREE OR INTEREST BEARING LOANS TO FOREIGN COUNTRIES

Question No. 490—**Mr. Beaudoin:**

Since April 30, 1970, has the government granted interest free or interest bearing loans to foreign countries and, if so (a) to which countries (b) on what dates (c) in what amounts (d) at what interest rate (e) for what terms?

Return tabled.

LIP GRANTS—CONSTITUENCY OF SAINT-HYACINTHE

Question No. 535—**Mr. Wagner:**

1. What grants were made in 1972 in the constituency of Saint-Hyacinthe under the Local Initiatives Program?

2. What were the names and addresses of the recipients of such grants in 1972 and what were the names and addresses of the sponsors?

3. What were the names and addresses of applicants and sponsors who did not receive a grant in 1972?

4. What evaluation was made by the department of the actual use of grants made in 1972 in the constituency of Saint-Hyacinthe?

5. Who was responsible for the evaluation of the grants?

6. Does the department have any audited statements for these grants and are they available?

Return tabled.

ORAL QUESTION PERIOD

TRADE

CANADA-UNITED STATES—ALLEGED DESIRE OF UNITED STATES FOR SUBSTANTIAL ALTERATIONS IN CERTAIN SECTORS—CANADIAN POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. Has the government recently been advised again by United States government officials that the United States government still wants substantial alterations in the auto pact and defence production sharing, as well as modifications in our tourist allowances and other irritants? If so, what is the stance of

the government? Is it about to begin discussions on these matters?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have had no recent communication from the government of the United States on the point raised by the hon. Leader of the Opposition.

Mr. Stanfield: Is it the minister's understanding that United States officials are insisting upon duty-free entrance of used cars into Canada from the United States as part of the modification of the auto pact?

Mr. Gillespie: Mr. Speaker, no representations to that effect have been made to me or to the government.

CANADA-UNITED STATES—INQUIRY AS TO SECRET TALKS ON POSSIBILITY OF FREE TRADE IN CERTAIN SECTORS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the minister whether officials of his department or of the government of Canada have held secret talks with officials of the United States government regarding initiatives toward free trade between the two countries in selected sectors of trade? If so, what, if any, mandate do the Canadian officials have from the Canadian government in this respect?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, on a number of occasions I have indicated to the House that there are continuing discussions between the government of Canada and the government of the United States, between officials of the two governments, with respect to a wide range of issues. I do not think they could properly be described as secret discussions; they are of a continuing nature and embrace a large number of matters of mutual concern.

Mr. Stanfield: Is the minister implying that in fact discussions are taking place between officials of the Canadian government and officials of the United States government with regard to free trade in selected areas of trade between the two countries?

Mr. Gillespie: Mr. Speaker, I do not want to be drawn into debate about what is going on between our two countries. As I indicated, there is continuing discussion between officials on a wide range of matters. If the Leader of the Opposition is suggesting that we are about to enter into discussions with respect to free trade between our two countries, I can assure him that such is not our intention.

* * *

ENERGY

NATURAL GAS—STUDIES OF EXPORT PRICE TO UNITED STATES TO DETERMINE WHETHER TOO LOW—CONSIDERATION OF EXCISE TAX RATHER THAN PRICE INCREASE

Mr. David Lewis (York South): Mr. Speaker, I should like to address some questions to the Minister of Energy, Mines and Resources. Has the minister or his department or the National Energy Board made studies of the question of whether the price of Canadian gas exported to the United States is too low relative to the price of other fuels, and if such studies have been made can the minister inform the House whether the conclusion is that the price is or has been too low?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in 1970 the government passed regulation 11a under the National Energy Board Act conferring on the National Energy Board the responsibility for keeping gas prices for export under scrutiny. As I told the hon. gentleman's colleague, the hon. member for Nanaimo-Cowichan-The Islands, a detailed description of the board's efforts since regulation 11a was passed will be presented to the standing committee tomorrow morning.

Mr. Lewis: Precisely because of the existence of 11a in the regulations, can the minister tell the House now or is he informing the House that the committee will be informed tomorrow as to what the conclusion of that analysis was? Can he also say whether any action was taken under 11a of the National Energy Board regulations with respect to the export price of gas?

Mr. Macdonald (Rosedale): Mr. Speaker, the board will be making a very full exposé tomorrow of its actions since 11a was established. I think it is a fair inference that since that legislative tool was there it has been of assistance to the board in its efforts with regard to gas prices.

Mr. Lewis: May I ask the minister whether the government has considered or is considering the imposition of an excise tax on gas sales in lieu of an increase in price in order that the benefits may accrue to the people of Alberta and the people of Canada rather than 83 per cent of the benefits of an increase in price going to the gas producers, most of them large and foreign-owned?

• (1430)

Mr. Macdonald (Rosedale): Mr. Speaker, we have been considering in a very general way the returns to Canada from this and other energy sources. Specifically, I have to say we are not considering the prospect of instant implementation of an excise tax.

* * *

[*Translation*]

CONSUMER AFFAIRS

FOOD PRICE INCREASES—IMPLEMENTATION OF COMPENSATED DISCOUNT SYSTEM

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs.

In view of the continual rise in the price of food, can the minister tell the House whether he will recommend the setting up of a compensated discount on food products in order to curb the alarming rise of prices which are still out of control in spite of investigations conducted in this connection?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am sorry, but I have no intention of launching new policies this afternoon. They will be introduced in due course.

* * *

[*English*]

AUDITOR GENERAL

APPOINTMENT OF SUCCESSOR TO MAXWELL HENDERSON—SUGGESTED CONSULTATION WITH PUBLIC ACCOUNTS COMMITTEE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to address a question to the Acting Prime Minister, or possibly the Acting Minister of Finance might answer. In light of the imminent retirement of the Auditor General, Mr. Maxwell Henderson, is the Acting Prime Minister able to indicate the name of his successor? If not, is it the intention of the government to appoint the Assistant Auditor General as Acting Auditor General?

Hon. Mitchell Sharp (Acting Prime Minister): An intensive search is being made to find a suitable replacement for Mr. Henderson whose services to the country have been acknowledged by the House. I hope we find one at least as worthy.

Mr. Baldwin: While this appointment lies, of course, within the prerogatives of the Governor in Council, in view of the fact that the Auditor General is a servant of parliament, will the government give some consideration to consulting with the Public Accounts Committee concerning a suitable appointment?

Mr. Sharp: I will take the hon. gentleman's representations under consideration. I am quite sure that the kind of person for whom the government is searching will be one fully agreeable to Members of Parliament as a whole.

Mr. Baldwin: Since the report of the Auditor General for the year ended March 31, 1972, has been delayed due to staff problems and by the retirement of the Auditor General, will the Acting Prime Minister undertake that as soon as this report is made available, whenever that may be and even if it is months from now, it will be made public even if there has been a dissolution of parliament in the interval?

Mr. Speaker: Order. The question is hypothetical. I will recognize the hon. member for Wellington on a supplementary. If the minister wishes to reply, he might do so to both questions at once.

Mr. A.D. Hales (Wellington): Mr. Speaker, I should like to address my question to the Acting Prime Minister. Is it the intention of the government to call the Public Accounts Committee together for organization at an early date and, if so, would the hon. gentleman refer to that committee the report that has been provided by a special committee assigned to the Public Accounts Committee concerning the appointment of a new Auditor General?

Mr. Sharp: To answer that question first, let me say I shall be consulting with my colleague, the leader of the House, who has been delayed in getting here today. In reply to the question asked by the hon. member for Peace River, let me assure him that the report of the Auditor General will be presented to parliament in accordance with the law.

* * *

SOCIAL SECURITY

SUGGESTED INCREASE IN FAMILY ALLOWANCES AND GOVERNMENT CONTRIBUTION UNDER CANADA ASSISTANCE PLAN BECAUSE OF WELFARE SITUATION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. It is prompted by his interesting address to the Canadian Railway Labour Association, a copy of which, unfortunately, he did not send me. Can the minister tell us whether, in light of what he called the disgraceful welfare situation in some of the provinces, he is prepared to assist by an early introduction of legislation to raise family allowances, hopefully before Easter, and by increasing beyond 50 per cent the government's contribution to the Canada Assistance Plan, at least with respect to those areas and provinces where there is acute need as noted in the hon. gentleman's address?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am sorry I did not send the hon. member a copy of my statement to the Canadian Railway Labour Association but there was a good reason for that: I was improvising. In the future, he will have to come and hear me in person.

With regard to the second question concerning the benfits now being paid under the Canada Assistance Plan, I was expressing an opinion which is also shared by most of my provincial colleagues. In fact, they do admit that the present benefits are not high enough. We will look into the whole matter at the conference to be held at the end of April, but I do not feel that I can or should suggest changes before we have discussed it with the provinces.

[*English*]

Mr. Macquarrie: I have a supplementary, prompted by an even more impressive part of those spontaneous expressions. I note that the minister indicated plans to present to the provinces in April a social security system including provision for unemployment insurance. Can he advise us whether this means that the government now regards unemployment insurance not as an insurance scheme but as welfare and if it also regards the jurisdiction as one that it will henceforth share with the provinces?

Mr. Speaker: Order. In regard to the first part of the supplementary, I would think the hon. member is asking for an expression of opinion on the part of the minister. However, if the minister wishes to reply to the second part of the question he will be recognized for that purpose.

[*Translation*]

Mr. Lalonde: Mr. Speaker, I have a hard time distinguishing between the first and the second part of the question.

* * *

[*English*]

TRADE

CANADA-UNITED STATES—REQUEST FOR STATEMENT ON NATURE OF DISCUSSIONS AND CANADIAN POSITION

Mr. Terry O'Connor (Halton): I have a further supplementary, Mr. Speaker, to the Minister of Industry, Trade and Commerce, arising from the first series of questions. In view of the fact he said the word "secret" was not an appropriate word to apply to the talks taking place between the United States and Canada and that the talks which are of a continuing nature, would the hon. gentleman be prepared to make a statement outlining what is being discussed and the position being taken by Canada in these talks?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I do not think I have anything to add to the statements I have made in the House over a long period with respect to the ongoing and continuing nature of our discussions with the United States in connection with a number of trade matters.

Mr. O'Connor: The minister has on occasion indicated that he is not prepared, as he says, to bargain in public, that is, to make our bargaining position known. That is, perhaps wise. But would the hon. gentleman be prepared to make a full statement to the House setting out Canada's immediate and long-term objectives without revealing the exact nature of the bargaining points in order that some of the confusion surrounding, in particular, the auto pact in the last few weeks might be cleared up?

Mr. Gillespie: Mr. Speaker, I think that some of the confusion which has surrounded the auto pact in the last few weeks has been cleared up.

* * *

POWER

JAMES BAY HYDROELECTRIC PROJECT—APPLICABILITY OF NAVIGABLE WATERS PROTECTION ACT TO PROVINCES—REQUEST THAT GOVERNMENT TAKE OVER PRIVATE MEMBER'S BILL

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Transport with reference to the applicability of the Navigable Waters Protection Act to the proposed hydro development in the James Bay region. It arises in part from the reply the hon. gentleman gave on Friday last to the hon. member for Kingston and The Islands, recorded on page 2069 of *Hansard*, in which he said it is "less obvious when a provincial government is concerned" whether the act can be applied. In light of that answer, would the minister consider taking over as a government bill my Bill C-155 presently on the order paper, which would eliminate the ambiguity as to the applicability of the Navigable Waters Protection Act in situations of this kind?

Hon. Jean Marchand (Minister of Transport): I am ready to look into that, Mr. Speaker.

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I have a supplementary question for the Minister of Transport. Since the Minister of the Environment said on March 1, 1971, that British Columbia would require authority under the Navigable Waters Protection Act to build the Moran Dam, would the hon. gentleman tell the House in what way that situation is different from the situation at James Bay, and, if it is not different, whether the position of the government has changed and, if so, why?

Mr. Marchand (Langelier): I would like to have the text of that statement by the minister. After that, maybe I could comment.

SUGGESTED PROVISION OF INFORMATION ON NAVIGABLE WATERS PROTECTION ACT ADMINISTRATION TO COURT AND HOUSE

Mr. Joe Clark (Rocky Mountain): I have a supplementary for the Minister of Justice. In light of the recent decision by a Superior Court Justice in Quebec to postpone ruling on whether the La Grande and other rivers in the James Bay region fall under the Navigable Waters Protection Act, will the government, in the role of a friend of the court, provide the court with all necessary information relating to the administration of this act, and will the minister also provide this information to the House at the earliest possible opportunity?

• (1440)

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would, of course, be very happy to provide to the hon. member or any other member of the House any information they seem to think we have that may be of help to them in reaching any conclusions with regard to this matter. I would not think that direct assistance to the court is required and, of course, I will not comment further on a matter before the courts.

* * *

GRAIN

PROPOSED INTERNATIONAL GRAIN BANK—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs. What is the reaction of the Canadian government to the establishment of an international food bank?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As I recall, Mr. Speaker, an international food bank was established a few years ago to which we made very substantial contributions. Perhaps the right hon. gentleman has some other plan in mind.

Mr. Diefenbaker: Mr. Speaker, not two years ago but about 10 years ago, during my administration, we in Canada endeavoured to establish one under NATO and made our contribution. I am now referring to the representation made by Dr. Boerma, head of the United Nations Food and Agriculture Organization, who proposed about two weeks ago the establishment of a world grain bank whose reserves could be drawn upon in emergencies. Producing countries would set aside certain minimum quantities of grain to stock the bank. He pointed out that a grain bank would be of special benefit to developing countries. Is the minister not aware of the fact that the United Nations has canvassed the various countries in the United Nations to ascertain their reaction? Has Canada not been approached?

Mr. Sharp: Mr. Speaker, I personally was not aware of this. I am very happy to have the information put forward by the Director General of the FAO. As the right hon. member knows, Canada has responded very generously to similar requests in the past. We have probably done more to help the underprivileged people of the world than any other country of our size. I can assure the right hon. member that if it is a practical scheme and one in which we can play a part, we will do so.

Mr. Diefenbaker: Mr. Speaker, that is a long way from answering the question. I did not expect anything beyond generalities.

AMOUNT OF WHEAT OR OTHER GRAINS HELD BY FARMERS AS REVEALED BY QUESTIONNAIRE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct a supplementary question to the Minister of Justice. A few weeks ago a survey was made among western farmers to ascertain what available wheat and other grains they had on hand. Will the minister say whether as a result of that poll it was ascertained that about 90 per cent of western farmers have no wheat or other grains on hand as was expected they would have according to the estimates made earlier by the government of Canada?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker. I would like to put the record straight immediately. The Canadian Wheat Board undertook the questionnaire in a confidential way. It is not its intention to supply the exact figures to any member of the public or, indeed, even to me because of the confidential nature of the questions asked and, therefore, the trust between them and questioners. However, I know they would be prepared to confirm in a general way that the results of the questionnaire confirm very substantially the accuracy of the figures available on the amounts of grain in fact predicted to be on hand in Canada.

Mr. Speaker: The Chair will recognize the right hon. member for a supplementary and then the hon. member for Charlevoix.

Mr. Diefenbaker: Mr. Speaker, the minister seems diffident about telling the House of Commons. Did he speak in the province of Saskatchewan and give those exact figures? Did he say it was found that approximately 90 per cent of the farmers do not have wheat or other grains on hand that it was expected they would have? Did he make that statement?

Mr. Lang: No, Mr. Speaker. The right hon. member's problem is that he is saying I said something was expected when it was not expected. The fact of the matter is that a great number of farmers, with the tremendous delivery opportunities that have existed, have delivered all of the deliverable grain we want. That is to say, they have left on hand only such grain as they want for their own purposes. However, it was well known, expected and predicted that the grain which is said to be on hand is in fact in the hands of a small number of farmers and they—

Mr. Speaker: Order, please.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

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[*Translation*]

HEALTH

INDEMNIFICATION OF VICTIMS OF THALIDOMIDE—MEASURES TAKEN BY DEPARTMENT

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I have a question for the hon. Minister of Justice.

Could he tell the House what action is being taken by his department to allow Canadians affected by thalidomide, or their tutors, to obtain reasonable compensation from the drug manufacturer, that is from Richardson-Merrell (Canada) Ltd., a multimillionaire and multinational corporation?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, we have already had meetings with representatives of that firm to make sure that the parents of the victims of that drug will receive just and equitable treatment and, for the time being, I am reviewing the situation in the light of the facts which can be brought to our attention. I hope to be able to announce shortly new developments on that matter.

* * *

[*English*]

TRADE

RESPONSE TO REPRESENTATIONS BY CHURCH LEADERS FOR TARIFF REDUCTIONS ON SUGAR AND OTHER PRIMARY PRODUCTS TO AID DEVELOPING COUNTRIES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is to the Secretary of State for External Affairs. It is supplementary or at least related to the question of the right hon. member for Prince Albert. Did the minister receive representations last week from the representatives of five or six Canadian churches urging the reduction of duties and preferences on sugar and other primary products as a main means of aiding developing countries? What was his response, if any, to their representations?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the Minister of Industry, Trade and Commerce and myself received a very distinguished group of churchmen. They put forward a number of representations, including the one mentioned by the hon. member for Greenwood. We pointed out to the churchmen that we were introducing a resolution here for a system of general preferences which I hope will receive the full support of all members. We expressed our support for commodity arrangements and generally took a very sympathetic view, which I hope all members share, toward the ten days of development that the churches have been promoting as support for further development in the less privileged parts of the world.

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EXTERNAL AFFAIRS

PURPOSE OF VISIT OF DEPARTMENTAL OFFICIALS TO CUBA—REPRESENTATION RESPECTING RONALD PATRICK LIPPERT

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Secretary of State for External Affairs. It is further to my question of last week concerning whether a delegation from his department was in Cuba. His reply at that time was that he was unaware but would look into the matter. In view of the visit to Cuba last week of Mr. K. Goldschlag, Director of the Bureau of Western Hemisphere Affairs of the Department of External Affairs, and of Mr. M. N. Bow, Director of the Latin-American Division of the Department of External Affairs, will the minister advise the House as to the reasons why these men were in Cuba. Specifically, did they discuss with the Cuban government any one of the following matters: One, possible release of Ronald Patrick Lippert who has been in a Cuban jail for ten years; two, possible commercial air services between Canada and Cuba; three, anything pertaining to the FLQ exiles from Canada presently in Cuba?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the answer to one of the questions is yes. The delegation, which includes the people mentioned by the hon. member, made representations to the Cuban government about Mr. Lippert. They have not been negotiating an air agreement and they have not been discussing FLQ developments. They are there on a trip which is concerned with the development of mutual trade and other relations between our two countries.

Mr. Cossitt: Is the Secretary of State for External Affairs in a position to advise the House of the nature of the response received to the representations on behalf of Mr. Lippert?

Mr. Sharp: No, Mr. Speaker. I have not yet had a report of what our delegation learned. As the hon. gentleman knows, we have made representations every few months over a long period of years, and we are hoping they will bear fruit.

[Mr. Brewin.]

• (1450)

CANADA PENSION PLAN

POSSIBLE EXCLUSION OF OLD ORDER MENNONITES FROM COMPULSORY PAYMENTS

Mr. Keith Hymmen (Kitchener): Mr. Speaker, I have a question for the Minister of National Revenue. Has there been any progress in the matter involving the exemption of certain groups, including Old Order Amish Mennonites, on the basis of their religious belief from participation in the Canada Pension Plan? I ask this question because of a commitment made in December, 1971, by two ministers.

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I am happy to say that my officials have been working with those of the Department of National Health and Welfare on the drafting, if necessary, of an amendment to the Canada Pension Plan. I have been discussing with my colleague, the Minister of National Health and Welfare, the possibility of not waiting for comprehensive amendments to that act but of seeing whether we can introduce sooner the necessary amendment to accomplish this exemption of certain religious groups from coverage. If there is found to be general approval of such an amendment, perhaps there might be discussions among the House leaders with a view to passing it without debate or expediting it through the House for the convenience of these groups.

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ROYAL CANADIAN MOUNTED POLICE

PROVISION OF NEW CRESTS AND SIGNS FOR BUILDINGS

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Solicitor General. Because of the fact that a new RCMP building was recently opened in Red Deer without display of a crest, and as many people in my constituency and across Canada are concerned about this matter, would the Solicitor General tell the House why the crest is being changed and when an announcement will be made as to what the new crest will be?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we approved new signs for RCMP buildings last week. I think a press release will be put out soon describing these signs and they will be put up as soon as possible. They are in production right now.

* * *

LABOUR RELATIONS

ELEVATOR CONSTRUCTORS' STRIKE—PRESENT SITUATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Labour a question. I realize the limitations placed upon him by the constitution in regard to the elevator constructors' dispute but it is a costly one to the country as a whole. I should like to ask the minister whether he is in a position to give the House

any information regarding the elevator constructors' strike which has proven to be so costly in many of the provinces of this country?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. I am advised that the parties met last Friday and I believe they met again yesterday. The Ontario Minister of Labour is quoted as having made the statement that he is hopeful there will be a breakthrough today in this dispute, whatever "breakthrough" means in this context.

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CANADIAN NATIONAL RAILWAYS

ALLEGED SLOWDOWN BY VANCOUVER YARD CREWS—ACTION TO SPEED UP FREIGHT MOVEMENT AND AMELIORATE GRIEVANCES

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to direct a question to the Minister of Labour, of which I have given him notice. Has the minister yet had an opportunity to examine the work to rule situation in the greater Vancouver area by Canadian National yard crews with a view to speeding up freight movement and ameliorating the legitimate grievances of these men?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I should like to thank the hon. member for giving me notice; I should also like to thank the previous member for the notice he gave me of his question. Over the week-end we had our mediators in Montreal call in the top union people to discuss the entire area of grievances to see what could be done, and we are working on this very strenuously at the present time. I believe that other causes of unhappiness, of which the hon. member is well aware, are also the subject matter of discussion. I am referring in particular to the outstanding lawsuit that is involved.

Mr. Rose: Mr. Speaker, the minister just about took the words out of my mouth. Is he aware that, in addition to deliberately cutting its work force, Canadian National is holding a two year old writ for damages over the heads of the men, as well as employing watchdogs to spy on the men and pursuing a policy of harassment by calling in selected individuals for cross-examination by management?

Mr. Munro: Mr. Speaker, as I indicated in my previous answer to the hon. member, we are aware of the outstanding lawsuit.

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AGRICULTURE

SUGGESTED REINSTATEMENT OF TARIFFS ON BEEF FROM UNITED STATES

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the practical experience that you have had in the livestock industry, why have you not demanded that import tariffs—

Mr. Speaker: Order, please. Would the hon. member resume his seat. I think this is a good opportunity to remind hon. members that questions should be directed to the Chair. When we are running short of time I sometimes hesitate to interrupt hon. members, but by this time I think they should know that questions should be directed to the Chair, not to ministers. Would the hon. member kindly address himself to the Chair.

Mr. Hurlburt: Thank you, Mr. Speaker. My question is directed to the Minister of Agriculture. Why have you not demanded—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Would the hon. member take my suggestion into account.

Mr. Hurlburt: Thank you, Mr. Speaker. My question is directed to the Minister of Agriculture. Why has he not—

Some hon. Members: Hear, hear!

Mr. Hurlburt: —demanded that import tariffs on beef from the United States be reinstated immediately until such time as the Americans reciprocate?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think we have made it fairly clear that our officials are still working with United States officials but their studies are not yet complete. I think you are talking about DES, though the hon. member did not say so in his question.

Mr. Speaker: Order, please. Would the minister kindly address himself to the Chair.

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SHIPBUILDING

EXTENSION OF SUBSIDIES BEYOND MARCH 31

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the urgent need for new tanker construction as a result of planned oil refineries in the east, can the minister say whether he has under active consideration extension of the shipbuilding subsidies which run out on March 31? I might say that during the last election campaign I promised that these subsidies—

Mr. Speaker: Order, please.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I should like to assure the hon. member and other hon. members interested in this question that we have this matter under active consideration at the present time.

Oral Questions

TRANSPORT

POSSIBLE MOVEMENT OF ORE FROM BAFFIN ISLAND TO WEST GERMANY—INQUIRY AS TO ASSISTANCE TO WEST GERMANY TO BUILD SHIPS

Mr. A. D. Hales (Wellington): Mr. Speaker, may I direct a question to the Minister of Transport, of which I have given him notice. In view of the fact that negotiations are under way between Canada and West Germany to ship ore from Baffin Island to the Ruhr Valley in Germany, and in view of the large number of unemployed people in Canada and our ability to build ships in Canada, I should like to ask the minister whether Canada is supplying money and expertise to West Germany to build these ore carriers?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, a few years ago there were consultations between Germany and Canada as well as common experiments in the building of icebreaker cargo ships. I think the Germany company, called Vesser if my memory is correct, paid about $3 million for this analysis and research, as did the West German department of education. At the moment we are proceeding on our own and there is no longer any joint research in this field.

Mr. Hales: Mr. Speaker, I have a short supplementary. Will Canadian shipbuilders be given an opportunity to tender on the building of these ore carriers?

Mr. Marchand (Langelier): There is no doubt about that, Mr. Speaker.

* * *

UNEMPLOYMENT INSURANCE

EXAMINATION OF INVESTIGATIVE PROCEDURES BY ADVISORY COMMITTEE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Parliamentary Secretary to the Minister of Manpower and Immigration. Has the advisory committee in fact been struck? Has it been looking into the alleged investigative procedures and has it reported to the minister yet?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I believe the hon. member is referring to the advisory committee to the UIC. It will be meeting tomorrow and these matters will be placed before it.

Mr. Speaker: The hon. member for Coast Chilcotin.

Mr. Alexander: A supplementary, Mr. Speaker.

Mr. Speaker: I apologize to the hon. member for Coast Chilcotin. I believe the hon. member for Hamilton West has a supplementary and he will be recognized for that purpose.

• (1500)

Mr. Alexander: In order that we may ascertain the intention of the minister, can the parliamentary secretary

[Mr. Gillespie.]

advise whether the minister intends to proceed with or halt the type of procedures that have been called "investigative blitzes" until such time as the report of the advisory committee is known?

Mr. MacGuigan: Mr. Speaker, since the committee is meeting tomorrow I do not think there will be a great interval, but if there is I will draw the hon. member's submission to the minister's attention.

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CANADIAN BROADCASTING CORPORATION

STATUS OF MASTER PLAN TO PROVIDE TELEVISION AND RADIO SERVICE TO AREAS NOT NOW BEING SERVED

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, my question is directed to the Secretary of State. In view of the fact the Canadian Broadcasting Corporation indicated to me some months ago that a five-year master plan was being drawn up that would provide television and radio services to areas of Canada not being served currently by radio and television, is this master plan now completed and, if so, has the government approved it?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I will refer that question to the corporation for an answer.

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[*Translation*]

HOUSING

AMENDMENTS TO NATIONAL HOUSING ACT—GRANTING OF INTEREST-FREE LOANS TO MUNICIPALITIES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to ask a question of the hon. Minister of State for Urban Affairs.

Since the minister said today he intends to amend the Central Mortgage and Housing Corporation Act to grant loans to municipalities and individuals, so the latter may purchase houses more easily, could he tell the House whether the proposed amendments will include interest-free loans to municipalities for the installation of utilities on lands for the construction of houses?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the amendments before the House do not provide for that, but we have a task force working within the government which is presently consulting with the provinces as to how the provisions of the National Housing Act relating to the provision of forgiveness loans to municipalities for sewage works should be amended. I would hope to be in a position to make an announcement on that policy before the end of June.

[*Translation*]

SUGGESTED STUDY OF POSSIBILITY OF LOANS TO MUNICIPALITIES AT LOWER INTEREST RATE

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I would like to ask a supplementary question of the hon. minister.

Is it his intention to have his task force study the possibility of lending money to municipalities at lower interest rates than are available now?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, under the National Housing Act we do lend money to municipalities for sewage services work, for trunk sewers and sewage disposal plants, at a beneficial rate of interest, plus a forgiveness provision which amounts to about one-third of the loan. Because we already have a policy of special loans to municipalities for that purpose, obviously during our reconsideration of the program we are considering this.

* * *

GRAIN

BARLEY—PAYMENT OF COST OF TRUCKING TO INLAND TERMINALS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the Minister of Justice in his capacity as minister in charge of the Canadian Wheat Board. It arises from the resumption of the barley trucking program under which barley is being moved to the inland terminal at Saskatoon. In as much as this is an experimental project which will have the result of increasing handling costs by about 10 cents a bushel, will the minister indicate to the House whether this extra cost will be covered by funds from the federal treasury or will it be applied to the farm pool account?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the movement of barley into inland terminals is normally part of the operation of inland terminals and, therefore, costs are borne in the normal way. The difference really is only in respect of the decision by the Canadian Wheat Board to use trucks rather than rail equipment to move the grain. This results in large part from negotiations in respect of several aspects of rates which make trucking fully acceptable to the Canadian Wheat Board in place of rail.

Mr. Speaker: Order, please. We are reaching the end of the question period and I hope there will be as few supplementary questions as possible, particularly if we are to recognize more members before orders of the day are called.

Mr. Mazankowski: Mr. Speaker, I have one supplementary question. Since the additional charges involved in the shipping of barley under this program last year, amounting to about 12 cents a bushel, were covered by federal funds rather than from the pool account, is the minister saying this is the normal way in which the extra charges will be covered?

Mr. Lang: Yes, Mr. Speaker, this is the normal way, that is to say, being borne as a regular part of the operation. The Wheat Board makes the decision when to use the inland terminals which, of course, are facilities placed there by the federal government, but how often the Board makes use of them is for the Board to decide. Last year there was a deficit in that particular barley pool so the question was academic. The only exceptional movement of grain with our full support was a year ago when we made a payment to help pay for the movement of more barley and wheat into export positions, and we bore that cost as part of our export development program.

* * *

CANADIAN NATIONAL RAILWAYS

TELECOMMUNICATIONS SERVICES—FINGERPRINTING OF EMPLOYEES INVOLVED IN POLICE WORK—GOVERNMENT POSITION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a question for the Minister of Justice. In view of the 300-word telegram received by his office on February 15 from the Canadian National Telecommunications Union asking for guidance regarding the fingerprinting practices of Canadian National with respect to certain employees involved in police work and police services, will the minister indicate why he has not responded to this costly and very important telegram?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have now authorized a reply. In fact, I did that in the middle of last week and it should be in the hands of the people concerned. I would, of course, have been glad to talk to them on the telephone as well at any time. I indicated to them that where any such security measures are required as part of the job, it is certainly a special matter outside my jurisdiction.

* * *

FINANCE

RESERVE FUND HOLDINGS OF UNITED STATES DOLLARS—POSSIBILITY OF GUARANTEED EXCHANGE RATE OR DIVERSIFICATION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Acting Prime Minister. Ordinarily I would have waited for the Minister of Finance to come back, but in view of the Acting Prime Minister's former finesse in finance I should like to ask a question concerning government policy. Did the Minister of Finance have specific discussions with the United States Secretary of the Treasury, Mr. Shultz, when he met him in Paris over the weekend, with a view to obtaining exchange guarantees for Canadian holdings of U.S. dollars and, if not, is it now the government's intention to diversify Canadian international reserves?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the Minister of Finance will be back tomorrow and I am quite sure will be happy to answer this and any other question that may be put to him.

Unemployment

Mr. Nowlan: Mr. Speaker, perhaps the Acting Prime Minister could answer this part of the question. Does the government have a policy on exchange guarantees or diversification or our international reserves, or is this another policy lighted by hooded headlights, procrastination and prayer?

* * *

DRUGS

NON-MEDICAL USE—REASON FOR DELAY IN GRANT TO PROJECT

Mr. John Harney (Scarborough West): Mr. Speaker, my question has to do with a project called "Memo for Turner". It is not addressed to the Minister of Finance but to the Minister of National Health and Welfare. Just for edification, this "Memo for Turner" has to do with a project in respect of the non-medical use of drugs. In view of the fact that the last claim for payment of the grant has been delayed for a very long time, can the minister advise the House whether the delay in respect of the claim is the result of a policy decision or as a result of normal administrative bungling?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first, I will have to discover which Turner this has reference to. Second, I will certainly look into the matter to see whether there is any justification for the delay.

Mr. Speaker: Order, please. The Chair will now call orders of the day. I might say that I have noted in writing those hon. members who have not been recognized today and they will be given preference tomorrow over members who have been recognized today.

• (1510)

[*Translation*]

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NEGLIGENCE OF GOVERNMENT RESPECTING UNEMPLOYMENT

Mr. Gérard Laprise (Abitibi) moved:

That this House deplores the continuous increase in unemployment, as well as the refusal or negligence of the Government to propose effective measures for providing more jobs of a remunerative character for Canadians, and condemns the existing authorities for imposing and tolerating quasi-repressive measures affecting citizens who merely want to see respected their fundamental right to a decent standard of living and their personal dignity and to live in a climate of freedom and security.

He said: Mr. Speaker, I am proud to present this motion in the name of my colleagues of the Social Credit Party of Canada. Perhaps I will be criticized for harping on the same subject following the motions previously introduced, but I wanted this motion to be more precise and concrete so as to enable us to put before the government true proposals which, if accepted, will eliminate the present climate of fear which is prevalent not only among the unemployed but even among those who now have a job and who do not know whether they will not be unemployed tomorrow.

For many years our unemployment rate has been steadily increasing. This unemployment rate is much too high for a still young nation, where much is left to be developed and which has still to meet the needs of one third of its population in the field of consumer goods.

In view of our high production capability and of the high demand for goods from handicapped and disadvantaged people living below the poverty line or even at the poverty line, I wonder about our hesitation to implement true solutions to this situation.

For the last few years we have been told that poverty was being fought; we have been hearing from time to time the leaders of our successive governments say that they were fighting unemployment. They mentioned "unemployment" but finally it turned out that it was a fight against the unemployed because the remedies proposed were probably the same as those which had been unefficient in the past.

So we need not be surprised that the employment situation in Canada is going from bad to worse. In fact, the Prime Minister (Mr. Trudeau) was saying as an excuse recently in a conference that if he had not succeeded in bringing down the unemployment rate, it was because too many new workers were coming on the labour market, too many young people offering to do some work to satisfy the requirements of the population, which in my view is a very poor excuse.

I think that the Prime Minister ought to have known last year, just as two or five years ago, that this situation would persist. Each year, a number of young people are coming on the labour market, and since it is impossible to satisfy them, a climate of fear has settled in this country, especially among the young people who are afraid that they will not be able to find a job upon completion of their studies.

Such fear also plagues adults, fear of losing one's job, or of being unable to find one, for lack of education.

There is also the fear of not being able to keep one's job because of automation, or of being displaced through automation and assigned to menial, less remunerated tasks.

The worker also fears inability to support his family, fears to start a family, with such a dismal outlook. It is a disturbing fear that healthy realism, a return to more rational notions of the purpose of the economy, and of work, could alleviate.

Mr. Speaker, what then is the purpose of economic activity and industrial work. Why do men gather in factories, in working communities, if not to achieve results unobtainable in isolation?

Now what results are sought after? The factory-owner might reply: profits. The worker's reply will be: earning a

living, drawing a salary. But neither profit nor salary matter, unless they bring about the satisfaction of needs.

But how are those needs met? They are met when the industrialist and the workers find goods capable of satisfying those needs. The purpose then of economic activity is not profit, nor salaries, but the production of goods and services that will satisfy human needs.

In his *Réponse à des problèmes d'aujourd'hui* Jean Daujat explains simply: "The purpose of every economic activity, taken from the point of view of man's real well-being, can only be that of providing all the resources required by family life."

And so, the purpose of economic activity is the well-being of the family, the home, and therefore the consumer.

In his encyclical *Quadragesimo Anno* Pope Pius XI had already expressed in these terms the purpose of the economy, and I quote:

The economic and social structure will be soundly constituted only when it can give each and everyone of its members all the goods the resources of nature and industry, as well as the truly social organization of economic life can procure.

• (1520)

Mr. Speaker, so as to provide for those in need, for all families, for Canadian consumers, restricting laws such as we have today, the Unemployment Insurance Act for instance, must necessarily be replaced by a guaranteed annual income.

A British economist, now a consulting economist with the American government, Mr. Robert Theobald, has recommended some time ago the payment of a guaranteed annual income and a salary to students, at the 51st Annual Congress of the International Association of Personnel in Employment Security. This speech is summarized in the September 1964 issue of the *Labour Gazette*, a publication of the federal Department of Labour.

Mr. Speaker, the federal government has absolutely no excuse for being unaware of that suggestion since a publication of the federal Department of Labour has published it.

Mr. Theobald's theory is as follows, and I quote:

I believe we are entering a new era whose requirements are as different from those of the recent industrial age as those of the industrial age were different from those of the preceding agricultural age.

Today, the cybernated productive system is emerging—a new innovation in productive techniques and organization based on machine power and machine skill, i.e., on the combination of automated machinery and the computer. Two main aspects of the cybernation revolution are that it will force man's mind out of the productive system just as surely as the industrial revolution forced out man's muscle; and that the coming of cybernation means that there will be no effective limit to our productive abilities.

I believe that the effects of cybernation will in fact be so far-reaching and rapid that it will be impossible to achieve full employment: in other words, that the growing efficiency of machine systems will continue to increase so fast that employers—both government and private—will find it cheaper to own or hire machines rather than men.

Full employment can never be achieved, but even if it was, there are groups who should have a guaranteed income: those too old or too ill to hold a job; those with responsibilities that require that they should not be under the obligation to hold a job, e.g., a woman with children but no husband, and those being educated.

May I quote further from the *Labour Gazette*:

To bring about his proposed guaranteed income, Mr. Theobald advocated a change in the United States Employment Act of 1946 that would make it the policy of the Government to provide job opportunities or to guarantee an income for anyone who was seeking work. He suggested that the starting level of the guaranteed income should be $1,000 for each adult and $600 for each child. In discussing the payment of students, Mr. Theobald said, "We must recognize that the student is already 'working' at least as relevantly as the man in the factory. The time has come when we must introduce the concept of a student salary, starting possibly at 14, and increasing with age, payable to all students attending school or university."

Mr. Speaker, that thesis was submitted to the American government seven or eight years ago. What was true then is all the more so today because, in Canada as elsewhere, especially in industralized countries, we have dug ourselves even deeper trying to achieve full employment, which is precisely where the government has erred.

Others have spoken along the same lines. I have here the opinion of an industrialist, and I quote:

John I. Snyder is president of United States Industries, comprising companies with a turnover of more than $114 million a year.

In an interview to Dun's Review, published by Dun and Bradstreet Publications, for industrialists, businessmen and financiers, Snyder is explicit and goes straight to the point. He endorses Robert Theobald's proposals and believes that the separation of work and income concepts must be accepted, and measures taken to ensure to each person a guaranteed income, whether he is working or not.

Thirty-two economists are of the same opinion.

Thirty-two American economists, businessmen, union leaders have sent President Johnson, of the United States, a brief in which they ask the President of the U.S. to apply their suggestions, if the United States are to avoid "an economic and social chaos beyond description".

This was when Mr. Johnson was president of the United States. So, Americans are confronted with this economic chaos today, as much as Canadians are. Let me quote further:

As a first stage, it is essential to recognize that traditional relationships between employment and income are broken. An affluent economy can bring all citizens comfort and economic security, whether or not they are engaged in what is usually referred to as "work". We recommend therefore that society, through appropriate legal and government institutions, make the solemn commitment of providing every indidividual and family with an adequate income. The right to a guaranteed income for all will replace the patchwork of present social measures which range from unemployment to direct assistance.

This is a very specific proposition.

Now, here are a few opinions from labour leaders.

In "Positions syndicales face à l'automatisation", George Levard, the Secretary General of the Confédération française des Travailleurs chrétiens, says, and I quote:

"If we are to avoid congestion, automated industry will have to come to "secrete" purchasing power as well as its products. But it will not be possible, for the most part, to bestow this purchasing power on people proportionally to the role they have played in production. It will have to be a SOCIAL, or SOCIALIZED, purchasing power, by which I mean one that aims at promoting mass consumption".

And now we hear Canadian unions saying the same thing. For example, at the biennial CLC Congress that took place in Montreal from April 20 to 24, 1964, the CLC vice-president, Mr. William Dodge, told 2,000 delegates, and I quote:

"Let us suppose that in spite of work development programs and the best of training courses and placement systems, technological changes resulted in a continuous decrease in the demand for manpower. What would happen if technological changes threatened to destroy the labour market itself? We would then have to revise our codes of ethnics and state that everyone has a right to be fed, clothed, educated and cared for even if he produces nothing".

William Dodge foresaw in 1964 that the regional economic development measures aimed at job planning in Canada, adult training courses and other measures the government suggested, would all come to nothing. Indeed, it has left very little hope to Canadian workers.

• (1530)

So, Mr. Speaker, that is why the Liberal government has failed in its fight against unemployment. It wanted to attain full employment which has now been found to be impossible. So much time lost. So many sufferings needlessly experienced by rejected workers who are even blamed for promises made to them.

Why go on in that direction? Why persist in resorting to a remedy which is doomed to fail? Why not try instead to establish a guaranteed minimum income plan which would enable the entire population to take advantage of already available goods which the able-bodied workers are eager to produce? Why not get off the beaten track? Is the government afraid of making innovations, of satisfying the Canadian people? What is preventing it from acting?

It would be interesting, Mr. Speaker, to hear the answer this evening when the minister answering on behalf of the government will be in the House. I regret he is not here this afternoon. He has been delayed because of bad weather. He has not been as foreseeing as I. I got up at two o'clock this morning, I took my car and left for Ottawa. At any rate, I am told that the hon. minister will be there tonight, and I shall be pleased to hear the proposals he will put forward in an attempt to meet urgent requirements of Canadians.

We hear increasingly more about the guaranteed minimum income. Some people call it "a fair distribution of resources." This is how it is defined by the Canadian Welfare Council in an article published in *Le Droit* on January 29, 1969:

A program designed to secure a satisfactory guaranteed annual income, which the Canadian Welfare Council considers as a social right for all Canadians, should be introduced "as soon as possible".

If the just society is to be something more than a vain and fragile abstraction, it must be founded on some basic and intangible rights, including social rights, as well as civil and political ones. Among social rights, none is more important than the right to an adequate income. We must include right now this social economic objective in our system of values. The method to administer guaranteed income can be decided upon later on. If necessary, it can be introduced by stages.

[Mr. Laprise.]

Then, Mr. Speaker, this is another voice demanding that a guaranteed minimum income be established for everybody, to replace the annoying system we have at present.

In the motion I put forward, I speak of citizens who require that their basic right be respected in order to reach an adequate standard of living. Now, it is noticed that certain public servants almost compell them to beg to have their vested rights respected. As for unemployment insurance, I have some very eloquent testimonies which show that this legislation is far from being efficient and falls short of meeting the needs of Canadians.

It is undoubtedly because this is a bureaucratic law giving rise to a dreadful amount of red tape that government employees themselves find most difficult to handle.

At LaSarre, where I live, there is an unemployment insurance sub-office to answer the needs of the population. During the week, when I am in Ottawa, my wife receives each day scores of telephone calls from people asking for my help in having their rights respected in the field of unemployment insurance benefits. I want to record in *Hansard* a few very special and specific cases. I could talk until six o'clock, and possibly until eight to wait for the minister, but I will only quote a few examples.

Mr. Speaker, a lady from Saint-Gérard-de-Berry had difficulty in getting the unemployment insurance benefits that she was entitled to.

So I went into action when she told me about it and I received from the unemployment insurance service in Rouyn a copy of the following reply addressed to that lady on February, 13, 1973. I quote:

On October 19, 1972, you requested that your file be transferred to this office. You wrote to tell us that you had received no employment insurance benefit, since your transfer request. We got in touch with our main office which, on February 6, 1973 . . .

Note the interval between October 19, 1972 and February 6, 1973.

. . . sent you four money-orders as payment for the weeks from October 1, 1972 to November 18, 1972.

In the case of that claimant, there was a 14-week delay before she could get the benefits she was entitled to, on account of a file transfer from one unemployment insurance office to another. For that reason and of that reason alone, the Unemployment Insurance Commission officials were almost unable to do anything. They are at a loss. It is the same thing every time a file is transferred. A letter was addressed to me by the former minister responsible for the Unemployment Insurance Commission, the hon. member for Verdun (Mr. Mackasey), and I quote:

Dear Mr. Laprise:

This is with reference to the June 5, 1972 letter from my special assistant concerning the unemployment insurance problem of Mr. Georges Audet, Val St-Gilles, Abitibi-Ouest, Quebec.

Revision of payments made to that recipient shows that it is the new procedure for issuing cheques which delayed payments for the period from March 19 to May 27, 1972.

While the cheque issuing procedure was being changed, the unemployed had to tighten their belt, run into debt with the stores in order to survive, pending the change within the Unemployment Insurance Commission.

An hon. Member: Ridiculous!

Mr. Laprise: I shall now cite a case involving another beneficiary. I myself contacted the Unemployment Insurance Office in Rouyn, and they informed me that his claim was valid from March 22, 1972, and that he received payments for 25 consecutive weeks. The problem of the beneficiary Mr. Alfred St-Pierre, of La Sarre, is that, after 25 weeks of unemployment, he found a job for himself. It was a temporary job.

• (1540)

Unfortunately, that job lasted too long: he worked for five weeks. When there was no more work, he wanted to receive unemployment insurance payments again, but because he had worked longer than four weeks—he had worked five—he had lost his right to claim. If he had not worked, he could have claimed for another 26 weeks, but because he had worked for five weeks, he lost everything; as the regulation eight weeks were not up, giving him the right to apply again, he lost all claim to unemployment insurance.

Mr. Speaker, when we find laws like this still in existence, we wonder where the government's advisers were and what they had in mind when the bill covering unemployment insurance was "patented". Unemployment Insurance Commission investigators travel the regions of Hamilton, Toronto, Montreal, Hull, etc., in search of beneficiaries who do not want to work. When they come across cases like the one I have just described, I should think they have their work cut out to get him back on their lists.

I have before me another case where the benefits were delayed for 20 weeks before the unemployed's rights were met.

In another case, an individual was entitled to 15 weeks of unemployment insurance benefits on account of illness, but due to an error of the Unemployment Insurance Commission, he got his benefits only five months later.

I shall mention another case involving not the local unemployment office of my area, but that of the Terrebonne area, and more precisely that of Saint-Jérôme; again, a citizen had his unemployment insurance benefits delayed by five months. There are dozens of such cases.

Mr. Speaker, in my opinion, there is an urgent need to clean up the Unemployment Insurance Commission, in order to bring about—

Mr. Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired. Of course, he can resume his remarks with unanimous consent from the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Laprise: Thank you, Mr. Speaker.

Mr. T. Lefebvre (Pontiac): Mr. Speaker, on a point of order.

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

Mr. Lefebvre: Mr. Speaker, I do not object to the hon. member resuming his remarks, but I should ask him to get back to the subject matter of the motion before us.

[*English*]

Mr. Alexander: Mr. Speaker, if I may interject for a moment I understood the Chair to indicate that the hon. member's time had expired. I do not know what occurred when you sought unanimous consent of the House, except that I heard the government whip indicate that the member should get back to his motion. I do not understand what is going on. Has his time expired?

Mr. Lefebvre: Mr. Speaker, I said I had no objection as long as he started talking about the motion that he has introduced.

Mr. Lambert (Edmonton West): How about putting the motion?

Mr. Lefebvre: Put the motion.

[*Translation*]

Mr. Speaker: Order. I think there is unanimous consent of the House for the hon. member to continue his remarks.

Mr. Lambert (Edmonton West): Agreed, but he should put his motion.

Mr. Laprise: Mr. Speaker, this is what I have done. This is what I was talking about all along in my speech. It is not a matter of criticizing what is wrong with unemployment insurance, but of finding solutions.

Mr. Lambert (Edmonton West): When are you going to put your motion?

Mr. Laprise: I do not know, Mr. Speaker, whether I am abiding by the rules. However, I thought you had read the motion yourself at the beginning of the debate and I was under the impression that was sufficient to let hon. members know what subject was to be discussed today. If such is not the case, I am going to read the motion again for the benefit of the two hon. members who spoke.

The motion reads as follows:

> That this House deplores the continuous increase in unemployment, as well as the refusal or negligence of the Government to propose effective measures for providing more jobs of a remunerative character for Canadians, and condemns the existing authorities of imposing or tolerating quasi-repressive measures affecting citizens who merely want to see respected their fundamental right to a decent standard of living and their personal dignity and to live in a climate of freedom and security.

Mr. Speaker, I think I have just shown quite clearly that there are measures which are not only quasi-repressive but repressive for many unemployment insurance claimants, whether they be claiming standard unemployment insurance benefits or claiming unemployment benefits for reasons of illness.

I have just submitted several cases of hardship wheree claimants were denied benefits for many weeks. If this is not enough, I can go back to my office and come back with many more. If those hon. members who raised the

issue are interested, I think that my colleagues will be able to quote several cases in the course of the day.

Mr. Speaker, as I said earlier, it is not only a matter of criticizing the present situation, there must be solutions proposed. In order to avoid all the problems caused by social legislation taken here and there, we are calling for a guaranteed minimum income system which would affect everybody, regardless of their social situation and their age.

Instead of telling the Canadian consumer to be satisfied with the little he gets, to tighten his belt and to make do with $28 a week, this government should see to it that all Canadians have the necessary purchasing power to meet Canadian production, which would have the effect of stimulating demand, encouraging agricultural production and ensuring at the same time supplementary income for Canadian farmers.

During the last election campaign, Mr. Speaker, we offered the Canadian electorate a guaranteed minimum income plan which would have precisely given satisfaction to everybody and which would not have cost more than all the systems we have now.

When we make propositions, Mr. Speaker, we get the answer: Where are we going to take the money? Those same people never ask themselves: Where are we going to take the money to pay the interest on the public debt to big financiers. This year it stands at $2.5 billion.

When it is a matter of relieving misery, of reassuring those who are afraid of what is in store for them, those who fear unemployment and loss of income, they shout: Where shall we get the money? When it is a matter of meeting the requirements of high finance, the government is all eyes and ears and ready to give everything to satisfy them.

• (1550)

Mr. Speaker, even if the minister has not heard what I have just said, I hope his colleagues will inform him of the motion I have introduced so that he be able to give to the two thirds of Canadians who live in anxiety and misery at least a glimpse of hope by telling them that in a few weeks legislation will solve their problems and help them live well and draw from the abundant riches Canada possesses.

[*English*]

Mr. Speaker: The hon. member for Hamilton West (Mr. Alexander).

[*Translation*]

Mr. Fortin: On a point of order, Mr. Speaker.

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

Mr. Fortin: Mr. Speaker, during the surely interesting speech given by my colleague from Abitibi (Mr. Laprise), whom I want to congratulate, I have had to put up with the uncalled for remarks of my colleagues on the other side who were talking in rather loud voices during the whole speech, and when the hon. member for Pontiac (Mr. Lefebvre) rose on a point of order to tell you that my

[Mr. Laprise.]

colleage was out of order and the member for Pontiac was doing the same thing, he was talking with the others and not listening. Mr. Speaker, I find this uncalled for and knowing your skill and in view of the respect that we owe you, I am sure that you could make them understand on the other side that they should listen to the extremely interesting remarks made in this House, with a minimum of courtesy.

Mr. Lefebvre: Concerning the point of order made by the member for Lotbinière I called his colleague to order because he had asked for more time. I did not object but I asked him to speak on his motion.

Mr. Fortin: On a point of order, Mr. Speaker.

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

Mr. Fortin: The member for Pontiac may be the whip for his party, but he is not the Speaker of the House.

[*English*]

Mr. Lincoln M. Alexander (Hamilton West): I did not object in order to attribute any particular fault to the hon. member, or to take exception to what he had been saying in his interesting speech. But when the government whip interjected I became confused because I was under the impression Mr. Speaker had indicated that the hon. member's time had expired. At the same time, I saw him attempting to pursue his deliberations. I am sorry the deputy leader of the Social Credit party was so sensitive in those circumstances.

The motion as presented contains, it appears to me, three main propositions. First, it deplores the continuous increase in unemployment. This, of course, is what we on this side have been doing for the past four and a half years. It seems to me we have suffered an inexcusable level of unemployment, one which ought not to be tolerated in a country such as Canada. For years we have been protesting against the attitude of the Prime Minister (Mr. Trudeau) in adopting fiscal and monetary policies which largely brought about the present unemployment situation. I cannot find words adequate to express the suffering which has resulted from this philosophy. I will admit that the government appears at this time to have learned its lesson. On the other hand, it has brought down a budget which many of us on this side feel is inadequate in the circumstances, and that to this extent the government has not learned its lesson.

The second point on which the motion places emphasis is the government's refusal to propose effective measures to provide more jobs of a remunerative character for Canadians. This is another aspect which we on this side have continuously stressed and it is one which must be brought home. Obviously, with the annual growth in the size of the labour force, we must take steps to stay ahead. The government has not yet come to grips with this situation. In the United States, at the last count, unemployment had declined to some 5 per cent. In Canada, on the other hand, the rate is something over 6 per cent, leaving us with some 600,000 people unemployed. Germany is all right. Japan is all right. I cannot understand why this question of unemployment was not given priority, and

why more effort was not made to create jobs to take up the slack. We know the labour force has increased in numbers. In consequence, our goal should be to develop national economic growth to ensure unemployment will steadily decline. I shall deal with this aspect later in connection with what spokesmen for this party had to say about the budget.

The motion makes a third point—the problem which has arisen in connection with unemployment insurance. There has been talk about gestapo tactics and police state methods. Mr. Speaker, the vast majority of people in Canada do not want cheaters to take advantage of unemployment insurance. They want them to be ferreted out and removed from the safe haven they occupy at the expense of the taxpayers' pocket. After all, it is the taxpayers, including the man who is working day in and day out, whether for a low income or a high income, who are bearing the cost of this haven, and they are becoming very concerned about it as well as the situation in which the Unemployment Insurance Commission finds itself. We on this side believe there ought to be some method by which the cheats and abusers are ferreted out. Until such time as this is accepted as part of the Commission's function, a great deal of disillusionment is bound to arise among those who are paying the shot. At the same time, care should be taken to avoid ill-considered actions.

I have here a couple of press cuttings, one of them from the *Evening Patriot* which circulates in the Kitchener-Waterloo area. The headline over a leading article reads: "Let's be really sure the innocent don't suffer". I think we are all concerned about this aspect. That is why I am pleased the minister has indicated that the advisory committee on the UIC is looking into the investigatory procedures of the benefit control officers to determine whether they are approaching this work with a measure of compassionate understanding. The article reads:

> Undoubtedly many persons have cheated on the Unemployment Insurance Act. The average citizen who prefers to do things in an honest manner has surely become annoyed over these thefts and applauds those who have been trying to remedy this situation.

I certainly agree with that. The article goes on:

> However, in the attempt to rectify the affair there is always the danger that some innocent persons who deserve the benefits will suffer.

Here is another article, this one from the Toronto *Star* of March 6. I think the *Star* put its finger right on the problem, here. The headline over the editorial section reads: "Cheaters endanger unemployment pay". The article reads:

> The whole system will be in jeopardy unless the public can be assured that deliberate idlers and cheats are going to be cut off. For the great majority of Canadians in the labour force still must work regularly for their living, whether they like it or not, and they cannot be expected to go on supporting freeloaders with their taxes.

Mr. Pelletier (Sherbrooke): Would the hon. member permit a question?

Mr. Alexander: Certainly.

[*Translation*]

Mr. Irénée Pelletier (Sherbrooke): The hon. member has just said that the unemployment rate is only 5 per cent in the United States, Mr. Speaker.

Does the hon. member take into account the fact that the United States were exporting a great part of their unemployment to Canada because of the draft dodgers who came to settle here because the United States were at war until recently?

[*English*]

Mr. Alexander: Well, I do not intend to be distracted in that direction. Notwithstanding the situation there, the United States seems to have realized that high unemployment cannot be tolerated in a society such as theirs. They have used all their expertise and all their wisdom to see that opportunities for work are available, and thus they have been able to reduce the unemployment level to 5 per cent. All I want to say is that we in Canada should show the same foresight and understanding so as to create a climate in the economy generally which will ensure that those who want to work will have the opportunity. Certain members opposite have cast doubt upon the validity of the work ethic. This is not a philosophy which this young country needs. The work ethic built this country. The work ethic is building it now. The appreciation of the work ethic will continue to build this country and lead us to our ultimate destiny, one of the leading industrial nations of the world. With regard to unemployment insurance, the article in the *Star* then reads:

• (1600)

> To save the system, then, the government must sternly detect and disqualify people who abuse unemployment insurance—even if this crackdown displeases the Liberals' temporary allies, the New Democrats.

I do not mention that to be partisan. I just want to let members know that the vast majority of Canadians are sick and tired of having the unemployment insurance fund abused. It is our function to try to devise with compassion a scheme whereby the innocent will not suffer. If members opposite want to get involved in this debate, all they have to do is go to their whip, put their names on the list and, if they have been good boys, they will have that opportunity.

I wish to return to my first point about unemployment. Bill C-124, the bill that removed the ceiling on the Unemployment Insurance Fund, was introduced and, because of the fact we were not able to get any forecasts with respect to what would be considered an unacceptable level of unemployment in the future, I respectfully suggest that we are in trouble again, no matter what the minister says about his budget.

As we pointed out, the budget is not expansionary enough. When Bill C-124 repealed the $800 million limit on the contribution that could be made to the fund, the Canadian people were left in the dark. Even if we talk about unemployment insurance, we have to be concerned because this government still does not realize that the way to cut the cost of unemployment is to increase the number of employed Canadians. That is the answer to this problem, not to create a bureaucratic nightmare. We must admit that a whole employment policy is desperately required and to this end all our attention should be direct-

ed. The cold, hard figures show that this government has plagued Canada with high unemployment for the past four and one half years. There were 688,000 Canadians out of work in January, the largest number recorded for the month in a decade. We cannot pooh-pooh that.

An hon. Member: You said that.

Mr. Alexander: I said it and I will continue repeating it. The hon. member must learn that we cannot accept 688,000 Canadians out of work. The Minister of Finance (Mr. Turner) said that we cannot continually talk about numbers and statistics. He was right.

An hon. Member: Can I ask a question?

Mr. Alexander: No, you cannot. After all, we only have 20 minutes. You can make your speech and then we will understand what you are trying to say.

We must not forget the cost of unemployment. We are talking about billions of dollars. What figure can be put on the frustration of those who generally work and support their families but cannot, so have had their family life soured by unemployment? Real people are behind these figures, heads of families, some 180,000 men, women who must supplement their husband's incomes and our young people. Those between the ages of 15 and 25 make up a huge percentage of the unemployed. What are we doing for them? Are we giving them any hope for the future? The hon. member laughs. This is a very ticklish situation. I have watched the climate that has been created amongst our youth. They are not too happy with what is happening. The hon. member ought to know that. They are looking for opportunities and there are no opportunities. They want to work, but there is no work. We can sit back and play hide-and-seek with them. We can take a complacent attitude. We can appear as though we do not have any concern. This is what they think. This is all I am saying.

We must attempt to talk about economic growth and industrial strategy. You can use all those phrases. Once you acquire full employment, whether we are down to 4.5 per cent unemployment or not—whatever we may call that—we are then able to acquire the tax dollars which will allow us to give our senior citizens more money, reduce the eligible age for old age security to 60 and allow us the wherewithal for all the social programs that are required in this very frustrating life today. This is what we are talking about. Conditions should be created so that those who want to work can work. Lord knows, everybody wants to work. If the opportunity is not there, we are the losers. The Canadian taxpayer is the loser because he is paying twice. He is not only paying his income taxes but he is paying for an unemployment insurance scheme of which the vast majority of Canadians will never take advantage. That is why he is concerned.

Members opposite know what our party has indicated. If members opposite want me to read the list, I will do so. If we had been in office, we would have brought before parliament a budget which would have provided substantial stimulation to the economy and would have provided for a 90 day freeze on prices and incomes. Fresh food would be exempt from the freeze. Our program for cutting unemployment, in addition to the tax cuts and pension increases proposed by the Minister of Finance, would consist of eliminating the sales tax on building materials. How long have we been calling for that? I bet the Liberals will eventually steal that one, too. Eliminating the 11 per cent sales tax on building materials would enhance construction, give some impetus to construction, provide houses and employment. We would have removed the sales tax on all clothing rather than merely for children up to 14 years of age which will create a bureaucratic nightmare determining who is up to what age and what size.

We would have introduced an incentive program to encourage investment in small Canadian business. We have said on several occasions that $2,500 invested by a Canadian should give him a tax credit. It is in this area of manufacturers that we have to look for leadership with respect to employment. These are the people who need that incentive. As I understand it, the vast majority of employment comes from the little fellow who employs three, four or five people. We are the ones who say "buy Canadian" and encourage nationalistic instincts. Let us do something to encourage Canadians to invest. This is a point we would have introduced.

The 90 day freeze on prices and incomes would be used to consult with the provinces, businessmen, union leaders and consumer groups about the range of guidelines we would use after the freeze. The freeze would be part of a long-term plan to both cut unemployment and contain inflation. We in this party believe the Canadian people would accept the freeze because it would be part of a double- pronged assault on unemployment and inflation. The public has lost faith in a succession of Liberal finance ministers. They have no faith in their attempts to solve this problem. We came out with a bold and imaginative step, freezing wages and price controls. The government has discussed this. I hear they had a whale of a debate in their caucus. They did not even think we would submit that idea.

I notice there has been general acceptance of this two-pronged attack, a completely expansionary budget with a freeze in order that we could meet with labour and management to determine where we are going. Hon. members opposite do not think that we would do this, but they realize now it is not a bad idea. Yesterday we were told that inflation has gone up 5.8 per cent and it is now the highest it has been for 22 years. When we ask the government what their contingency plans are, the reply is that they have something around the corner. It takes courage and guts to do what we suggest, but with an expansionary budget one must be concerned about inflation. This is why we propose a two-pronged attack.

• (1610)

I am a little concerned about what is happening with the UIC. For some reason or other the government brought in Bill C-125 which, let us say, places a more than usual onus on the employee. The House reconvened on January 4, yet the government has not introduced a modified bill that would define such things as "being fired for misconduct", "availability for employment", "just cause" and "without good cause". These are burning questions that must be answered.

This bill was supposed to save the Canadian taxpayers $100 million. We are now into the middle of March and no bill has been introduced that would—

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Paddy Neale (Vancouver East): Mr. Speaker, it saddens me somewhat to follow the previous speaker because, although he sounds so compassionate and sincere in his delivery, he reminds me of those right wingers in 1937, 1938 and 1939 when I was unemployed, a time when the premier of the province of British Columbia told us to root, hog or die. At that time the mayor of the city of Vancouver read the riot act and set the police on us because we were "lazy, no good bums". While the hon. member does not use those words, he is using a similar line of argument.

What bothers me about what the previous speaker said is that he professes to be speaking on behalf of the workers of Canada who object to having their money used to pay for those lazy, no good bums who are drawing unemployment insurance. Personally, I would rather see 2 per cent of the people who are unemployed cheating the Unemployment Insurance Act than adopt some of the recommendations made by members to my right to cut people off unemployment insurance. Less than 2 per cent of the workers who are drawing unemployment insurance cheat. I suggest to the hon. member that he take a look at other professions in the country and sees who cheats on income tax and just about everything else, such as lawyers, doctors and some of the most respected people in this country. The figure is higher than 2 per cent once you start to check into it.

The type of expression that has emanated from the party to my right must be looked at very seriously. The hon. member talks about a freeze, and I now notice a change in wording. No longer is it a wage and prices freeze; it is a prices and incomes freeze, if you please. But regardless of the expression hon. members use, it is still a freeze, and there is no possible way that a freeze can be fair to the working people. This has been proven in England and in the United States where they implemented a wage freeze. The only thing that works is the freeze itself, since the employers control the wages. But you cannot control prices. In the United States inflation is skyrocketing, even with wage and price controls.

Instead of sitting down with labour leaders and having discussions, let us sit down with the money lenders of this country, or the owners of apartment complexes and houses who are ripping-off the working people by charging high rents. Let us talk about true incomes, not the incomes of working people. Their incomes are already controlled. Members of unions—one-third of the workers of Canada—already have their wages controlled. They have to negotiate, under laws that are written by provincial and federal governments, for periods of three months, four months, six months and up to a year before they get a wage increase. The wages of the other two-thirds of the workers not members of unions are really controlled. They are subject to the whims of their employers, who pay them what they want to pay. So, I suggest to hon. members that when they start talking about a freeze, they should put a freeze on the money made by the rip-off artists in this country, not on the wages of the working people.

I have read the motion a number of times, but the only conclusion I can come to is that it is a motherhood motion. I do not see how anyone in their right mind could oppose it. Although the motion before us does not explicitly say so, I presume the latter part of it which deals with repressive measures, and so on, is some implied criticism of the present unemployment insurance administration, the act, and the tactics of the UIC benefit control officers. This is a matter to which I should like to refer.

I have represented the working people of Canada for 22 years and I know some of their problems. I have sat on boards of referees in the city of Vancouver for 12 years and I am aware of some of the problems created by the present act which confront the workers. It is very difficult to get on unemployment insurance rolls, and at times it is damned difficult to stay on them as a result of the attitude of those who administer the Unemployment Insurance Act. I speak for the working people, Mr. Speaker, and I truly believe that.

These people are the working men and women of Canada. In the main they comprise 85 per cent of the purchasing power of this country and account for nearly the same percentage of votes. They consider the present act to be a humane one and, quite frankly, one of the best unemployment insurance acts in the world. But they feel it needs some amendment, as do the regulations and some of the interpretations that have been placed on the act and the regulations by insurance officers, especially, I repeat, benefit control officers. It is my considered opinion that the basic criteria originally established for the Canadian unemployment insurance system in 1943 to provide a decent standard of living for the legitimately unemployed of this nation are being continuously eroded and undermined. Claimants today are finding the new Unemployment Insurance Act and regulations much more restrictive in their attempt to qualify for benefits and the retention of eligibility.

In light of this noticeable trend, I should like to make a few suggestions and recommendations. I want to deal first with benefit control officers. Many workers have already expressed their dissatisfaction with the interrogation that is conducted by officers under the provisions of section 107 of the act, and have made specific recommendations based on day to day experience as agents, officers, and members of boards of referees. They are familiar with the enunciated administrative policy of the Unemployment Insurance Commission in this matter, but I reiterate that the following amendments to this section would vastly improve the multitude of situations arising from the present interviewing process conducted by benefit control officers.

• (1620)

First one, by statute, a claimant should have the right at all times to a representative of his or her choice to be in attendance when interviews by benefit control officers are being conducted. Second, a claimant should be notified that he is not required to sign prepared statements, that such signatures to statements are purely voluntary,

and should be signed only after complete agreement has been reached between the claimant and the interviewing officer as to the statements contained therein. Third, the claimant should be permitted to return signed statements, rather than having to sign them in the presence of the interviewing officer. Fourth, the claimant should be entitled to amend or reword the prepared statements to ensure that any signed statement clearly and specifically reflects his or her circumstances.

I should like to touch now on appeals to boards of referees and umpires. I have noted that the present Unemployment Insurance Commission forms notify the claimant of the right to appeal within 30 days of being disqualified or disentitled. I believe that such notice should be either in larger type or in a different colour to ensure the claimant's notice of the same. It is my opinion that many additional claimants would more readily utilize the board of referees if a statement on the notice of rejection by the Unemployment Insurance Commission to the claimant briefly explained the right of the claimant, the structure and jurisdiction of the board and, further, the general procedure the claimant is required to follow if he desires to initiate an appeal action to the umpire, if this becomes necessary. The insurance officers responsible for adjudication of claimants' cases should be thoroughly conversant with the appeal procedure. In my opinion, the claimant should be given this kind of additional information at this stage of processing to ensure that fairness and justice shall prevail for all.

In respect of notices of rejection, disqualification and disentitlement, I have noted that in many cases the Unemployment Insurance Commission did not include the specific and applicable section of the act or the regulations, and where this information was included to the claimant it did not clearly specify the specific reason or explanation of the provision in layman's language. I recommend that in cases of this nature, the unemployment insurance officers should be instructed to be more specific in the phraseology and terminology used to ensure that the specific reason in the individual claimant's case is not only clarified but readily understandable to the average claimant.

I should like to refer briefly to problems arising in respect of sections covering vacation and holiday payments. A multitude of problems have emanated directly from the present provisions contained under the regulatory parts of Sections 172 and 173. Let me enunciate them as follows: The adverse effects on claimants who are in receipt of earned vacation pay several months prior to the actual date mutually agreed upon as the vacation period by the claimant or his representative, through his union agreement; the detrimental effect to the claimant when such moneys are received within the period stipulated under Section 173(15), that is the six weeks' provision; in logging and construction industries, where employees work for numerous employers during the year and 6 per cent of gross earnings are automatically included by contractual provision, the sections have an unfair effect; the subsidizing effect to the Unemployment Insurance Commission fund of claimants who accept earned vacation pay at the time of layoff or separation and who, by mutual agreement, have already fixed a time period some six weeks to two months in the future when they shall be returning to the same employer.

In my opinion, all moneys earned during a period preceding the date of separation from employment rightfully belong to the employee, regardless of when they are received. Such moneys should in no way be manipulated by any legislation which would result in the claimant being compelled to lose or be forced to reduce his or her purchasing power and right to earned vacation. This, in effect, results in direct subsidization by the claimant of the unemployment insurance fund and in many cases disqualifies and disentitles claimants from maximum coverage. I would therefore recommend that all moneys obtained in the form of vacation or holiday pay, etc., should in no way be used to prevent claimants from entitlement to unemployment insurance benefits in contrast to a claimant receiving no such remuneration.

Let me now refer to separation certificates. Many claimants undergo a great deal of personal frustration and delay in claim processing because of the lack of the employer's fulfillment of obligatory requirements as contained in Section 111 of the act, which reads:

> Upon separation of an insured person from employment, the contributions payable for the current pay period and all other contributions then unpaid shall be paid by the employer immediately.

The terminology is clear and specific. Direction by the unemployment insurance office and others to claimants that it is the claimant's responsibility to provide an up-to-date separation certificate on separation, and to personally follow up any delay by his employer, is improper in my opinion. Employers should fulfil their obligations to the claimant, and where they do not I would urge that the Unemployment Insurance Commission or one of its officers take immediate remedial action on behalf of the affected claimant to prevent undue delays, time, effort and costs to all parties concerned.

I should like now to refer to the employer appeal section which has recently been put into the Unemployment Insurance Act. The employer's right to appeal has had disastrous results. A fine example is the action taken by employers in the forest products industry in British Columbia in the spring and summer of last year. In the fallers' dispute, one claimant appeal at the board of referees' level resulted in the rejection of approximately 4,000 claims already accepted and processed by the Unemployment Insurance Commission, Pacific region. This could have resulted in a possible 16,000 separate appeals before the board. Complications in that industry continued when approximately 5,000 additional claimants' rights to unemployment insurance were eventually challenged by the Unemployment Insurance Commission, Pacific region, and the specific large employers. This could have initiated an additional 25,000 separate appeals by those members. Fortunately for all concerned, sanity prevailed and an acceptable agreement for entitlements was eventually reached.

This and similar experiences have convinced me that this section has been and will continue to be abused by the employer, particularly during periods leading to major negotiation. I can readily understand the concern of some employers relative to the merit rating system. In fact, in

the aforementioned cases, the unions' representatives assisted the employers, satisfactorily resolving this major problem. I would recommend that the provisions in this matter be similar in principle to those contained in previous legislation, and that the present act be amended to provide for the deletion of the words "or an employer" in the first line of Section 94(1).

Referring now to the general resumption of work provision as interpreted under this present act, the criteria of 85 per cent is antiquated and, in most cases, serves no useful purpose. Discontinuation of production immediately after a labour dispute has been shown to be directly attributable to other causes, such as mutually agreed upon vacation periods, maintenance and overhaul requirements, climatic conditions, employees on sickness and compensation and other legitimate leaves of absence. For this reason, serious consideration must be given to a logical and sensible basis of determining what constitutes general resumption of work. This present 85 per cent provision should be abolished and criteria substituted which would be based on individual plant or industry circumstances obtaining immediately after a labour dispute.

With regard to Regulation 148(1) covering interruption of earnings and waiting periods, it is my belief that the waiting period presently required constitutes an unwarranted penalty against the claimant who, through no fault of his own, has become unemployed. The seven consecutive day provision discourages those claimants who could work a day or two a week after termination, but are hesitant to do so because such action would nullify establishment of the waiting period. I would recommend that the waiting period as such be revised to provide for any seven days in a consecutive 52-week period.

There is another section which really disturbs me having to do with the 25-day period. It is my understanding that in certain exempted industries, for example lumbering, landscaping, agriculture, etc., there is provision that employers and employees do not have to make UIC or CPP contributions if the employee works less that a 25-day period for any such employer. This situation has resulted in abuse by employers, resulting in no credits applicable or available from the aforementioned funds when required. I believe this section to be discriminatory in its intent and application and therefore request that credits be recognized for those employees in exempted industries for each and every day of employment.

• (1630)

I should like to deal now, if I may, with sick benefits and maternity coverage. Major attachment claimants who have established eligibility in the initial benefit period and who have received any payments of one dollar or more in the form of benefits are disqualified from payment of unemployment insurance benefits if they become ill or incapacitated in a subsequent extended benefit period. This new legislation is a contradiction of the principle applicable in Canada from the inception of the unemployment insurance scheme and in force up to June 27, 1972, whereby eligible claimants on established claim received unemployment insurance payments for subsequent illnesses, injuries or incapacities as normally entitled claimants. I would urge, Mr. Speaker, that the restrictive provisions presently contained be deleted and the previous principle and criteria be reintroduced for coverage purposes under similar circumstances.

I want to deal briefly with disentitlement by age or pension. Many employees are ready, available and capable of performing satisfactorily in various types of employment where they are compelled to retire due to employer policy or other reasons. Many such employees have, in most cases, contributed to the UIC for decades without any previous need for claim. The provisions of present section Section 31(1) (a) (b) and the special severance benefit provision I believe are restrictive and discriminatory. I believe an injustice is done to those claimants who are required under the present provisions of the act and regulations to be compelled by law to reimburse the Unemployment Insurance Commission more monies than they have actually been in direct receipt of, in cases where overpayments become applicable.

The requirement for the Unemployment Insurance Commission to deduct income tax on behalf of the taxation department for the claimant causes additional financial burden and hardship when claimants need to find additional moneys during unemployed periods. They have to reimburse the amount received by cheque from the Unemployment Insurance Commission and a further additional amount equal to the total income tax deductions forwarded by the Unemployment Insurance Commission on behalf of the claimant. In my opinion the claimant under those circumstances should be compelled to pay only the actual amount received on Unemployment Insurance Commission cheque forms.

I want to deal now with advisory committees, section 108. The establishment and retention of a regional advisory committee for unemployment insurance purposes is a subject which I believe warrants attention at this time. In my opinion, there has been a lack of communication by employers and employee representatives in an area or regional basis for the last ten years or so. An effective vehicle is required to keep the National Advisory Committee informed on an up-to-date basis as to problems and recommendations for solution and improvement.

Mr. Deputy Speaker: I regret to interrupt the hon. member but the time allotted him has expired.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, as a member of the government party I welcome this particular motion because I think this is a subject, of which the government must be aware, although I do not for a moment accept the suggestion that it needs reminding of it. I believe that, from time to time, the opposition parties are not aware of many of the things the government is doing to assist the unemployed to obtain employment or to be taken care of when they are among the ranks of the unemployed. We have appreciated this obligation. As I have said, I believe it is the responsibility of the opposition parties to impress on the government that it has a responsibility in this area. However, by the same token I believe opposition parties have an obligation to tell us what they would do were they, heaven forbid, the government. When I listened to the hon. member for Abitibi (Mr. Laprise) present his views I thought we were here to talk

about the Unemployment Insurance Commission because he did not seem to get down to the crux of his motion.

I think an opposition day motion should properly be wide in scope, but I would have thought the hon. member would have dealt more with the unemployment issue and less with the Unemployment Insurance Commission. I could read a series of letters from constituents of mine, as the hon. member did, who from time to time have been displeased, upset or angry with the administration of this particular plan. As a former member of the committee on Labour, Manpower and Immigration, I might say that during the so-called recess in the month of September when other members were back in their constituencies doing a little politicking some of us came back to attend the Committee on Labour, Manpower and Immigration to put together this particular bill and give it clause by clause study. I believe this was a very good committee which operated in a co-operative manner. From time to time a little partisanship crept in, which is only natural, but I believe by and large the members of the committee were convinced this was, in fact, a good bill.

It disturbs me somewhat now to hear members of the official opposition knocking this particular measure, decrying the fact that they did not have more time or wishing that they had more information. But this is after the fact. This was not the position they took when the bill was being considered by the committee. I think when this bill came out of the committee we were all satisfied that we, in fact, had a good bill. When concern was expressed about the amount of money being put into the unemployment insurance fund by all the new people who had been brought into the plan and the increased benefits, there seemed to be a backing off from this bill by the official opposition. To their credit, the members of the New Democratic Party supported the bill which they had supported in the committee and would not have anything to do with discrediting that splendid piece of legislation.

Today, I heard the hon. member for Vancouver East (Mr. Neale) say that the workers of Canada look upon this as the best unemployment insurance legislation in the world. It may be that he hashed an opportunity to talk to Harold Winch, the former member for Vancouver East who was a hard-working member of that committee and one who always looked after his responsibilities, particularly in respect of the working man. It seems to me that the new member for Vancouver East, although he may not be quite as eloquent as Mr. Winch because he has not had the same years of experience, certainly is putting forward the views of the working man. The working man in Canada today says that this is the best unemployment insurance scheme in the world. That is not to say that it is perfect. However, the government has recognized that it has a responsibility to the unemployed people to do what they can for them when they are in this particular predicament.

I listened to the hon. member for Hamilton West (Mr. Alexander) when he indicated that the government did not seem to care about unemployment. It always seems that the members of the opposition ignore the fact we have the fastest growing labour force in the world. Also they seem to forget conveniently the number of jobs which have been created while this party has been in power. It is not a record of which we need be ashamed. I shall not quote all the statistics. Members of the opposition are very good at playing with figures in this field. I would just like to say that when they look at a glass of water they always seem to see it as 6 per cent empty rather than 94 per cent full. If you consider full employment to be at the level of 3 per cent unemployment, then 97 per cent of the people of Canada who want to work would be working.

So, the record is not as good as it should be, but it certainly is not as bad as members of the opposition would have us believe. That is why I support programs such as the LIP program which some people seem to knock as being against the work ethic. People, in effect, are doing their own thing. They are working at things they wish to work on or are working on something that is to the benefit of their community. This reminds me of the members of the Chippewa Indian reservation in my riding. They sought and obtained a LIP grant to do work on their own reservation. This gave them an opportunity to do things for their own benefit. It gave them a measure of dignity and enabled them to get away from employment which they did not particularly like in some areas. They were able in this way to work at home with their own people on the reservation. This gave dignity to the hard working Chippewa people on the reservation in my area of Sarnia. There is an obligation to protect the unemployed. That is why I think members of all parties today have spoken on behalf of the unemployment insurance plan.

• (1640)

Certainly there are improvements to be made and I think the hon. member for Vancouver East suggested some with which I could agree. I can think of other areas that should be looked at, quite frankly, in more depth. In the heat of the election battle a suggestion was being made by the Conservatives that the qualifying period should be increased from eight weeks to twelve weeks because the plan was being terribly abused. Before climbing on that bandwagon I thought I should check the facts. This was the irresponsible position taken by members of the Official Opposition until they came back here and found that there was little abuse in this area and that if we increased the qualifying period from eight to 12 weeks it would work to the detriment of the people in the Maritime region. I wonder whether the Leader of the Opposition (Mr. Stanfield) made that particular speech about increasing the qualifying period when he was speaking in his home base.

The other people to whom we have a responsibility are the students who are unemployed. Admittedly, they are unemployed only during a short period of time, but they do need money in order to finance their education. So, the government participates in student loan plans; it has put forward Opportunities for Youth programs, and the Department of National Defence offers a whole series of opportunities for young people to work. These programs do not put all young people to work, but they certainly create the right atmosphere and provide many jobs. It should be noted also that 50 per cent of the cost of post secondary education is taken care of by the federal government.

Then, there is the excellent on-the-job training plan. I was grieved to hear that all of the money in that particular program had not been utilized. I would like to suggest one amendment to the minister. I understand that students coming from school cannot qualify for this program unless they have been out of school at least a year. It seems to me that this is self-defeating. If a student can get on-the-job training, as many of them can, immediately upon leaving school, we should make this possible for him by spending some of the money available to make this a better plan.

Contrary to what the hon. member for Hamilton West said, nobody is playing with the work ethic. The situation is that this is a social question. A man works a good portion of his life to train for a particular job and then he is laid off from it. Should we then say to him: "you have to go back to being a labourer or to driving a truck" when he is training in a particular field? It is difficult for him to take that action. If there were no unemployment scheme or plan available to him, that is what he would do, he would take whatever job is available, but in this day and age, given the splendid buoyancy of our economy, I wonder if that is what we want to do to the working people who have achieved a certain measure of excellence in a particular field. Should they not have an opportunity to get back to their job and not have to take whatever is handed out at that time?

There is another complaint that comes from time to time, and that is that people in industries, such as the tobacco industry, cannot get people to work for them because of the temporary aspect of the job and the difficulty of the work. Also, this has an impact on the benefits people engaged in this type of employment received under the unemployment insurance scheme. It seems to me that we should take a look at this area because if an individual takes a job when he is drawing unemployment insurance, he takes it knowing at the outset that it will be temporary. Perhaps when he finishes that temporary job, the unemployment insurance benefits should be continued and he should be paid at the same rate he was paid before he took the job. Perhaps there is an amendment to the Unemployment Insurance Act that could be made so that people will be encouraged to take temporary jobs, and so that such employment will not work to their detriment so far as benefits under unemployment insurance are concerned.

Almost daily now you can pick up newspapers and find that municipalities are indicating that their welfare costs have gone down. This is precisely what was predicted by the former minister of labour when he was in this portfolio and afterwards; in effect, through the unemployment insurance scheme, we are giving people dignity. It is an insurance plan for which they paid a premium and they have a right to collect insurance benefits. We are, thereby taking them off welfare rolls. Locally, the municipality of Ottawa-Carleton has indicated that it did not use up its full budget on welfare last year and in fact is reducing it this year even more. I suspect this is a direct result of the splendid unemployment insurance scheme which is giving dignity to people and taking them off the welfare rolls.

Industry and, probably more correctly, unions recognized long before government that when people are, in permanent employment—and I am thinking primarily of the auto industry—and it becomes necessary to change over to new models which entails some tooling up or some machinery to be put in place, that TAB and supplementary insurance benefits should be provided. As a result, individuals will come back to work when the industry is prepared to put them back into full time labour. Thus, they are not laid off by that industry and they are taken care of during the change over period.

One thing which is of concern to me in the unemployment insurance scheme is the cheaters who abuse the plan. I think that we are unanimous throughout the House in our view of them. We can get all party agreement on that, I think. Perhaps we cannot get all party agreement on how we should deal with this problem, but I think one of the messages that we have to put across to the Canadian public, and particularly to those who are paying into the unemployment insurance fund, is that they are the ones who are being cheated by those who abuse the plan. The people they should blame are the cheaters who abuse the plan, not the government which brought in the plan in the first place. Of course, we want to deal with people in a compassionate way, and we do not want to offend those who have paid into the plan and who are legitimately entitled to the unemployment insurance benefits. If some of these people suffer, it is unfortunate, but the blame should be placed more appropriately on the cheaters who abuse the plan and not on the government or on the officials who have the responsibility of administering the plan.

With regard to the unemployed, we have introduced legislation which makes provision, where significant layoffs take place as a result of technological change, for the collective bargaining agreement to be opened. There are all kinds of safeguards built in so that industry does not have to worry that technological change will have the effect of laying off a significant number of people. I do not think industry is bargaining in good faith with employees' representatives when it knows it will be bringing in technological change which will have the effect of laying off a significant number of people, yet it says, "yes, we will increase your wages by a certain percentage" knowing full well that not only will 400 or 500 people not collect that increase, they will not be collecting any salary or wages at all. I do not think that this is bargaining in good faith. If we have avoided that situation, then I think we have done a good job.

The hon. member for Hamilton West indicated that he deplored the unemployment situation, as his party has been doing for four and a half years. I would say amen to that; we all do. But what we have been waiting for in vain is for some measures that would be advocated by the official opposition to attack our number one problem. What we hear from the opposition is that the budget is not expansionary enough. The hon. member for Saint-Hyacinthe (Mr. Wagner) in on the record as indicating that the deficit should be in the neighbourhood of $4 billion. This moved the London *Free Press* to comment that probably he was put into external affairs to get him as far away as possible from the finance portfolio.

Some hon. Members: Oh, oh.

Mr. Cullen: I am quoting what the London *Free Press* says; I am not saying I agree or disagree with it. But I think that to make a recommendation of that nature is irresponsible, particularly when the hon. member is held in such high regard by his party that they have seen fit, and properly so, to put him on the front bench. But when he speaks, he speaks on behalf of the whole party, not just as the hon. member for Saint-Hyacinthe.

We have heard the hon. member for Hamilton West say: "we have the guts and the courage to say we would impose 90 day temporary wage and price controls". That is what they are saying this week. When I watched the hon. member for Don Valley (Mr. Gillies) on television I heard him say that the time was not ripe, that we were not in a position where we needed to do that. When they saw the possibility of forming the government they backed off a little. They said: "maybe we had better not advocate that because if we form the government our bluff will be called and we will have to put on these wage and price controls". Now, they feel power slipping from their grasp, the thought of forming the government is more remote, so they are becoming brave again and are proposing an arrogant way of dealing with the Canadian economy.

• (1650)

Mr. Mazankowski: Are you feeling a little safer now, Bud?

Mr. Cullen: Mr. Speaker, the hon. member across the way asks if I feel a little safer. The answer is no. Why should I? We recognize that we are the party that should govern the country because we govern it in a responsible fashion. One week members opposite are talking about wage and price controls, and the next week they are silent on controls. Another week they talk about temporary controls without covering food prices or touching unmanufactured products because controls then would affect primary producers, and they know that controls could not work in that area.

Some hon. Members: Oh, oh!

Mr. Cullen: Mr. Speaker, I listen with interest to the catcalls from across the floor. I felt I had an obligation to give the message of the government on the measures it has taken. We do not need an election campaign in order to stand up and defend the unemployment insurance scheme, which today has been described as one of the best in the world. It should be recalled that the House passed that bill in order to provide the workers with the full benefits to which they were entitled. Our Canadian workers deserved those benefits.

An hon. Member: What about the Canadian taxpayer?

Mr. Cullen: I am asked, "What about the Canadian taxpayer"? I suppose we could have waited for a year to fill in all the loopholes and make sure that the act would be well administered, but that would not have been fair to the Canadian worker. Then then minister of labour saw fit to give the Canadian worker the money to which he was entitled, and to let the chips fall where they might. Perhaps we brought that bill in sooner than we should have, but we brought it in so that Canadian workers could have the benefit of it. An hon. member opposite asks about the Canadian taxpayer. Perhaps the Canadian taxpayer is paying $1 million more than he should, but I think the hon. member should rise, when he speaks because, although he makes a lot of noise while remaining seated, he does not make much sense.

Mr. Deputy Speaker: Before I recognize the hon. member for Champlain, perhaps I should inform the House of the questions to be raised tonight.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Brandon-Souris (Mr. Dinsdale)—Post Office—Possible restoration of six day a week delivery; the hon. member for Comox-Alberni (Mr. Barnett)—Fisheries—Request for federal action to protect salmon spawning streams; the hon. member for Grey-Simcoe (Mr. Mitges)—External Affairs—Request for withdrawal of invitation to President Amin of Uganda to visit Canada.

[*Translation*]

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—GOVERNMENT FAILURE RESPECTING NEGLIGENCE OF UNEMPLOYMENT

The House resumed consideration of the motion of Mr. Laprise:

That this House deplores the continuous increase in unemployment, as well as the refusal or negligence of the Government to propose effective measures for providing more jobs of a remunerative character for Canadians, and condemns the existing authorities for imposing or tolerating quasi-repressive measures affecting citizens who merely want to see respected their fundamental right to a decent standard of living and their personal dignity and to live in a climate of freedom and security.

Mr. René Matte (Champlain): Mr. Speaker, when the hon. member for Abitibi (Mr. Laprise) introduced this motion, some other hon. members felt he was getting away from the subject of this motion.

Mr. Speaker, I wish to emphasize that, not only did the hon. member for Abitibi not stray from the subject of his motion, but, on the contrary, he dealt with an essential aspect of that motion. In fact, not only is it important to blame the government for not taking adequate measures to stop increasing unemployment but we must also find out in what way this goal could be achieved.

In order to find the most appropriate means to this end, we must have a thorough knowledge of the real causes of this major problem, unemployment. All governments have had to face this problem for years and we will recall the time when the Progressive Conservative party was in office—this is not so long ago—when unemployment reached an unprecedented rate. It is therefore obvious that this is a permanent problem, and that despite all efforts that are made, it will never be solved. One does not need to be extremely clever to realize that if we fail to find any solution, it is only because we do not study thoroughly enough the major causes of unemployment.

This is why my hon. colleague from Abitibi has insisted on these major causes. In a society such as ours, where progress has been so far reaching, we must admit that all inventions which facilitate production increase unemployment. This matter has been raised for many years, and the Social Credit party has been most concerned to take the lead in this field, in order to forecast what is happening today.

As a matter of fact, whether we want it or not, we will one day be compelled to apply the basic principles that were put forward by Major C. H. Douglas, in the third issue of "Warning Democracy", and I quote:

> Now, if you will consider the fact that the general output of goods of all descriptions per unit of mechanical labour employed, and that this energy has increased in the last 100 years by at least 3,000 to 4,000 per cent, you will see that one of three things must happen. Either everyone must consume thirty or forty times as much as he did before, and increase the amount as the amount of energy put into production increases, or (2) we must get rid, by exportation or otherwise, of an increasing amount of production, or (3) we must recognise that the so-called unemployment problem is something which arises out of the advancement of science applied to industry, and we must modify profoundly our system of distribution.

This is a denunciation of the main reason for unemployment. Once we have recognized the fact that income is one thing and salary another, since the development of society so requires, and when we have finally recognized that this distinction should be translated into adequate laws which would admit for instance that income does not exclusively mean salary, we shall have recognized at the same time that concessions should be made in a developed country such as ours where raw materials are plentyful and whose population is willing to produce.

In such a country each citizen who contributes to the material, spiritual and moral progress of our community should benefit from our wealth and enormous production.

• (1700)

To this end, the only means to obtain social justice is to guarantee to each Canadian a minimum income independently from his salary. At the same time we shall have made a reform which will encourage each individual to further improve his services to society and mainly his direct participation to production.

This is a basic principle and until it is understood no adequate solution will ever be found to unemployment. Under the current system in which we have to flounder to find remedies to the immediate consequences of unemployment, it is of course a problem involving all categories of our societies and which might cause still more troubles.

I should like to quote two paragraphs from an article published in the December 1972 edition of the publication *Le Québec industriel*, and entitled The Scandal of Fake Unemployment—The Underlying Causes". I think that article gives a fairly clear idea of the problem being dealt with today, and I quote:

> The campaign launched last November by *LE QUÉBEC INDUSTRIEL* against fake unemployment practices has caused many a reaction—extremely favourable for the most part—from all political and economic circles.
>
> It seems that the problem is a matter of concern to all classes of society, from the worker who has to pay with his deductions for the inadequacies of the system, to the businessmen who have to do without the required manpower and to the politicians who view with alarm the disastrous results of this government's generous, confusing and uncontrolled policy.

Mr. Speaker, such are in brief the conditions that evidently do prevail now and not merely because the Créditistes say so. Why? Because, as I have just said, this has not been provided for, and although it does favour a certain number of people who are consistenly trying to cheat the government in one way or another, I am convinced that there are only a few of them. Besides, as stated elsewhere in the article quoted agove, the number of people who manage to chisel certainly do not exceed 3 to 5 per cent.

Unfortunately a great number of honest workers are being frustrated because of the implementation of a legislation that had been heralded as being a lot more liberal than the former one—I say "liberal" not in the political sense of the word but in the true sense of the word itself—a legislation that would make unemployment insurance benefits more accessible to unemployed people.

Everybody seemed to be pleased, but looking at the effects of that legislation, we are compelled to say that it is almost a disaster, because our offices are swamped with unemployment insurance problems. Dozens of people come daily to ask us to intervene and help them obtain their benefits. Most of them, as I say, are honest workers who for one reason or another, are unemployed at a certain time. Since the legislation seems to be helpful to the workers under the circumstances, why are officials trying by all possible means to discourage if not to get rid of those benefit claimants? This is due to several reasons, especially because no distinction can be made between the swindler, the deceiver and the one who is caught in an unpleasant situation.

None the less, such a distinction can readily be made, Mr. Speaker. For instance, the man who has never collected unemployment insurance benefits is quite honest of course when he applies for benefits. Of course, being used to working every week, to getting his salary each weekend, when he has to wait for one, two or three months, and sometimes much longer, he suffers flagrant injustice. The trouble is, among other things, out and out centralization carried out inside the Unemployment Insurance Commission, and for the province of Quebec as a whole the operations are being performed in Montreal, which results not only in delays and errors, but also in injustice.

Therefore, it is most important that the government should consider this change; in other words, decentralization of the Unemployment Insurance Commission should

be considered with a view to having the local offices of the Commission receive, study, and process the claims.

Mr. Speaker, the officials of the Trois-Rivières office being closer to the workers in that area, they no doubt are in a better position to study with more speed the problems involved in an unemployment insurance claim, and consequently, to have it processed in a sounder, more logical and more equitable fashion.

This matter is becoming sensitive on account of the unlimited problems involved. If a worker has to wait for weeks and months, he nevertheless has to keep alive. And for this, he must accept either to get into debt or to go begging for social welfare allowances.

• (1710)

As we know, Mr. Speaker, it is not pleasant to go and beg for benefits from the welfare people. Anyhow, the request must still be considered for one month, and then difficulties are made concerning the payment to be granted. In other words, we are considerably complicating the life of the worker and particularly when he is the head of a family.

Mr. Speaker, if unemployment is accepted, since nobody yet seems prepared to make a thorough review of this foolish system in which we are struggling, the law should be administered as it stands, and nothing should be done to needlessly frustrate workers with all sorts of more or less coercive procedures. This is what we are condemning in our motion, Mr. Speaker. We are condemning the authorities who impose or tolerate some almost repressive measures.

When an individual suddenly falls ill while working and must, lacking any other resources, fall back on unemployment insurance, it is a denial of his rights to require repeated submission of medical reports describing his illness and stipulating a date for his recovery.

Mr. Speaker, it seems quite normal to intensify control of possible fraud. Fraud might well exist in some cases. In the vast majority of cases, when a worker has to stop work and therefore consults a doctor who clearly indicates that the state of his health precludes working in the immediate or near future, why create all kinds of problems for him? Actually, in cases of illness, and I have in mind more specifically a nervous breakdown, it is very difficult to determine when the individual will be able to return to work. It is quite difficult to determine, even by a doctor. A date is then set arbitrarily. In my opinion, we should at least give the doctor the benefit of the doubt and accept the fact that his diagnosis constitutes sufficient proof of entitlement to unemployment insurance benefits.

Mr. Speaker, to be precise I must say that there are various ways of fighting unemployment. For a few years now the government, through local initiative projects or through the Opportunities for Youth Program has succeeded in creating new jobs. Of course, such projects may not have given the desired results and for this reason we should, as a matter of fact, think of improving them, of carrying out other kinds of projects.

Having noticed some deficiency in this regard, I wonder, for instance, if priority should not be given to local initiatives projects for which the names of unemployed willing to work have already been submitted. If 10 or 15 unemployed, thanks to their initiative or that of others in their community, give their names to work on a project, they should be given priority so that we might no longer see, as we have in the past, projects approved but not completed for lack of workers. That is just one incidental suggestion.

There are many other ways of fighting unemployment. The millions of dollars paid out in unemployment insurance benefits could instead be used to create jobs. Unemployment could be reduced, for instance, if municipalities were allowed new credits, interest free as much as possible, in order to get work done, not only to give people work, but also to meet essential needs.

In this way, one would not have to make it a condition that it be done in the winter months, for the problem for the potentially unemployed is knowing whether to continue out of work or to go and work just for a month or two for an income that is about the same as the unemployment benefit. Faced with this kind of a dilemma, despite their finer feelings, the unemployed prefer to keep warm near the stove than to go and freeze in sub-zero temperatures. There can be no doubt about that! Let us not confront the work with such an impossible choice.

For these reasons, we ought to provide municipalities, for example, with sufficient funds for them to have essential work done. What municipality does not have work that needs to be done? In this way they could wipe out unemployment and help us to make some progress until there is a complete reform of this system that incorporates permanent unemployment.

[*English*]

Mr. William Knowles (Norfolk-Haldimand): First of all, Mr. Speaker, I wish to indicate the portion of the resolution to which I intend to address my remarks. It is that part which—

> —condemns the existing authorities for imposing or tolerating quasi-repressive measures affecting citizens who merely want to see respected their fundamental right to a decent standard of living and their personal dignity and to live in a climate of freedom and security.

I appreciate the opportunity to take part in this debate. The subject is most timely, bearing in mind the situation in which many of the unemployed in the rural areas which I represent find themselves at the present time. I am glad to participate for two reasons. First, it gives me an opportunity to speak out on behalf of seasonal agricultural workers in the Norfolk-Haldimand area. This is an intensive cash crop area. It is a highly labour-intensive area. Labour is used only at the peak season of the year—the harvest season. Perhaps in Norfolk-Haldimand there is a greater concentration of seasonal workers than exists anywhere else in Canada. Certainly, the concentration is as great.

These workers are being deliberately and systematically disentitled from receiving unemployment insurance benefits. This action is being taken on a wholesale basis. When I asked whether it was the policy of the Commission to disentitle these people, the Minister of Manpower and Immigration (Mr. Andras) said, in response to my question the other day as reported in *Hansard* at page 1636:

"Absolutely no. Not as such." Then he went on to say that they could be disentitled in certain circumstances. I propose to deal with this answer later. I am speaking, now, about the large class of workers in my area who are being disentitled for entirely the wrong reason.

My second reason for rising to speak today on the motion before us is this: I want to explain more fully the terms "Gestapo tactics" which I used when I was speaking about the activities of benefit control officers in my area. What I said in the House on that occasion will be found reported in *Hansard* on the same page I mentioned earlier.

Several hundred additional control officers were hired by the Unemployment Insurance Commission recently to cut out the cheats and chisellers who wrongfully obtained benefits under the act. Such people have increased the cost of unemployment insurance—a cost which has already been brought home dramatically to the government by resolutions in this chamber and by debates in the House. All hon. members are aware that the Commission has overspent, that it has gone beyond the ceiling set in the original act. Bill C-124 was brought down not long ago to remove the ceiling. Thus, the government was doubly anxious to cut the cost of unemployment insurance. It appears to me, though, that in its effort to cut costs the Commission has approached the subject in the wrong way. It is right and proper that control officers should be appointed and that they should carry out proper investigative procedures to cut out cheats and chisellers. There is no quarrel with that proposition. However, in a rural area such as I represent, the timing was most unfortunate.

In spite of what the hon. member for Sarnia-Lambton (Mr. Cullen) said a few minutes ago, I feel, too, that the time required for the securing of benefits by these agricultural workers is far too short. I am referring to the eight week period. There are those in my area who worked during the tobacco harvest. They worked for eight weeks, enough to qualify them for unemployment insurance benefits, and then they refused to work longer. It is at this point benefit control officers should have intervened. As a result of the refusal of these people to continue employment, apples in the orchards of Norfolk County were left on trees as winter approached. These men and women could not be induced to leave their unemployment insurance benefits and go out into the fields and orchards to work. This is the time the control officers should have been on the job.

In my area at the present time there is obviously no farm help required. There are very few small industries in the towns and villages in the area. As far as help is concerned, these plants are all filled to capacity. They do not want any more help. As a matter of fact, some are laying off employees. The benefit control officers are coming in and cutting these people off unemployment insurance, saying they are not looking for a job.

• (1720)

I wish to go into some detail with regard to the procedures used to disentitle persons properly entitled to benefits. First, the individual who is receiving the claim is interviewed. He then receives a letter of disentitlement setting out the reasons he is being disentitled. I can recite these reasons because I have heard them hundreds of times from people who have complained to me about the actions of these men. First, they are told that they really do not want to work; second, there are no child care arrangements and, third, they do not have any visible means of transportation. This occurs over and over again. When a person telephones me, I know exactly what will be in the letter he is going to read to me. Included with the letter of disentitlement is a slip that states that person has 30 days in which to appeal the case. In order to appeal, the claimant must write a letter setting out the reason he is appealing, the reason he is refuting the grounds for disentitlement which are stated in the letter.

The case is heard by a board of referees. This board is to include a representative of labour, representative of management and a representative of the Unemployment Insurance Commission. In all the cases that have ever come to my attention, and this runs into many hundreds, not once has this board of referees reversed the original decision of the benefit control officer. It is a folly, a cruel joke on the people to say they have a right to appeal. To add insult to injury, these people are advised that they have a right to appeal to an umpire. The only way to do that is to obtain permission to appeal to the umpire. If the decision is unanimous, which it always is, there is no right to appeal to an umpire, a judge, one who truly would not have a vested interest in the decision. This is a cruel joke, deliberately being played on these people.

That is not the basic complaint of the people in my area. It is the tactics used by the interviewing officer when claimants are being interrogated. These officers first ask if the claimant is looking for work. The person replies that he has registered with Manpower. Manpower, if it is to mean anything at all, should be the agency which puts people in touch with jobs. If jobs are available, Manpower should advise the person. Surely, that is sufficient evidence that an individual is looking for work.

If a person decides to appeal, he telephones the farmers in the area, knowing full well that they have no employment at this time of the year. He calls them because this is where he worked. If he worked for an industry, he calls the plant, knowing full well that this plant does not need extra employees. As I said, some industries are even laying off employees. These people are sick and tired of being continually asked, for work when everyone in the community knows there is none.

There is another trick which these officers play on these people being interviewed. When they enter a person's home and see small children, they ask whether that individual has a babysitter. Obviously, there is no babysitter because that person is home looking after the children. The honest answer is no. When the signed statement comes back, it states that the claimant has no child care arrangements and, therefore, is unable to accept work if suitable work were offered. How dishonest can you get?

Another trick is with regard to transportation. The individual is asked whether he has a car. Perhaps the husband has a car but the wife has not. There is one car for the family. The officer does not say to the wife, if a job were offered in Simcoe, Delhi or on a nearby farm, could you get to work? The answer would be entirely different. These people are scared out of their wits when a govern-

ment investigator comes to the door. They will sign almost anything to get rid of him. The signed statement is then used before the board of referees. It is about this that I complain most bitterly. I did not have time to elaborate on this in the House a few weeks back. These are the types of things that I refer to as gestapo tactics.

Many of the seasonal workers who are unemployed are new Canadians. They are of different ethnic origins. Many came to this country from central European countries. They are older people. They did not have the opportunity nor the ability to become conversant in English. They can speak it passably, but they cannot understand it very well. They certainly cannot read or write English. The officers take advantage of them by getting them to sign a document about which they know nothing.

I agree with the hon. member for Vancouver East (Mr. Neale) that this type of tactic is wrong. Surely there are honest and correct ways of weeding out those who should be taken off the unemployment insurance payroll. This way is unworthy of a civilized government. The interrogator is a professional. He has been trained. He is pitting his wits and skill against people who are unskilled in English and have a marginal education. These people are scared to death when a government investigator comes to their door. These are some things that are wrong with the system being applied to seasonal agricultural workers. I wish to make a few general comments about the way this plan is being applied in my area. Many of the people who are being cut off from unemployment insurance benefits have no other means of subsistence. They must go to the local municipal welfare officer and ask to be placed on welfare. A few moments ago a member opposite said that unemployment insurance was a boon to the welfare system, that it would take people off welfare and lessen the bills of the municipality. In my area our welfare officers are hopping mad about the number of people being disqualified from legitimate unemployment insurance payments and being placed on welfare. This is wrong.

These people who are doing the investigating might well consult with the welfare officers in the area in which they are working. The welfare officers could tell them who the chiselers are and who is entitled to unemployment insurance benefits. These investigators are lacking in experience and do not have a knowledge of the community in which they are working. Why do they not contact someone who knows the situation and can guide them in a reasonable sort of way?

Another point I wish to emphasize is the unfortunate timing in the drive to cut people off benefits. Surely, the time to do this is when farmers and other employers are desperately seeking assistance for harvesting or whatever. This is the time we could determine who is unwilling to work. This is the time unemployment insurance control officers should be in the field doing their job.

Better still, these people should not have been placed on the rolls in the first place. Perhaps this is the most ironic part of it all. These people are casual workers who leave their homes and go to work harvesting farm crops, whether it be tobacco, orchard crops, asparagus or whatever it may be. They did not ask to be put on unemployment insurance in the first place. As a matter of fact, they objected strenuously and so did the farmers who employed them. They did not want any part of it. They were willing to take their chances and get employment in the summertime during the harvest, which would have provided them with some money. But having been put on unemployment insurance and having made their contributions, they cannot for the life of them see why they are not justly entitled to the benefits for which they have paid.

[Mr. Knowles (Norfolk-Haldimand).]

• (1730)

Another matter that surprised me and caused a great deal of pain to some who have received unemployment insurance benefits, having had their claims allowed by the commission, is that suddenly, having received their cheques, they found they were disentitled to benefits. The Unemployment Insurance Commission then had the nerve to ask them to pay back the money they had received. Surely this tells us something about the system and the way it is being administered. Why in the world were these people paid benefits in the first place? These are some of the reasons I feel very upset, as do the people I represent—I am putting it mildly; they would use much stronger language—over the way unemployment insurance is being administered in my area.

In response to a question I asked the other day, the minister said that he would investigate cases in my area if I would give him specific instances. I have since flooded his office with these cases and I can send him many more. As a matter of fact, the people in my constituency are writing directly to the minister, so he need not worry about not having enough cases to investigate. Literally hundreds of workers have written, phoned or spoken to me about this matter. They cannot understand this system under which they have contributed and thus feel justly entitled to benefits. They have been honest and straightforward in answering questions put to them, but when they are tricked into disqualifying themselves they surely have the right to get mad.

Farmers are also deeply disturbed because this type of worker is being disentitled. They fear, and have good reason to fear, that next year no one will bother finding work at harvest time because they fear deductions will be made from their wages and they will get nothing in return. The farmers think that the farm labour situation next harvest season will be aggravated by this situation.

One positive note. I have been critical all the way through my remarks, but I feel that much of this would never have happened had the government not divorced Manpower from unemployment insurance. Surely if Manpower and unemployment were lumped together under the one administration, Manpower would know right on the spot who was available for work and entitled to receive an unemployment insurance cheque.

I suggest a return to the system where cheques are distributed at the Manpower centre, where the recipient will pick them up. If it is more efficient to have the cheque prepared by a cheque—writing machine in Belleville, or wherever it may be, then let that be done. But do not distribute the cheques through the mails; let the local Manpower centre distribute them. They are on the spot and they know the situation. If a person is entitled to a cheque, he will receive it. If there is a job available for

him, he takes the job and does not get the cheque. That would soon clear up this whole mess.

Secondly, as I have already mentioned in my remarks, the investigating officers—the benefit control officers, as they are called—would be well advised to be a little more humane and understanding in the way they conduct their interrogations. Why not let claimants go to the welfare officer in the community, or a person such as a municipal councillor or clerk? They know the situation. They know the people who are in need of and are entitled to benefits. They also know the chisellers who would rather sit back and receive a hand-out from the government.

Those are the remarks I have to present for the consideration of the government. Hopefully, we will get some action to clear up this very serious and aggravating unemployment insurance situation in the area I represent.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when the Minister of Finance (Mr. Turner) introduced his budget almost one month ago he began his address by saying, as reported at page 1428 of *Hansard*:

> Mr. Speaker, the purpose of this budget is—first and foremost—to bring about a substantial reduction in unemployment. Unemployment is much more than an economic problem.

Then he said:

> This budget is aimed at the faster growth of our economy and the strengthening of its basic structure in order to achieve the greatest possible increase in the number of permanent, satisfying jobs for our rapidly growing labour force.

Those phrases had a familiar ring, Mr. Speaker. I turned to the first speech of the Minister of Finance following his appointment to that office almost one year ago. On February 24, 1972, he said:

> Our most urgent and pressing task is to bring about a substantial reduction in the level of unemployment. Our goal, our objective, must be the provision of a job to every Canadian who is seeking work.

They are very fine words, Mr. Speaker. However, if one looks not at the words but at the actions, one sees that the minister has been a complete failure; because when the minister took on the job of Minister of Finance in February, 1972, the rate of unemployment at that time, as it had been for more than two years prior to that date, was over 6 per cent on a seasonally adjusted basis. In January, 1973, the last month for which we have figures, the rate of unemployment on a seasonally adjusted basis was still 6.2 per cent.

According to the Toronto *Globe and Mail* for February 7, 1973, the unemployment rate dropped to 6.2 per cent in January, from 6.7 per cent in December of 1972. The *Globe and Mail* goes on to say:

> The actual proportion of the labour force without work last month was 7.7 per cent . . . It compares with 7.7 per cent a year earlier, 8 per cent in January, 1971, and 6.1 per cent in January, 1970 . . .
>
> The unadjusted number of unemployed was 688,000 in January, 1973, compared with 584,000 in December and 665,000 in January, 1972.

In other words, there were 23,000 more people unemployed in January of 1973 than there were in January, 1972. If you look at the regional breakdown, Mr. Speaker, you will find there were more people unemployed in the Atlantic provinces in January of 1973 than there were in January of 1972. That was also the case in Quebec, on the Prairies and in British Columbia. The only province in which there was a slight reduction in unemployment was Ontario.

Under those circumstances it is no wonder that the election of October, 1972, led to such a sharp reduction in the number of Liberal Members of Parliament. We had been telling the government, particularly the Prime Minister (Mr. Trudeau) and the Minister of Finance, that unemployment was an important matter to the people of Canada. We had been saying that for over two years. For almost three years we have been told that the real problem is not unemployment but the rapid increase in the cost of living.

• (1740)

No country in the western world, with the exception of the United States, has a higher percentage of unemployment than Canada. This Minister of Finance, like the previous minister, says all the right things. He says that his objective is to reduce the number of unemployed and to provide jobs for every person in Canada who wants to work. But to put it mildly, I have been dismayed by the talk in Ottawa among senior civil servants in both the Department of Finance and the Department of Industry, Trade and Commerce. They believe that in fact we have virtually full employment. There may be full employment for all the economists working for the government, but there is certainly not full employment for people who want to work in factories; and there certainly is not full employment or the prospect of anything near full employment for the young people who will be graduating from universities across Canada this year or coming out of community colleges in the next couple of months.

The figures we were given for the month of January show that 11.2 per cent of all workers between the age of 14 and 24 were unemployed. That is the situation, and the people of Canada are again being sold a bill of goods. Let me say to the government that the people of Canada did not believe them in October, 1972, they believed them less in February, 1973, and they will believe them even less in months to come.

All the projections of independent economists indicate that the reduction in the percentage of unemployment will be very small in the next four or five months and indicate that in the fall of 1973 unemployment in total numbers and in terms of percentage will begin to rise again. These are the projections of independent economists, not of those who work in the Department of Finance who have been preconditioned by the deputy minister not to tell the minister what they really think or to give him their real estimates.

That is the record of this Liberal government which has been in power since 1968. The percentage of unemployment this country has suffered since the present Prime Minister has been in office is almost twice as large as the unemployment we had under the previous prime minister. It is almost as large, although not quite, as the percentage we had under a Conservative government from 1957 to 1962.

We said we would support the budget debate, and we did, because it moved forward in certain directions. It

contained improvements to old age pensions which were fairly substantial although far short of what we wanted. We believed basic pensions should have been increased to $150 per month and we thought a beginning should have been made to lower the age at which individuals were eligible to receive the pension. We felt that if we gave people of age 60 and up an opportunity to retire on a voluntary basis, many of them would do so, leaving openings for young, unemployed people. In any event, we thought the increase to $100 a month was an improvement.

We felt that the income tax cut was not only an improvement but an expansionary measure. The $100 minimum reduction in income tax meant that many workers and farmers in low income brackets would in fact have a reduction of income tax up to 40 per cent, and we welcomed that. Let me say to the Minister of Finance and members of the government that in the opinion of economists of provincial and federal governments, as well as academic economists, this budget and the proposals of the government will fall far short of providing the kind of stimulus required to put the unemployed to work. It has been suggested by some of the best economists in the country that this budget is not nearly as expansionary as the budget presented by the minister in May, 1972, yet that budget did nothing at all to reduce unemployment.

The increase in the basic old age pension and the income tax cut, particularly for those in the lower income brackets, was a welcome step in the right direction. Both socially and in terms of justice, these changes go part way at least in meeting the criticisms of the budgets of the Liberals and Conservatives over the years. The latest budget will not do those expansionary things the Minister of Finance has suggested it will do. It will not reduce unemployment.

What should be done? We have said over the years that a number of things must be done. First of all, the secrecy about what this government thinks is likely to happen in terms of unemployment should come to an end. We cannot deal with the problems of unemployment when the people of Canada do not know what is likely to take place in the next year. The federal government cannot work out plans in co-operation with the provinces and the municipalities if it keeps secret the estimates of its own advisers economists and statisticians. The first thing this government ought to do is make public the projections made for it by its various departments and agencies as to the percentage of unemployment which is likely to exist in the coming year. This information should be made public on a quarterly basis. Once this has been done the federal government could work out, in co-operation with the provinces and municipalities, tri-level plans and projects to put people back to work. There are numerous projects that have not yet been attempted in this country.

One solution to unemployment was referred to earlier this afternoon by the Minister of State for Urban Affairs (Mr. Basford). He introduced proposed amendments to the National Housing Act. We need a massive acceleration in the provision of housing accommodation for people in low income and middle income brackets. People can no longer afford to buy homes in cities like Toronto, because of what has happened to housing costs. Not only low income people, but families in the middle income bracket can no longer afford to purchase homes. We need a massive attack in the field of housing to provide the required accommodation.

I note that the Minister of State for Science and Technology (Mrs. Sauvé) is in the House. We must do something about pollution. I wish I could say that the city of Montreal had begun to do something about this problem, but one fact is that the vast majority, if not all of its raw sewage is still being dumped, untreated, into the St. Lawrence River. We can help the city of Montreal put on the Olympic games in 1976, but we cannot help it do something about the pollution situation in the St. Lawrence River which has existed for years. This is an indication of the stupidity of the Liberal government. I wish we could do something about meeting the educational and recreational needs of the people of this country. These facilities are deficient in many ways. These are some of the things in which governments could become involved.

• (1750)

Having said some good things about the budget, let me say that I believe that if we really want to put the people of Canada to work and reduce the number of unemployed, if we want by January 1, 1974, instead of 678,000 unemployed to have only 400,000 unemployed, the best way to do this would be to put money into the pockets of the people in the low income bracket. They would spend every penny of it. I suggest to the Minister of Finance and to the government that the $100 basic pension simply is not enough.

If we increased the basic pension to $125 a month, 99 per cent of the old age pensioners would spend every extra dollar given to them. In this way we could provide employment for thousands of unemployed people. Instead of the $100 minimum reduction in income tax, the reduction should have been a minimum of $135. Had all this been done we would really have an expansionary budget and a deficit of $1 billion more than the projected deficit the Minister of Finance has put forward which is not nearly expansionary enough.

Let me close by saying to the government that in recent years we have had something new in Canadian parliamentary life. We have had in recent years two budgets rather than one. I suggest to the Minister of Finance that the budget he has proposed is not expansionary enough and in the next three months the number of unemployed will not drop sharply as he suggested. In this event, we insist, on the basis of past experience and the estimates we have made, that the minister should do one of the things the former minister of finance did. There was at least one example of pioneering by the former minister. If the present Minister of Finance would follow that precedent, three or four months from now he would bring forward another budget which would be really expansionary and would bring the unemployed people of Canada back to work, which is where they really want to be.

Mr. Reid: I rise on a point of order, Mr. Speaker. Our next speaker would be the Minister of Manpower and Immigration (Mr. Andras) who is on his way here having had some difficulty in travelling because of the weather. I

wonder whether the House would agree to call it six o'clock so that he could be our next speaker.

The Acting Speaker (Mr. Laniel): Order. Hon. members have heard the suggestion of the parliamentary secretary. Is this agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I begin by apologizing for my absence this afternoon and therefore my inability to have noted all the comments of previous speakers. The inclement weather today forced me to drive this afternoon. I ask hon. members to please forgive my comments if they do not deal with all the particular points previous speakers have raised. Certainly, in reading *Hansard* I digest any comment that has been made, take the advice offered and do what I can with it.

The subject matter of the resolution indicates the continuing concern for Canada's serious unemployment situation which is no less grave, of course, because it remains puzzling and frustrating in the context of our generally buoyant economic conditions. As has been stated and in fact should be restated, part of our problem is demographic. We are still trying to cope with the Canadian phenomenon which is the fastest growing labour force among the industrialized nations, for which there are two main reasons.

The first reason is the post-war birth rate, and the second the fact that women among our society are increasingly taking part in work opportunities and in fact their participation still remains lower, as a percentage of the total population, than in some other countries. So I think we can anticipate both these problems being with us for some years to come, which indeed makes it even more necessary that we cope with them.

Our job creation rate for these new workers has been good: it has been improving. But I know all members of the House on all sides would like to see this general problem solved. I note the resolution states that "this House deplores the continuous increase in unemployment." I think, in all fairness and to place the facts before hon. members, we must note that the unemployment rate has been declining since last September; employment has been climbing every month with the exception of December.

Some hon. Members: Hear, hear!

Mr. Andras: This is in no small way due to the measures that have been taken for some time, beginning with our expansionary budgets back in 1970. Referring again to the budget of May 1972, I draw attention also to the early fall announcement of some $80 million for the Local Initiatives Program which was bolstered by a major announcement by my colleague, the Minister of Finance (Mr. Turner), and myself on December 6 regarding $500 million for a direct employment program. This included an additional $80 million for the Local Initiatives Program to bring that to $165 million, and $10 million more for the on-the-job training program to increase that to $50 million. There was also a $350 million special municipal loan fund to be spread over the next three years, and other measures described in the announcement to which I have referred. These measures were topped on February 19 last by another expansionary budget of the Minister of Finance which contained massive tax cuts which will provide more income for spending, particularly oriented toward families in the lower income brackets.

Unemployment rates have been going down steadily since September. Very shortly we will have the February figures and I think we can expect to see further improvements in them. During the last several days the budget measures have been debated at length and I do not think I would be contributing to this debate were I to rehash the statements of the Minister of Finance and other colleagues. I would, therefore, like to take this opportunity to concentrate more on my responsibilities, namely, manpower and manpower programs.

This evening I would like to outline in particular our four-part program related to providing jobs and some of the special efforts we shall be making on behalf of the youth of this country, women, our native peoples and others who are disadvantaged. My comments may take me a little past the time allotted for my speech, in which case I would be most grateful if the House would permit me to complete my remarks so they would have continuity and totality.

Our jobs program will contain four elements: job finding, job creation, the elimination of artificial job barriers, and improved job satisfaction or job enrichment. First, we want much more comprehensive and efficient job-finding techniques and services which will aggressively search out jobs and match them with the people available for work. Where we cannot make such a match, it is our intention to focus more clearly and bring into play our training, our mobility and our immigration policies and programs. At the very heart of this job-finding service will be an open, self-service job information centre where people who are ready to take a job will be put in touch with job data with an absolute minimum of red tape and bureaucracy.

• (2010)

Two such pilot projects have been announced and started recently, one in the national capital, Ottawa, and the other in Hamilton. This type of open, self-service job information centre will be the key, also, to a new relationship between Manpower and Unemployment Insurance Commission offices which we hope will ensure maximum utilization of available jobs and minimum delay in filling them. A co-operative working relationship now exists between these two agencies, Manpower and Immigration and the UIC, and it is being further developed. I think this will greatly facilitate the work of both and improve services to the public.

When workers apply for unemployment insurance benefits they are now required to register for work with the Canada Manpower Centre if they are in need of CMC services. The only people excluded from this are those on short-term lay-offs, with definite knowledge that they will be recalled shortly, unless of course even for them there are vacancies known in the CMC offices that they could fill.

As it stands now, all Canada Manpower Centres supply the Unemployment Insurance Commission with lists of current vacancies for which they require workers, and persons applying for benefits who have the skills are required to report to the CMC within 24 hours. As an example of the effect of this, during the past three months in Quebec the UIC referred to the CMCs 3,228 workers, of whom 571 were immediately referred to employers. From the benefit control point of view, another 1,000 failed to report to the CMCs and the UIC was notified for investigation of possible disqualification, and the CMCs notified the UIC of another 472 cases requiring similar investigation.

Canada Manpower Centres thus have access to all claimants of unemployment insurance who are capable of working, and if a UIC claimant refuses offers of suitable employment the CMC notifies the commission. In fact, with that arrangement during the past nine months the CMCs have notified the commission of over 100,000 such cases. Further, CMCs provide a recall service to employers who are having difficulty locating former workers. This does happen from time to time. If these employees are not working and do not report for work, again the CMCs will notify the commission.

The co-operation between the Department of Manpower and Immigration and the Unemployment Insurance Commission is emphasized by these arrangements that have recently been made. In localities where there is no UIC office, the Canada Manpower Centres provide UIC services. They are staffed to assist claimants, either by providing space for UIC personnel or by having specially trained CMC personnel provide the UIC services.

Right now the UIC is represented in 144 Canada Manpower Centres. There is day to day contact between officials of the CMCs and the UIC concerning individuals, working out procedures and the exchange of information. At the regional level, both organizations have liaison officers and here in Ottawa there is an inter-agency committee of officials, co-chaired by assistant deputy ministers, to develop further operational relationships and co-ordination of activities that will ensure greater assistance to the unemployed.

But, Mr. Speaker, even after we have improved our utilization of existing job opportunities I am quite sure there will still, unfortunately, be gaps to fill and they probably can only be filled by direct job creation. The level of unemployment, due to the factor I outlined at the beginning of my comments, namely, the growth in the labour force, will continue to be a challenge to all of us. The economic measures announced by the Minister of Finance on several occasions no doubt will reduce unemployment. But even when unemployment rates return to more normal levels, our Canadian climate ensures that we will continue to have strong seasonal fluctuations in employment levels. Moreover, Mr. Speaker, regardless of the season of the year, in good years and in bad some parts of Canada and some groups of Canadians will face particular unemployment problems throughout the 1970s and beyond. These employment problems, in all likelihood, will be complicated by rapidly changing job expectations and other social factors.

I am convinced that in addition to the indirect measures of fiscal and monetary policy open to us, and the stimulation of the private sector where the bulk of jobs must be created, we shall need well planned programs of direct job creation for some time to come. We have learned a lot in the last two or three years about direct job creation under OFY and the Local Initiatives Program and, as I announced recently, we are experimenting with this year's LIP in a number of ways. I would like to give the House some examples of this experimentation.

Wells, in British Columbia, is situated near the historic Cariboo Trail, four miles from Barkerville, a lively centre in the 1858 gold rush. Using Local Initiatives Program funds to employ local jobless, the Wells Improvement District is completing projects that will ensure more employment opportunities for local residents throughout the year. Another experiment is a project being run by the Indians of Lac LaHache, northern Saskatchewan, who rely almost totally on an annual ice harvest for their livelihood. This board recently applied to the Local Initiatives Program for support to ensure the completion of the harvest, and that experiment is under way. There are literally thousands of such projects under way in Canada. On the whole, the 1972-73 Local Initiatives Program will have created approximately 350,000 man-months of employment and about 85,000 jobs. As I have mentioned in the House previously, more than 5,860 projects have been approved.

The training-on-the-job program is another tool that has been used by my department to find work and to provide valuable training experience for the unemployed. Approximately 200,000 man-months of employment are being created this year, representing 60,000 jobs. This compares favourably with last year's effort when about 42,000 unemployed were hired by employers under a similar program.

I am also satisfied that many local initiative projects can become continuing, self-sufficient enterprises, selling their products or services without unfair competition to existing enterprises. We shall be working with many project sponsors to examine such possibilities in the next several months. In addition, as part of our new services for the disadvantaged we are developing, with several provinces, a number of experimental LIP type projects aimed at specific groups of the hard core unemployed. Such projects will last two or three years, not just a few months, and are intended not only to create jobs but to enable the workers to become conditioned to the world of work and to gain the self-confidence and self-reliance which come from accomplishment. Like LIP, the projects will be dependent on the initiative of citizens' groups, but the projects, known as local employment assistance projects—which no doubt will be called LEAP—will involve provinces and municipalities in their planning and implementation.

But more important than these specific initiatives and experiments, we feel that we must begin to put machinery in place that will, in concert with other government departments, with the provinces and business continually test and plan job creation schemes which we should have on the shelf to use when unemployment rises.

• (2020)

I think it will be clear from what I have said that I, too, am far from satisfied with Canada's historic band-aid approach to direct job creation. What is needed now is a longer term and better planned approach. In the immediate future, as far as my department is concerned, I think we have to face the following tasks: What are we to do with the Local Initiatives Program and the Opportunities for Youth program? How do we build on the good features and eliminate the bad ones?

Second, we must move now to establish the planning machinery. Third, we have to set in place, after putting before the House our suggestions, the new programs which are necessary. I shall be making recommendations to my colleagues soon on these very important matters.

For some people, no increase in new jobs will really help in the ordinary course of events because of the structural barriers between them and the jobs that exist. Some of these barriers have been identified and dealt with by the introduction of our training and mobility programs; others remain because employers in this country still tend to discriminate against candidates for work, though often unthinkingly, on grounds of age, sex, experience, race, pattern of previous employment and education.

It is in that context that we plan a series of positive measures to try to break through these structural barriers. First of all, in the area of education and persuasion, employers, including public employers, will be encouraged to base their hiring standards on the real performance objectives of the jobs, rather than on some of the artificial standards designed primarily to limit the workload of the recruiting officers. This will be greatly aided by the new Canadian Classification and Dictionary of Occupation which became available for my department on January 1, 1973.

In the area of placement incentives, under the Canada Manpower training-on-the-job program two new elements have been announced which will greatly facilitate job matching. The first is training on the job for skill shortages. Where an employer's job order cannot be filled by CMC from the existing work force for a period of 30 days or more, we shall offer to enter into a contract with that employer to train unqualified or underqualified workers to fill the need. As far as training on the job for the disadvantaged is concerned, in the case of the hard core disadvantaged employers will be offered reimbursement of up to 100 per cent of wages for an initial period to hire and retain disadvantaged workers.

The fourth element of our four-part jobs program relates to the growing phenomenon in this country, and I think in the whole western world, of worker dissatisfaction with the jobs facing them. There is little evidence to suggest that this is opposition to work itself but, rather, it appears to be a rebellion against certain types of work which are distasteful, undignified or lacking in personal satisfaction. We know now that workers will sometimes accept relatively lower wages for satisfying work but will react against boring, repetitive work even at very high wages.

There is a need for extensive research and private and public sector co-operation in dealing with this problem. My department will offer co-operation to companies or industries encountering such labour problems identified in the main by high labour turnover. My department's capacity to provide this co-operation must surely be extended.

These are the main elements of our jobs program. However, I should also like to say a few words about several distinct groups of our Manpower clientele for whom special affirmative action is required and being developed—youth, women, native workers and disadvantaged workers generally. I should like to take this opportunity, Mr. Speaker, to announce a number of adjustments to manpower programs to provide better service to Canadian workers who are encountering particular difficulty in getting and holding jobs and who would continue to face that difficulty even if unemployment decreases as we hope it will.

In this next fiscal year, Mr. Speaker, we shall be making a modest start at least, and with experience we hope to build a real response to the employment needs of many Canadians who heretofore have existed on the fringes of the labour force, chronically or intermittently unemployed. The nature of our new services are described in a letter which my colleague, the Minister of National Health and Welfare (Mr. Lalonde), and I recently sent to the provincial welfare ministers and which I shall be tabling in the House later this week.

The highlights of this approach include, first, hiring and placing 110 specially trained counsellors in CMCs across Canada to specialize in the problems of workers with severe employment problems and to advise our regular Manpower counsellors on how to deal with such cases, as well as to provide a point of contact with community agencies offering other specialized services. Second, our CMCs will be given new authority and funds to refer clients to professional practitioners and diagnostic services when they have problems which extend beyond our internal resources. Third, major changes are being made to our Manpower training programs. We shall purchase work adjustment training from sheltered workshops or private employers to teach people how to work. We shall introduce basic literacy training. We shall adjust the so-called 52-week rule to permit greater flexibility in training durations for those with particular problems. We shall be adding what we call "life skills" components to the regular training program.

I saw a marvellous pilot project on this very matter in Windsor last week when I was visiting that city—the St. Clair Community College and Holy Rosary Recreation Centre. I would advise hon. members who have the opportunity to visit that experimental project; I am sure it will thrill them as it did me.

We shall be tailoring training programs more carefully to the needs of individuals, and planning longer term packages of training and work experience to bring disadvantaged workers to full employability. Fourth, we are

introducing a new training-on-the-job scheme in which disadvantaged workers will be placed in jobs, backed by counselling and supportive services. We expect this coming year to spend $10 million to $15 million on this element.

Fifth, we are expanding our outreach services to extend to workers with particular needs not easily met by normal CMC services. I will give an example of this. We have entered into a contract with the Métis Association of Alberta to hire Métis employment counsellors to work with our CMCs, to explain our services to the Metis, counsel them, place them in jobs and follow up this service. We intend to spend $2.6 million on similar projects next year in an experimental way.

Finally, Mr. Speaker, our local employment assistance program—LEAP—is at this stage a modest demonstration-type program designed to test longer term projects similar to LIP but aimed at specific groups of hard core unemployed. In addition to job creation and community betterment, these projects must involve the workers in a developmental process designed to lead them to full-time work and continuing self-sufficiency. It is our intention later, with the permission of the House, to spend about $9.5 million on these projects in 1973-74.

• (2030)

We have often referred to the ongoing problem in our society of employment for younger persons among us. Canada has one of the highest proportions of youth in its population and labour force of any industrial nation. The rate of growth of this age group will moderate in the last half of this decade, but over the next five years we must meet the challenge and integrate these young Canadians into our economy and society.

At present, all groups of youth experience rates of unemployment above the adult rate. Previous experience indicates that even as unemployment decreases, the unemployment rate among youth will remain unacceptably high, as it was throughout the 1960s. To meet this need we have taken or will be taking a number of steps. A youth employment division has been set up in the department, with youth consultants in each of our field regions. Manpower programs are being tilted to ensure access for these groups.

As an example of the situation we face, I would remind hon. members that young people under the age of 25 form 26 per cent of the labour force. They make up 40 per cent of our CMTP institutional trainees, 40 per cent of LIP workers and 63 per cent of training-on-the-job trainees. We shall be setting up various pilot projects to develop innovative solutions to the problems presented by youth unemployment. We are establishing special student CMCs for the summer months. Consideration is being given to the establishment of special youth units in our regular CMCs, staffed by younger workers. Mobile units will take our services to youth if they will not come to us. We are planning a co-operative approach with the provinces to improve career couselling data for youth and build better bridges between the worlds of school and work.

We have recently devised an experimental program in Toronto, called CRUNCH, to assist youth operated co-

operatives and businesses. We shall be evaluating this experiment very carefully to see where it might take us.

Mr. Blenkarn: Now we have LIP and CRUNCH and WOW.

Mr. Andras: Having been accused by an hon. member opposite of being a male chauvinist, it gives me pleasure to announce that we are taking positive steps to ensure that women have equal opportunities for training and employment.

Mr. Deputy Speaker: Order. This might be an appropriate time for the Chair to ask whether the minister is given unanimous consent to extend his speech, the time allotted to him having expired.

Some hon. Members: Agreed.

Mr. Blenkarn: No.

Mr. Alexander: It is agreed, Mr. Speaker.

Mr. Andras: I thank hon. members for their indulgence. I shall conclude my speech as soon as I can. As far as women are concerned, and to the extent that they have problems in obtaining meaningful employment, we are making steady progress in our training programs to open up to women a wider range of training leading to more diversified fields of employment. Elimination of the three-year rule is resulting in a substantial increase in female trainees. Again, we have established a specialized capability in our departmental headquarters to plan and develop the application of our services to female clients. I will be pleased to elaborate on these activities at the first opportunity.

I am sure many hon. members know that I have a particular interest in the problems of our native people. I am anxious to ensure that they have equal access to Manpower programs and services and that their special needs are understood and met. LIP has been particularly beneficial to native groups. We have been impressed by the quality of the projects and the responsible manner in which they were carried out. I expect our new special programs for workers with particular employment problems will also be of particular benefit to natives. We also intend to increase the number of native Manpower counsellors either on our staff or under contract to our CMCs to better administer and interpret our services to natives.

In the short time available to me I have been able to touch upon only a few aspects of our new approach. I look forward to a comprehensive examination and discussion of these matters when my department's estimates are before the committee. I appreciate the indulgence of the House in allowing me to continue past the time allotted to me. I have tried to condense my observations, in these circumstances. I look forward to the opportunity of dealing with these matters in more detail when my estimates are before the Standing Committee on Labour, Manpower and Immigration, at which time I hope to have the advice of members of the committee as to ways in which we can continue to improve our approach to job finding and job training, as well as other aspects of the work of my department.

I realize reference has been made in this debate to the UIC benefit control operation now under way in the country. As I promised hon. members the other day, I intend to make a statement on this subject tomorrow. I therefore seek the indulgence of hon. members to conclude my remarks without further reference to this matter tonight. As I say, I shall likely be bringing this motion before the House within the next 24 or 48 hours.

[*Translation*]

Mr. Fortin: On a point of order, Mr. Speaker.

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member for Lotbinière (Mr. Fortin) on a point of order.

[*Translation*]

Mr. Fortin: Thank you, Mr. Speaker. If my fellow-members in the House should agree unanimously, I suggest that from now until the end of this debate speeches be limited to 15 minutes each, in order to allow more members to speak on this most interesting motion by the hon. member for Abitibi (Mr. Laprise).

[*English*]

Mr. Deputy Speaker: The Chair has six names before it—the hon. members for Parry Sound-Muskoka, Niagara Falls, Saint-Hyacinthe, Scarborough West, Roberval and Bellechasse. The time remaining is 81 minutes. If each hon. member agrees to speak for 13½ minutes, everyone can be accommodated before ten o'clock. Is this agreeable?

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Lefebvre: On the point of order, Mr. Speaker, we have one other speaker on this side, the parliamentary secretary to the Minister of Finance who has a speech of about ten minutes to make.

Mr. Alexander: I should like to speak to the point of order. I think we all wanted to hear what the Minister of Manpower and Immigration had to say; he exceeded his time with our consent. I think it is necessary that hon. members on this side and in the Social Credit Party should have an opportunity of stating their views. I would hope that the parliamentary secretary might speak on another occasion. I shall sit down now, and agree to the 13½ minutes so that the six members can have an opportunity to speak.

Mr. Deputy Speaker: The Chair has taken into account the fact that some members have been entitled to speak at greater length than others. If the parliamentary secretary were to speak for 11 minutes, we could accommodate everybody.

Mr. Blenkarn: No. The minister took extra time.

Mr. Deputy Speaker: The Chair does not intend to negotiate. Perhaps someone could suggest a better way.

Mr. Alexander: If what Your Honour suggests does in fact happen, we will agree.

[*Translation*]

Mr. Fortin: Do I take it, Mr. Speaker, that henceforth speeches are to be limited to 11 minutes?

Mr. MacDonald (Egmont): Yes, 11 minutes. Agreed.

[*English*]

Mr. Deputy Speaker: Is it agreed? Eleven minutes?

Some hon. Members: Agreed.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, despite the many plans to reduce unemployment outlined by the government in the various programs it has put forward, as well as in the budget, unemployment is still with us and rearing its ugly head as high as ever.

• (2040)

Many of us are aware that a small percentage have unlawfully milked the unemployment insurance fund. It is only right and just that they should be ferreted out and brought to task. However, in doing so many legitimate claims have either been delayed or stopped, causing severe hardship to families in dire need, especially at this time of year. The skyrocketing price of food has added to the misery of those in need.

I read recently the report of the Minister of Industry, Trade and Commerce (Mr. Gillespie) who stated that one-third of the families in rural Canada live in poverty. He quoted Statistics Canada as stating that 32 per cent of families in rural areas in 1971, the last year for which statistics are available, had incomes below the so-called low income line. The figure for 1969 was 36 per cent. While the situation has improved slightly for families, for unattached individuals it is even worse. Of such individuals, 56.1 per cent were below the low income line of $2,013 in 1971, while 50.4 per cent were below the 1969 line of $1,894. It is up to us to try to find jobs for these people so they may regain their self-respect.

We hear about pockets of poverty and disparity throughout this great country. Some planners have suggested that the people to whom I have referred be uprooted and moved to urban areas to find work. These people do not want to leave their homes and friends to live in concrete jungles. Furthermore, this is no solution as it would aggravate the urban housing problem, where land is at a premium, and any new housing would be beyond their means. Surely a more sensible and cheaper plan would be to provide jobs in rural Canada.

The Minister of Regional Economic Expansion (Mr. Jamieson) could come to the fore in this regard by giving us the suggestions which I understand will be forthcoming to provide new guidelines which I hope will bring in new areas of rural Canada which are no longer eligible. I can certainly speak with some authority on this matter because in my own region of Parry Sound-Muskoka the economic situation is very poor and we are no longer designated. Instead of hearing about the Minister of State for Urban Affairs, it is about time something was done to change this title or create a new minister of rural affairs. We always hear about the great cities. It is about time somebody spoke up for rural Canada.

Some hon. Members: Hear, hear!

Mr. Darling: It is in this area that the economy needs to be bolstered. There is no problem of land banks being needed in these areas to try to assemble land: there is all sorts of land. What they need are regular banks which will provide funds for jobs, housing, small industry, and so on. This is a must. This would keep our people in familiar surroundings where they are much happier. More jobs would be provided by our many businessmen as increases in sales and services warranted.

This morning I heard His Worship Mayor Drapeau on television giving a patriotic pitch for the great city of Montreal. He stated at the top of his voice, "We are number one". However, it was pointed out to him that number two was breathing hotly down his back and that the great city of Toronto would probably be passing Montreal before very long. The mayor said everything indicates that the people are leaving rural Canada and are heading to the big cities. The federal and provincial governments must take steps to stop the steady migration to our larger cities.

The many land controls are hurting small municipalities the most, much more than the larger cities. Little or no building is allowed, because it does not conform to the master plan. As a result, many small contractors and carpenters are sitting around doing nothing. Their employees are drawing unemployment insurance. All this is because they cannot get their lots approved. The situation would be much easier if these lots were approved. They are satisfactory in all respects; however, they are held up by government red tape, planners and civil servants some of whom are neither civil nor servants.

Some hon. Members: Hear, hear!

Mr. Darling: This particular time of year, with what seems to be the spring breakup at hand, is the most serious for high unemployment in my constituency. I am quite sure the same situation prevails in a great many other rural constituencies. Lumbering in the bush is finished; tourist operators who cater to snowmobilers will not have any more visitors until the fishing season opens.

I checked with the Parry Sound office today. I was told that there are over 900 on the unemployment rolls. The total population of the area is quite small. There is a real problem there with girls—and I do not mean in the way some people might think. There is a problem of providing jobs for the female population. I am told that some did accept work outdoors, cutting and piling brush. They are to be commended for this; it shows the type of energetic people there are in my constituency. If the local Manpower authorities were given discretionary power to work out some plan with tourist operators and service industries whereby these girls could be paid part unemployment insurance benefits, and the employer part, they would be hired ahead of time to fix up tourist establishments, painting and for other things. Everyone would benefit. It could be said that we would be subsidizing an employer and he would be paying less than the minimum wage, but surely something could be done about this. The local Manpower office could have authority to investigate these cases and to ensure there were not any abuses.

I am aware that the Minister of Manpower and Immigration (Mr. Andras) has a tough job. I listened to his remarks. He is to be commended for doing a pretty good job, but he has to sell more than himself. I remember seeing a movie many years ago; I think it was entitled "The Unholy Three". I suggest that the three who are holding up a great deal of the growth in rural Canada are the following: the Minister of Finance (Mr. Turner), the Minister of Regional Economic Expansion and the Minister of State for Urban Affairs. If these three could be sold the idea of disgorging some of their untold millions to provide jobs and industry in rural Canada, it would greatly help the unemployment problem. It would also help the large cities, because they do not want more people looking for jobs.

I understand I have another two minutes, Mr. Speaker. I will let someone else use them. We all know the problem: we all see the headlines which state that the number one target is jobs. The real issue is jobs. The lists of jobless soar; that is the problem in a nutshell. We require more jobs, particularly in rural Canada.

• (2050)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I would ask my colleagues not to applaud too long, because I am only allowed ten minutes.

Mr. Speaker, I would like to point out that there was earlier some kind of misunderstanding, I believe. I had been asked, as a special favour, not to take the floor before six o'clock, in order to enable the minister to make his speech, and I was supposed to speak after him. I suggest that you were not aware of this agreement, Mr. Speaker; at any rate, I am the second member to take the floor after the minister and I am satisfied with my lot.

I listened with great interest to the minister's statement about unemployment. I suggest that had he had more time, he might have talked about the other part of this motion which bears on the mismanagement of the Unemployment Insurance Commission. Nevertheless, the minister did say that unemployment is a disease that we must try to cure and, as a remedy, he suggested what the present government has always proposed, namely grants to industry, to local initiatives projects, to the Opportunities for Youth program, etc.

But this is not what will solve the problem of unemployment. Unemployment is not a disease by itself; it is only the result of over-production, of automation. Let us not forget it: unemployment is not a disease but a normal consequence. This problem must be solved through amendments to the act in order to enable the people to contribute to our country's wealth.

This is not a matter of full employment, Mr. Speaker. Full employment will never exist in the future. Today, just like before, we are told again and again: we must earn our living through our work. The minister, I suggest, still believes in it. Let us concern ourselves with the garanteed income, which will solve the unemployment problem, rather than with full employment. From what the minister said, you would think we are still in the 50's when work equalled production. Today, work is roughly 30 per cent manpower. It is that 70 per cent that needs to be redis-

tributed and it will not be redistributed by taxing those who have the chance to work in order to try and give a little money to the others and doing everything for the big interests which are presently running the country. We are giving all possible protection to big capital which is stockpiling the incomes of the country by the billions and we let the people drift by shouting at them: We are going to create employment. Let us stop this nonsense and start thinking not in terms of stop gap measures but in terms of long term remedies.

I suggested recently as a long term remedy to bring about massive relocations to allow society and individuals to reach consumption. I suggested for example to grant the old age security pension at 60. This way we could put 400,000 workers on retirement, and 400,000 unemployed could draw their living from industry.

That is what we call long-term reforms which would really remove the unemployment plague. In fact, I think that by taking such logical steps in order to ensure a minimum guaranteed income for everybody, we would apply an efficient measure.

I shall not dwell on this because I would like to deal with another subject. But when the hon. minister says that the number of jobs is increasing, he should add that it is because automation has been discarded. We have now stopped progressing because the more a country progresses, the more unemployment increases if we keep the same system. That is why it is absolutely ncessary to find other horizons and not be afraid to replace old methods by new ones. It has been done at the level of production. Why should we not do it at the level of redistribution? The state is such at a loss when it comes to redistributing, that one would think we were back in the starvation years. No, we are in a period of overproduction. Surpluses everywhere. Let us find means of redistributing this overproduction.

Mr. Speaker if I go on talking on unemployment and all the unemployment insurance offices, I shall not have time to say a word on unemployment insurance itself which should be my main subject this evening. I have been wanting to talk on this subject in the House for a long time, since the beginning of the session. Concerning the unemployment insurance about which everybody complains we wonder who is responsible. I say the main responsibility first lies with super-centralization both in Quebec and in all the other provinces. I think we have caught the virus of technology. We want to mechanize everything, we want to "electronize" everything in the shortest time period possible without thinking of the consequences. They have also succeeded in dehumanizing everything. It is the greatest social disaster of our age.

The first result of all that is the astronomical cost of administration, in which personnel is increasing constantly. I heard the minister saying just now that the largest increase in employment has been in administration, although the government tried to have us believe that automation would probably reduce it. This can also be attributed to ignorance on the part of promoters and of the machine operators or so-called technicians in these administrative centres. I believe that it is in computer centres such as the one in Montreal that the biggest mistakes are made. When I heard that they were going to employ 133 new inspectors to seek out offences by the general population, I felt that they would have done better to send those 133 employees to work their infernal machines in Montreal, and look for the mistakes there.

That is where the real mistakes are, Mr. Speaker. Last winter, for instance, I have seen series of $500 and $600 cheques made in duplicate and sent in duplicate to the same unemployed worker. This was not done purposely by the recipient but by the Montreal centre which sent the cheques. When the worker was complaining too much the order was given to issue cheques and I have seen series of $500, $800, and $900 cheques issued in duplicate. And now we hear of overpayments. So as to cover up this affair, inspectors are dispatched to inquire from the unemployment workers and try to find out something.

We have reached the point where we no longer have time to do our job as members of Parliament. We have turned into employees of the Unemployment Insurance Commission. At home on weekends as early as ten o'clock on Saturday mornings I start working in unemployment insurance until midnight; on Sundays I start again as soon as I get up until six o'clock and then I board the 6:30 train to Ottawa.

In my opinion the current situation can be corrected. I think that the government has been had by the computer manufacturers and here is proof. I had question No. 1172 put on the order paper to know more about it. It is impossible to have further information elsewhere in connection with those computers. I have asked the following question:

1. Were the computers installed in five Unemployment Insurance Commission head offices (Moncton, Belleville, Montreal, Vancouver, Winnipeg) purchased or rented?

This is what I would like to know. What deals were made in connection with those machines? And I further quote:

2. (a) On what date were they purchased or rented (b) were they new or second-hand (c) at what price (d) if paid by instalments, under what terms and at what interest rate (e) how much was paid for maintenance from the date of purchase to December 31, 1972 (f) how many persons did these computers replace (g) how much was paid to American experts for the installation of these computers (h) how many people are assigned to maintenance?

Because we had not one single expert in Quebec able to operate those computers.

• (2100)

[*English*]

Mr. Joe Hueglin (Niagara Falls): Mr. Speaker, I congratulate you upon your election to office and the manner in which you and your deputies act as guides to those who are new to the customs and traditions of this House. It is indeed well to be led by men such as yourself in these ways.

I support strongly the statement made in this want of confidence motion. The government has not taken effective measures to provide more long-term jobs. This government has consistently refused to cut taxes sufficiently to stimulate the economy. It persists in taking millions of dollars, indeed hundreds of millions of dollars, from the private sector for its own use at a rate much higher than any industry would dare.

The short-term programs, at least in my riding of Niagara Falls, have been at best a mixed blessing and at worst failures. We had one Opportunities for Youth program that was carried over this past winter into a local initiatives program. What this program did—I spoke with the young people last Friday—was create a dependency among the senior citizens, a dependency which they did not feel before as deeply as they will when the program is phased out. The young people are discouraged and cynical, and the old people will be left with nothing.

For two years a patrol has existed on the Chippawa Creek. This program, too, is being phased out. It was an active life-saving venture. Tourists come from all over the world to visit Niagara Falls, but I am informed that this program will not be repeated. A local church commenced a local initiatives program last winter. The work was done and the church was completed but unfortunately, due to some administrative bungling, this group is involved in a big dispute with the LIP people. Certainly this is not very conducive to confidence in the government or the system.

During the election I had the opportunity to visit a factory in Fort Erie which at one time employed 3,000 men, yet for two years it has not been able to do very much because this administration cannot make up its mind about STOL aircraft. The men involved sought out an on the job training program but were informed that they could not carry it out in the proven way. This whole matter goes back to World War II, but this program must be worked into the inflexible patterns of the government and training is required before on-the-job training can be obtained. They cannot include such training through this program and bring employment to Fort Erie.

That is the pattern in the Niagara riding. It is a pattern of short-term job creation that does some good but also leaves tragedy in its wake for the old and the young. It seems that the patterns that have proved of use can no longer be followed. I am certain this pattern is duplicated in cities, towns and villages across the country.

There are 17,000 unemployed in the Niagara region, yet men speak to me on each side of the coin. They speak to me as unemployed and as employer. The unemployed and the employer alike never seem to indicate that they received a man through Manpower, or a job through Manpower, and many people have phoned and told me they had to phone Office Overload in order to get a job. Perhaps the free enterprise system could do somewhat better than this system appears to be doing.

It was rather interesting last week to note that one of the ministers made a foray into the last Liberal area of this peninsula, the whole of which was a Liberal stronghold before the last election. He said we were obstructionists and put forth no policies. We have put forth two practical policies. We have recommended massive tax cuts to stimulate production, not just to give a warm bath but to give great stimulus followed by the realization that you have to put this stimulation into productivity, not into inflation.

The Liberals ignored our other platforms, at least until the cold shock of October 30, and are now calling our policies billion dollar giveaways, or so their lord and master said last week. One of these days they will accept

these policies just as they have accepted the constant dollar theory and others we have presented in the past.

What is needed is a workable job-employee matching service and the return of local decision-making to the Unemployment Insurance Commission so the officials can sign cheques for the people, rather than having to send them away to the computers be they at Belleville, Montreal or wherever. There has to be some discretion in the hands of our experienced and very excellent civil servants such as those we have in the Niagara Falls area. Short-term solutions are no solutions at all. They just draw the people out of the work force and phase down the statistics. And even then, unemployment has not dropped to the level of 6 per cent for any length of time.

The people of the Niagara Falls riding need a bold frontal attack on unemployment through job creation in the private sector. Successive Liberal budgets have promised, but have failed to do this. Successive Liberal ministers have stated that all will be well, but the land is still not strong. I would suggest that until we have a more dynamic program, the people of the Niagara Peninsula, of Ontario and of Canada will suffer what this motion refers to—lack of initiative and lack of any programs on the part of this government.

Mr. John Harney (Scarborough West): Mr. Speaker, I spent a considerable amount of time today trying to condense into 20 minutes what would really take several hours to discuss. A few minutes ago I heard I would be limited to 15 minutes, then to 11 minutes, and I have since been scratching up my notes into iambic pentameters. This probably would produce some self-discipline, but I must report to you and hon. members that I have not succeeded and what you will have to face for a while is a very severe and rather rapid condensation of a great number of points.

An hon. Member: The normal NDP pattern.

[*Translation*]

Mr. Harney: I should like to tell my Créditiste friends that I hope they appreciate the fact that I put forward socialist points to their credit. Even though this is their motion, I hope they will allow me.

[*English*]

I was intrigued by the minister's statement, and that is another element which has thrown my notes into a jumble. I think his statement was indeed well meaning and, if anything, liberal with a capital "L" as well as a small "l". We were told by the minister that unemployment is a problem compounded of many factors—seasonal factors, regional factors, structural factors and factors which could be called generally social factors such as the matter of discrimination against certain types of people who are looking for employment. This is very very good, but not very new because we have been entertaining measures in this House for many years in this kind of categorization.

• (2110)

In the early 1960s we were able to look at the whole problem of unemployment and break it down into certain factors. Not only were we presented with these factors but

were presented also with traditional solutions. There was a certain amount of talk about the effects of fiscal and monetary policies needed to stimulate the economy, some reference back to the budget and some mention of policies which the minister himself admitted were in effect band-aid policies. There was even an admission that we had in our society what could be called and what was indeed called hard-core unemployment. It is very good that we recognize the existence of hard-core unemployment just as in our society we have come to recognize the existence of hard-core pornography. If we can face up to a fact perhaps we will do something about it. I presume we do not want to carry that analogy too far, but at any rate I believe hon. members get my point.

For a moment I should like to dwell on the matter of expansionary policies, not only because it is mentioned on the other side of the House but also because it is a frequent topic used by my colleagues in this corner. It is getting to be a fact that many modern economists, if very few modern politicians, now realize that the effect of expansionist policies is on the price level or the exchange rate rather than on the real things such as output, employment or unemployment.

What I am suggesting is that we may be all kidding ourselves that we are making the world better by tinkering with the model we have in our minds about the economy. Surely after the all these years of tinkering in this fashion and involving ourselves in expansionist and countractionist policies, consumptionist policies and overconsumptionist policies, we should know that we still have not attacked the basic problem. For the past dozen years or more we have had a fairly steady and rather obscene level of unemployment in this country. All the good intentions of the government which we have witnessed, and indeed the criticisms of government policy, have not done very much to reduce this level of unemployment.

Almost all public and private effort is designed to increase production and productivity. Let us admit that, whether the government side of the House says we shall take these measures to increase productivity and production, or whether this side of the House says, "All right, fellows; move over and we will do it even better than you can", we must face up to the very simple conclusion that if we increase production and productivity we will also increase unemployment. It is as sure as night follows the day that if we put better and more capitalization into industry, industry of course will use this capital to buy machinery, which has the purpose of increasing productivity which means, in other terms, the purpose of decreasing the number of jobs. So perhaps we should now, at this time in our history, start asking ourselves whether the very language we use in speaking about this problem is fitting and proper language.

For example, here is some heresy. Unemployment as such is not bad: what is bad is not having any money or not being paid. There are many people in our society who are unemployed or underemployed, but who are paid. I need not go through a list, but you can imagine the categories I have in mind as well as I can. They manage to live in effective human dignity while being unemployed or underemployed but relatively well paid. What we have to look at, really, is not simply the matter of job creation but what we do with the leisure we are creating with all our new measures to increase capitalization and productivity. In other words if we can believe that our present unemployment is good for the rich, then it should also be very good for the poor.

One thing our advance is producing is the release of people from the necessity of working in the production of goods and services that we absolutely need in society. As people are being released from the need and the necessity to provide our standard of living and means of subsistence of course they are being displaced into another sector. Thank God that the system now provides for most of them and if their work is not needed in one sector they are taken up by another sector, the private sector in the main, and given jobs so that they can earn remuneration to buy the products of our society.

The problem with this kind of release and redirection of personnel is, first of all, that it is not very rational and, secondly, that it does not work toward increasing the quality of our lives. For example, if we reduce the number of people needed in basic production, they can go to the service industries and rather than working in essential and valuable areas we find them employed more and more in areas that, at best, do not enhance the quality of existence but increase the banality of existence. I can foresee many people being released from the drudgery of boring, productive activity working to build a society which is surfeited by an endless plethora of Kentucky-fried chicken stands.

Let us see if we can look at a few basic notions which might help us tackle this problem. First of all, let us try to spread the employment around. Why not have voluntary retirement at age 60? Why not have a sabbatical year for working people? As an academic, I always had the possibility in the future of having a sabbatical year. If it is good for me and for my colleagues, then it should be good for working people. Why should we not look at this way of spreading employment around? Why not begin to redefine what we mean by a regular job. Does a man have to work in the same factory 40 hours a week for 50 weeks of the year, or is there another way to approach what is meant by a regular job so that a young person, for example, could work less than that but work as part of a family unit, so that the young man and young woman could at least say they hold down regular jobs which give them the benefit of pensions, security, unemployment insurance, health premium payments, and so on? I would strongly suggest that such an approach would do much more to liberate women than the rather brief suggestions the minister made on that topic in his address.

If we spread employment around, we should think of spreading the pay around. It is strange that when talking about unemployment, employment and remuneration we hear nothing more these days about a good minimum wage. In my view, a good minimum wage is one which is so high that certain sectors of our economy scream. If it is not that high, it is not an effective minimum wage. I would like to talk about one point made by the author Paul Goodman. He said that the more a person's work is hard, the more a person's work is useful and necessary, the more a person's work is in the public realm, the less that person gets paid. Surely if this House really cares about

helping out the people who are the working poor, and the poor, they would do something significant about spreading the pay around and increasing the minimum wage standard.

We hear of all kinds of band-aid philosophies and floss programs, the sort of unemployment, worklessness and paylessness we have should make us realize that people want a job they can do, at pay which will allow them to live decently. It is no more complicated than that. That should be our basic objective.

• (2120)

When it comes to jobs that people can do, you will ask: How do we create the jobs? The need for jobs is there. There is all kinds of work that can be done in our society and all kinds of new services that can be effectively provided, but the fact is that the effective demand is not there. Since we are in the habit of borrowing ideas from the south, we can borrow one idea that has been emerging there in the past few years, that is, the notion of the state as employer of last resort.

Mr. Speaker, if you will not rise from your chair for thirty seconds, I will complete what I am saying. The state, at the federal, municipal and provincial levels could direct, through itself, people who want to be involved in work into all kinds of projects organized, not necessarily by the state itself but by the various voluntary associations in our society, such as the churches, and so on, and effectively hire people at this minimum wage. I will end by giving you one figure, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Order, please. I wish I could allow the hon. member to pursue his statement and give him one extra minute, but I want to be fair to other hon. members and we have accepted the rule of 11 minutes for each member.

[*Translation*]

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, on last Tuesday, March 6, the hon. Leader of the Opposition (Mr. Stanfield) introduced the following motion. I quote:

> That this House expresses its lack of confidence that the combination of the corporate tax reductions and accelerated depreciation write-offs contained in the Budget of May, 1972 and proposals contained in the Budget of February, 1973 constitutes an adequate and equitable response to the needs of the country.

Today, we have the following motion proposed by the hon. member for Abitibi:

> That this House deplores the continuous increase in unemployment, as well as the refusal or negligence of the Government to propose effective measures for providing more jobs of a remunerative character for Canadians, and condemns the existing authorities for imposing or tolerating quasirepressive measures affecting citizens who merely want to see respected their fundamental right to a decent standard of living and their personal dignity and to live in a climate of freedom and security.

Both motions are strangely similar and they are using up two debating days which are not producing much that is new or constructive on the part of the opposition parties.

I would like to refer to the budget speech of May 8, 1972 which said that the government's responsibility to Canadians was to protect already existing jobs, to look for means to increase them and consider the situation in other countries of the world.

Then it was easy to see that a new protectionist instinct prevailed in the United States which was and is still trying to protect its trade and dollar; that the European Common Market—of which Great Britain has now become a member—was in full expansion and that some of our most traditional trade relations were in danger; that Japan had come back to life and that we, whose survival depends on international trade, were right in the middle of it all.

In fact, on each dollar that we put in our pockets or purses, 25 cents come from our exports. So our economy is vulnerable and Canadian prosperity depends on our capacity to compete against Europe, the United States and Japan, not only on foreign but also on domestic markets because of our imports. And to compete with other countries our businesses must be in a strong position vis-à-vis those other countries.

That is why, Mr. Speaker, the budget introduced in May last provided incentives to industry and manufacturing fighting against world competition in the form of a 40 per cent reduction in their tax rate. It was not intended as a gift or social aid but to allow Canadians to survive, compete and expand so they can have competitive prices, create jobs, sell on foreign markets and earn this quarter of each dollar which allows us to live and prosper.

As far as the various industrial incentives go, whether they are found in our tax system or in the form of regional incentives intended to give equal job opportunities across Canada, some have called them "corporate welfare" and their recipients "corporate welfare bums". In any case I do not like those expressions, whether they are applied to corporations or people.

Moreover, the basic goal pursued by the federal system through taxation of business concerns and a wide range of government policies and programs to stimulate Canadian industry is not social assistance to companies, but the welfare of the people. The main objective of all such measures is to help Canadian industry achieve some specific goals.

As I said earlier, the first objective is to meet increasingly keen competition from foreign companies in both domestic and foreign markets.

In the second place, we want to assist Canadian firms in modernising their facilities, increasing their productivity and bringing down their costs in order that they may compete more successfully with other countries. We want to enable them to manufacture new and improved products and to develop peak techniques, living as we do in an era of technology.

Finally we want to help Canadian firms to offer better job opportunities throughout Canada.

For instance, Mr. Speaker, those steps are basically meant to enable Canadian industries to increase their production and their investments with a view to creating, immediately, productive, permanent and remunerative jobs for our ever increasing labour force. In Canada, it is the private sector and not the governments which constitutes the real element of growth in production, jobs and true income.

Some claim that government measures and programs have been a complete disaster in terms of creating new jobs. I say to them that Canada is doubtless facing one of the toughest economic challenges in the world: the number of men and women, and more specifically of young men and young women, entering the labour market is growing much more rapidly than in any other country in the world.

Let me quote a few figures that clearly illustrate the challenge we face. From 1965 to 1970, that is a period of six years, our labour force grew by 1,440,000 new workers, in other words by 20 per cent. That increase of 1,440,000 workers over a six-year period exceeded by 100,000 workers the total increase, not on a percentage basis but in absolute terms, of the 15 most important industrialized countries in Europe. I am speaking of countries like England, France, Germany, Italy and Sweden.

• (2130)

In other words, our labour force comprised 100,000 more job seekers than the total number of newcomers on the labour market in 15 European countries, whose total population is 13 times and a half larger than ours. Such is the economical problem caused by the arrival of newcomers on the labour market.

And how many jobs have we created during that same period? From 1965 to 1970, we created 1,300,000 new jobs in Canada. We have offered 400,000 more jobs than the 15 European countries taken together whose population is 13 times and half larger than ours.

What a tremendous challenge it was and still is; and the present government and the whole country have succeeded in taking up the most important economical challenge ever faced by the world. In relative figures, employment has increased 57 times faster in Canada than in the United States, twice as fast than in Japan, seven times faster than in Germany and 27 times faster than in the 15 European countries I have mentioned.

Mr. Speaker, in order to guarantee their jobs to hundreds of thousands of Canadians throughout the country, the federal government must at all cost implement the measures advocated in the budget of last May. Many of them are essential if industry is to compete with foreign companies enjoying the generous support of their own government. This is specially true in the areas of the country where economic growth and affluence depend essentially on the development of natural resources or in the areas where the federal government must grant special aid to ensure the development of secondary industries.

Mr. Speaker, I believe that this new plan has been designed to create a better balance between the need to preserve an atmosphere conducive to economic growth and the need to establish a more equitable tax system for all Canadian taxpayers. In last May's budget, there were also other social measures that have been increased in the budget of February 19. I would like to go quickly through the important points of this budget which has been called a budget for the Canadian family. For all taxpayers, there has been a 5 per cent tax reduction with a minimum of at least $100 and a maximum of $500. The basic exemption has gone up from $1,500 to $1,600 for single people and from $2,850 to $3,000 for married couples. So, Mr. Speaker, 750,000 Canadians will not have to pay federal income tax.

The basic old age security pension has been increased. From April 1, it will go from $82.88 to $100 a month and the guaranteed income supplement added to the basic pension will make a total of $170. The guaranteed income for old age couples will be $325. Our system of guaranteed income for old people is the best in the world.

Moreover, in last February's budget, it was proposed to increase veterans' allowances to at least $151 for single people and to $257 for married couples.

Also, Mr. Speaker, for the Canadian consumer in general, we have abolished the federal tax on children's clothing and shoes. We have also abolished the federal tax on consumer goods such as clocks, toilet articles, cosmetics; we also have abolished the federal tax on confectioneries, soft drinks and fruit drinks; we have reduced customs duties on meats, out-of-season fruits and vegetables; we have also reduced customs duties on consumer goods that are not made in Canada such as drug, china, furniture, etc. All this, Mr. Speaker, in order to give—

The Acting Speaker (Mr. Laniel): Order. I must interrupt the parliamentary secretary to remind him that his time is now expired.

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I am glad that in moving such a motion our Social Credit friends are giving us the opportunity to make known to the government our position and reactions with regard to the high unemployment rate in this country. I am also glad to see that the Quebeckers are rising to condemn the nonchalance and carelessness of the present government.

Naturally, it is not from the ranks of the opposite side that has come the censure of the government policy. This is obvious. Mr. Speaker, it seems evident that for our friends on the other side Quebec will never be anything but a producer of Parliament members.

As soon as the Speech from the Throne was presented and even recently when the budget was debated, we expressed the most severe criticisms against the government because of its inability, which is almost built-in, to put back on its feet the economy of Canada as a whole and of Quebec in particular.

The "just society" they talked to us about, the "just society" they take care not to mention today, has produced an unemployment rate which can rightly be described as having only increased regional disparities in Canada during the last five years.

In Quebec, unemployment rate was 6.5 per cent in 1968, 6.9 per cent in 1969, 7.9 per cent in 1970, 8.2 per cent in 1971, 8.6 per cent in 1972 and, as our colleagues opposite would say—"To keep is strong"—the rate reached the shocking level of 10.2 per cent in January 1973.

Mr. Speaker, it is not because the Quebec ministers of State, among others, will get shortly a salary increase that will place them above their federal colleagues that one must believe that Quebec has solved its economic problems. Far from it! That example only shows the Liberal congenital helplessness when it comes to identifying genuine priorities.

Unemployment

What picture can we now draw of the province of Quebec? Its industrial production grows at a much slower rate than elsewhere; there is a 10.2 per cent rate of unemployment in Quebec; areas like the Lower St. Lawrence and the Gaspé peninsula are being deserted by their inhabitants because cost-shared development programs produced more red tape troubles than realistic solutions. Its agriculture is deteriorating—whether in the Eastern Townships, in the lake Saint-Jean area or elsewhere—because of the lack of a three-or five-year milk policy plan and because of the government's delay in solving the vital problem of feed grains in the East. Therefore, young farmers are deserting the farms and will sooner or later increase the number of unemployed people in cities.

In another field, industries such as the shoe industry, are running to seed in Quebec for the benefit of an ill-disciplined impor policy; youg people by the thousands are coming out every year of the CEGEPs and specialized schools only to find themselves face to face with the spectre of unemployment for the white collar workers; a small private business staggering with great difficulty in St. Hyacinthe or elsewhere and which sees large multinational corporations receive substantial grants without creating, in many cases, any new jobs.

• (2140)

That is the economic picture in Quebec. And brother governments—brothers in the election fund as well as in the arrogance that power gives them—are content with slogans like 100,000 jobs in April 1970 and 300,000 jobs in February 1973 without giving any concrete specific plan on which to base their forecasts.

The past speaks for the future and the people of Canada, in Quebec as elsewhere, have no more reason to believe in the favorable results of the recent budget then they had in those of previous budgets. We know it now, the new budget is even less expansionary than that of May 1972 considering the present political and economic context.

On the short run in 1973—because it is in 1973 that thousands of families in Quebec as well as elsewhere in this country are affected in their cost of living as well as their human dignity by unemployment—this government is satisfied, as we have seen, with a shy winter works program, some capital injected in programs which are really more of a plaster than a valuable plan of action.

It was indeed rather later before this government launched its winter works program, so late that provincial government and municipalities, particularly in Quebec, could no longer plan seriously any efficient program for 1972-73. No planning with this government. And instead of laughing at the winter works programs advocated by the Official Opposition this government should have used its energies to plan them a year ahead as we advocated during the last election campaign

Mr. Speaker, we have already committed ourselves to providing small Canadian businesses with direct incentives to promote their expansion, to increase progress opportunities and create more jobs. We have proposed to allow Canadian citizens to deduct from their income taxes half of any amount up to $5,000 which would be invested in small Canadian businesses. And in this manner, personal income tax could be brought down to $2,500 for the full life of the investment. This investment credit program would aim to encourage investments in small businesses and stimulate their expansion.

Small business, in Canada, is a vital sector of our economy, consuming more goods and services, paying more taxes and creating more jobs than any other sector. This pattern would be both an incentive and an inspiration for the youth of our country which is asking only for new opportunities, new careers. And we should take into consideration, Mr. Speaker, that half of those who are seeking work in Canada are young people under 25.

That was an example of concrete remedial action in the framework of our program, and a demonstration of the urgent necessity for replacement of the present government team.

Mr. Speaker, unless we are prepared to see an increase in the number of those who are discontented, disillusioned and anarchists, and to risk recurrences of the events of October 1970—I say so earnestly and vigorously—the time has come for decisions of the kind I have just outlined.

Mr. Speaker, the people of Canada, and those of Quebec particularly, are weary of being bandied from one level of government to another, from one election to the next, from one slogan to another.

With regard to current unemployment, especially in Quebec, it is true that, to borrow the words of the fabulist, all do not die, but—for the time being—all are stricken.

The whole country, Mr. Speaker, is looking forward to the advent of a humane government, that is aware of the ills of the day and that is capable of daring.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, first of all I wish to congratulate my colleague from Abitibi (Mr. Laprise), mover of the motion, on his excellent speech. To my mind, his was most constructive criticism and he suggested sound solutions. Whatever one may think, on rereading his speech, one realizes that it is really chockfull of ideas, including new suggestions to solve the problem now under discussion.

I must say also that I endorse his suggestions. I urge the government to consider and implement them as soon as possible: time is running short. At this point, in conscience we all have the imperative duty to help resolutely to solve the economic problem which distresses us. The suffering experienced by a vast number of families makes it rank first amongst our priorities and endows it with a sacred character. One only has to live in an area where unemployment is high and incomes are very low to be convinced of it.

Mr. Speaker, I would like to deal with one specific issue in the little time available to me, that is the Local Initiatives Program as a means to curb unemployment by creating new jobs.

The former Minister of Manpower and Immigration (Mr. Mackasey) stated rightly, during the last Parliament, that the program was directly intended to create jobs and thus provide direct income to those who did not have enough.

As it happened, the government widely advertised the program, raising many hopes in every area by suggesting

that the new policy would create many jobs by implementing various community works which can only be launched with grants offered under the program. The people believed in the sincerity of the government. Then serious projects were submitted from all areas, but too many were rejected without a valid reason being given to warrant this refusal. We Social Credit party members very well know that this refusal is basically due to a lack of money, the fact that credits have run out. And when the minister sees his funds have run out, he suffers from anaemia and he must turn down projects. This is what happens in many cases under the Local Initiatives Program.

Thus, discontent, division, jealousy sprang up among people when noticing that such or such project was approved rather than another. Mr. Speaker, as an example I would like to quote a letter I received today from the good reverend of a parish struggling with misery and poverty. I am speaking of Sainte-Apolline in my riding, a parish of 1,000 to 1,200 souls, a great number of whom are on welfare. So, faithful to my mandate, I make it a point of duty to be his spokesman because he says in his letter to me, and I quote:

I have just received from the Department of Manpower and Immigration a reply concerning the project which the Fabrique de Ste-Apolline has proposed under the Local Initiatives Program.

• (2150)

This year as last year, the department's reply was no.

Last year, the reply was negative, as it is this year.

The municipality of Sainte-Apolline has obtained the same reply as the Church Council, and this also for the second consecutive year.

I am extremely sorry about that.

Recently, on a recent TV program *Politique Atout*, Mr. Marchand spoke of distributive justice. These are fancy words, but the facts are altogether different. Last year, in our area, the parishes of Saint-Marcel, Saint-Just and Berthier obtained funds allowing them to achieve their respective projects. This year, the same parishes again get their funds for their projects. This is probably the new distributive justice, that is always giving to the same people, to the friends . . . ? Who knows?

The points of suspension are quite meaningful.

Still more surprising is the fact that the parish of Berthier obtained last year a second budget to complete its project whereas, previously, for us the reply had been that the program budget was exhausted. Do they think that we are crazy? They know that that we cannot voice our opinion and they take advantage of it.

When I received the department's reply, I received at the same time a poster from the Canadian Catholic Organization for Development and Peace (an organization devoted to the underprivileged countries). I am sending it to you. All that is written on it concerns our condition, except that we must get out of it by ourselves. We can rely on nobody else. We should like to develop our area also, but our government refuses to help us because we represent nor a political gain nor a future market. In fact, our position is worse than that of the underdeveloped countries. Unfortunately, we are Canadians.

As I said above, we have nobody to speak on our behalf. Unlike the underdeveloped countries we do not have organizations as Development and Peace to carry our message. We still have the hon. member for our riding. Will you care to give us a voice, to transmit our message to those hon. members of Parliament? You may even invite them to come and visit us. But who will? This is what is so sad about it: we are not recognized.

Thank you for reading this letter to the end.

Denis Lepage,
curé of Ste. Apolline,

Montmagny.

Your message has been conveyed, Father. And I shall go on fighting to get something for your area, as for all areas in my constituency, in my province and in my country.

What were these people asking for? The renovation of a hall for community meetings, for young people's recreation, for older people to meet in order to know and understand one another better and spend as much time as possible working for their salvation and achieving material things with the resources of the community.

What was needed for the municipality's project? Help in developing these surroundings, which are most suitable for the tourist industry. So there were two very sound projects.

Mr. Speaker, this Protestant minister is right in what he says about the third world. I have spoken about it several times, not only in the House but whereever I have had the opportunity of meeting the population, so as to arouse the sense of responsibility of those who have power over this third world that we rub shoulders with every day without really noticing. It is a third world within our national boundaries.

I saw the Local Initiative Programme as an invitation to youth, to those still capable of achieving something with financial assistance from the State, and as an encouragement to return to work, that work ethic which is alas disappearing, but which is a formidable God-given tool for making into "retail" what He put "wholesale" on earth. Whatever the nature of our activities, whatever the field in which we work, work has always been and will always be a tool to enable us to achieve something, and that is what these people want.

I therefore call on the government to make considerable extra funds available to the Minister of Manpower and Immigration (Mr. Andras), so that he and his officials may in turn approve more projects, and so that the selection of these projects will not be subject to political pressures. But some advice should be sought at the source of the projects, from the persons responsible within the organizations, the intermediate bodies and the municipal councils. They are the ones who are in a position to advise the selection committees and to tell the officials about the degree of priority to be given to the most urgent projects in the community and in short . . .

An hon. Member: This is exactly what is being done.

Mr. Lambert (Bellechasse): I am told that it is exactly what is being done. Then, I would like to know who are the ones who do so. I have often asked with whom we were to deal, but it is always a matter of secrecy.

It happened once that a project was approved; I was quite pleased, because it was the continuation of a long-term program meant to clean up a certain area and to enable the population to carry on summer-time recrea-

tional activities, because there was no lake in the area. Then, this project was approved by the officials, the contract was forwarded and later, by telephone, there was a request to return the contract quickly because there had been a mistake. One can therefore imagine how carefully the projects are selected!

I was pleased to see that this project had been approved. Why? Because it was logical, sensible and it enabled 87 people to work and earn a living, instead of wondering every morning about what they were going to do, with the continuing rise in the cost of living and their income remaining the same.

And, for sure, if there is anyone who knows how to encourage young people to work very hard and try to get over the difficult period which we are going through, I think I am the one, because I have always assumed my responsibilities in this field, and I shall continue to do so. But, please, let us make sure that small distant communities get from the government the same amount of attention as do the larger centres, for we find in those small communities human beings who want to live. They want not only to exist, but also to live truly in their country. That is why it is imperative that the necessary means be taken to reach them.

I would like, in closing my remarks to ask once again that substantial credits be granted immediately, before the unrest grows, in order that a greater number of people be employed doing something constructive.

Mr. Speaker, I am not the one who will tell those working on LIP projects to take all their time because those are government programs. I am always aware of my responsibilities and we should all together try to make the people understand that even if those are government-financed programs, each and every worker must try to give the best performance possible for that is the way we will generate a responsible spirit in the workers, develop our country and make possible the distribution of that enormous wealth to the whole population. Thus the ugly image of misery within wealth which we are experiencing, when there are fewer and fewer rich and more and more poor will at last disappear. Some people do not like hearing those words but it is our duty to say them. We have been elected by our constituents to represent them, attack the problems, find solutions and as far as I am concerned, that is what I will do as long as I live.

The Acting Speaker (Mr. Laniel): Order. It being 10 o'clock, it is my duty to inform the House that under Standing Order 58(11) proceedings on the motion are now completed.

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

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

[Mr. Lambert (Bellechasse).]

POST OFFICE—POSSIBLE RESTORATION OF SIX DAY A WEEK DELIVERY

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, six years have elapsed since the former postmaster general, Eric Kierans, began the destruction of the Post Office Department in the name of efficiency. In sheer self-defence during the intervening period, more and more businessmen began using Her Majesty's mails less and less, and the Post Office has become the best friend of Canada's burgeoning private delivery businesses. As an example, in Toronto, where five years ago there were scarcely any private agencies engaged in this business, the metro Toronto phone book lists today no fewer than 85 firms which are prepared to guarantee same-day delivery within the city of both parcels and individual mailed pieces. I state this to demonstrate that the Post Office Department is in deep trouble. Now that we have a new Postmaster General (Mr. Ouellet), I hope he will take action to resolve some of the current difficulties. I have been asking a series of questions over the last few weeks since this parliament began. I have gained the impression that the Postmaster General feels that all is for the best in the best of all possible worlds. I look at the official communications bulletin of the Post Office Department for January and read:

Ouellet's tour is a big success.

• (2200)

In French it is even more emphatic in that respect: it reads:

[*Translation*]

The minister's tour was a complete success.

[*English*]

I suppose that means "an absolute success."

Some hon. Members: Hear, hear!

Mr. Dinsdale: That is nice work, patting yourselves on the back, because it comes from the minister's own publication. This dedication to efficiency has committed the Post Office Department to the process of mechanization. The intricate part of this is the postal code, which is so complex that the people of Canada are having difficulty understanding it. This is demonstrated by the propaganda efforts which the Post Office Department has established to help Canadians to interpret the postal code.

The Post Office Department spent $289,000 on a calendar, a commercial gimmick that is usually restricted to private enterprise. It is distributing a credit card holder. I suppose that is to help the bankrupt Canadians who are paying excess taxation. It will hold all the credit cards that are necessary to keep afloat because of the irresponsible fiscal policies of this government. It is spending $500,000 on general advertising which features slogans such as "Keep two pairs of plus fours". The idea is to have some kind of simple formula which makes it possible to understand the postal code.

I have some suggestions in this regard. For the Prime Minister (Mr. Trudeau) we might have a code such as 02B 4T8. For Senator Forsey, I2C 4C4, and for the Minister of Industry, Trade and Commerce (Mr. Gillespie), as he negotiates the auto pact, it might be B4U 2R1. I think the

Post Office advertising suggests that after having come to these formulas, they should award the booby prize to the most successful formula. I would say that the Post Office Department should award itself the booby prize.

Not only are there problems of mechanization but at the moment rural and small town postmasters are having difficulty in getting a new contract settled. I am sure all members agree the rural post offices are the backbone of the nation's postal system. Mr. Kierans started a system of phasing out rural post offices. His successor, Mr. Côté, cancelled this, realizing that it was destroying our postal system. Unless an immediate settlement is obtained for the 8,000 rural and small town postmasters who are looking for a better contract than the one they now have, we shall be in serious difficulty. At the moment they receive as low as $1,000 a year. On an hourly rate, it is as low as 46 cents an hour, which is well below the federal minimum of $1.90 an hour.

Early decisions are necessary in coming to the solution of these negotiations. We do not want long, protracted negotiations like those which caused such an impact on the morale of the postal employees in connection with the agreement which has just been reached. The Post Office Department is being sued for unfair treatment when it took over the mail transportation in larger centres from the private contractors. At the time we said this was a mistake. I think there are official reports in the Post Office Department that stated it was a mistake to substitute public enterprise for private enterprise in this field. Obviously, this is being demonstrated in the action of the former mail carriers who are now sueing the Post Office.

Morale is low. Public good will has been dissipated. I trust the Postmaster General will do something to rescue our badly demoralized postal service. I have one final word on this score. The deputy postmaster general, speaking to the Canadian Circulation Audit Bureau Incorporated last Friday, indicated that he now knows where the problem is. They have introduced a bugging device that traces mail through the system. This is what Mr. Mackay had to say:

> We knew our service wasn't what it should be, but we were perhaps inclined to blame it on weather conditions and inability of airlines to fly from point to point, thereby delaying our mail.
>
> What we found instead was that the weather was a very minimal factor . . . Failure within our own processing system made up by far the majority of our breakdowns.

I say to the Postmaster General, "Physician, heal thyself."

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, in reply to the hon. member I would like to say first that I am quite disappointed that he did not use his time to make meaningful proposals. It is quite easy for him to enumerate series of problems but I wish he had put forward a few suggestions which I would have accepted with much sympathy and which I would have tried to implement.

I would tell the hon. member that for many years our mail problems have certainly increased. If they have increased it is because unfortunately over the last 15 or 20 years no attention was paid to the deep transformation of the country, namely the exodus of people from rural to urban areas. The fact that each day in Toronto and Montreal some 5 million pieces of mail have to be sorted out demonstrates how urgent it is to mechanize our operations. That is what we undertook to do, that is what we are doing and that is what we will do. The mechanization of our operations will enable us to provide a better postal service.

The postal code to which the hon. member made a brief reference is an essential step that a great number of other countries have taken, and instead of making fun of it, the hon. member should use it because it has been applied in his own province, Manitoba, for two years. I should be interested to know if the hon. member knows by heart his own postal code and if he uses it.

I should ask him to make a campaign in favour of the postal code because it is to the extent that people understand they must use it that we will be able to provide a better postal service.

The hon. member referred briefly to legal proceedings. I think he will understand that since this matter is now sub judice I cannot deal with it.

But finally, since he dealt with several points, I should like to remind him that we are negotiating with rural postmasters. We are fully aware of existing deficiencies but negotiations are proceeding well and I hope that we will arrive at a settlement in the near future.

What we have been able to achieve with 28,000 postal workers, who signed a collective agreement—this, as the hon. member knows, is the first time we have arrived at an agreement with postal workers without facing a nationwide strike—proves that it is possible to reach agreements not only with all our employees, but also with our postmasters.

Far from sharing the hon. member's views, I believe that things are going much better in the Post Office department than formerly and that the Canadian public is entitled to hope that very shortly our automation, our postal code and our new labour contract will bring about better service in Canada.

• (2210)

[*English*]

FISHERIES—REQUEST FOR FEDERAL ACTION TO PROTECT SALMON SPAWNING STREAMS

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, on January 25 last, as will be found at page 638 of *Hansard*, I asked the Minister of Fisheries (Mr. Davis) a question which appears under the heading "Request for Federal Action to Protect Salmon Spawning Streams". I felt this topic was worthy of further exploration with the minister so I put it down for discussion during this adjournment debate. My question was:

> In view of the indicated interest in the preservation of salmon spawning streams on the part of the government of British Columbia as evidenced by the suspension of logging in at least one salmon stream, is he prepared to request the approval of parliament for a beefed-up appropriation in order to catch up with the longstanding backlog of neglected salmon spawning streams in the province of British Columbia?

The minister replied:

Mr. Speaker, we certainly welcome the newfound interest of the government of British Columbia in salmon streams on the west coast. We have included more money in the budget to clear these streams.

Naturally, it is the question of the amount of money in the budget about which I am curious, and it is the one which we may have to explore further. In fact, the minister did provide a somewhat expanded answer in the remarks he made to the annual convention of the United Fishermen and Allied Workers' Union in Vancouver on February 5, as indicated in the notes of his speech which were circulated by his department. He said in part:

But there are thousands of streams, some small and some not so small, which flow directly into the sea. They can also be highly productive in so far as species like salmon and trout are concerned. Their rehabilitation could add as much as 50 per cent to our catch of these fish in recent years.

He went on to describe how in his second year as Minister of Fisheries he launched an attack on the problem of debris in small streams and suggested that his approach was twofold. He said:

One, we spent several hundred thousand dollars a year tidying up the streams themselves; two, we stepped up our efforts to persuade the B.C. forest service that a total, environmental approach to river basins would pay off.

Later in his remarks he added to his view about the recent action of the government of British Columbia when he said:

—I was glad to see the action which B.C.'s lands and forests minister, Bob Williams, took the other day. He backed our Fisheries people up on the Indian River.

That river is in my constituency, I may say. The minister went on to say:

This is a welcome change from the back-of-the-hand treatment we got from Ray Williston and some of his senior staff.

Should any member of this House think the minister's remarks were a little strong in that connection, I think any hon. member who recalls the situation that developed over the driving of logs on the Stellako River a few years ago, when the government of British Columbia insisted, in spite of a report signed jointly by officers of the federal fisheries department and the recreation and conservation branch of the provincial government that some 10 per cent of spawning in that stream was being destroyed by each year's drive, will know that I join the minister in welcoming some change in attitude. That fact is self-evident.

What about the question of providing more money? I have taken a quick look at the estimates for the forthcoming year. At this point I shall refer only to the description of the estimates of manpower and the increase in requirements. It is suggested there is an 8 per cent increase in the Manpower estimates for the fisheries and marine program, but the footnote says:

The increase is due primarily to the provision of increased protection services on rivers closed to salmon fishing, hiring of summer students and studies related to the Mackenzie Valley pipeline.

I take it the reference to increased protection refers to Atlantic salmon rivers. I suggest to the minister that he has a long way to go and that some of us will want to explore this question very seriously with him when we get to the estimates. As I read them, there is certainly nothing which indicates any real beefed-up program, at least as far as the coming fiscal year is concerned. I say frankly to the minister and the government, in almost 20 years since I first came to this House, I have not known the morale of the field officers in his department to be so low and despairing as it is at the present time.

They say that walls have ears. Members of Parliament have ears, and certainly to my knowledge this is my assessment of the case. I have some pictures here which I shall be pleased to show to the minister in the committee. One is a picture of the Indian River taken one half mile from the beach. It shows a log jam which has been there for the last four years, and the results after four years of attempts by his department to do something about clearing that jam.

I suggest that unless there is a realistic approach to clearing these streams with proper equipment and a proper approach to the necessary manpower, our hope of increasing by 50 per cent the catch from the streams, to which the minister referred in his speech in Vancouver, is a long way into the future. So far as I am concerned, I intend to do everything in my power to see that the fullest co-operation is provided to the federal Department of Fisheries and the field service officers by the appropriate people within the government of British Columbia.

I hope the fact that the present minister of lands and forests is also minister of recreation and conservation is a real indication that the government of British Columbia is taking a serious look at this question in the hope that there is a genuine and complete ecological approach to our land use in respect of the rivers and streams of the province of British Columbia.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the hon. member for Comox-Alberni (Mr. Barnett), who is normally knowledgeable in fishery matters, knows that one thing he said tonight is wrong. He said that the morale of our fisheries officers on the west coast had never been so low. It's wrong for the following reasons. Never before have the fisheries officers on the west coast had as much leverage, so much influence over the practices of the logging companies and the foresters as they have today.

One of the reasons is the increasing co-operation they are receiving from the provincial authorities. The new government in British Columbia has put together two former departments. One dealt with forestry, in other words the handling out of forest management licences; the other dealt with fish and game and recreation. The two are now one in one department of the environment, although it is not yet called that.

It is now possible for the fisheries service on the west coast to deal with a single department so that they are able to reconcile the often conflicting claims of the wildlife and recreational people, on the one side, including fisheries, and forest management practices on the other.

There has been an increasing understanding of the problem on the part of the forest industry and the companies themselves. The foresters today are much more conscious of the fisheries resource, wildlife and the need to preserve the watershed for all purposes than they were

before. We have had very good co-operation from the industry. There have been many cases, of course, of logging practices which have continued to destroy salmon streams. For this reason we have to continue to prosecute companies. There have been several dozen prosecutions in recent years. The increase in this kind of discipline has helped the morale of our forestry officers as well.

• (2220)

The hon. member for Comox-Alberni asked about our budget on the west coast. The notes I have received from the department say that the budget and the Manpower commitment have been increased so as to improve our initiative in protecting salmon streams from bad logging practices. The professional staff located on the west coast, and incidentally assigned to deal exclusively with fisheries problems on logging streams, has been increased. An additional fishery officer has now been hired and he will concentrate solely on logging problems on the west coast of Vancouver Island which was an area about which the hon. member expressed concern.

The hon. member referred to an incident earlier this year involving the Staghorn and Indian Creek area of Vancouver Island. The departmental people arranged a meeting on January 3 bringing together the B.C. Forest Products Company officials, the B.C. forest service and a group of concerned private citizens. They discussed the problem of debris in the streams and the company agreed to cease certain logging practices and to set certain sections aside to remain in the natural state along tributaries of the streams where salmon spawn. After the B.C. forest service reported back, the minister of lands, forest and waters for British Columbia announced that it would require the company to do what it had agreed to do voluntarily at the meetings convened earlier by the fisheries service.

To sum up, the reasons why morale is high on the west coast have been enumerated. There is more co-operation from the provincial forest service, there is a great deal more co-operation with the logging companies, and with more prosecutions they are making considerably more headway than ever was the case in the past.

EXTERNAL AFFAIRS—REQUEST FOR WITHDRAWAL OF INVITATION TO PRESIDENT AMIN OF UGANDA TO VISIT CANADA

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, on February 13 I asked the Prime Minister (Mr. Trudeau) if he would consider this government's formal invitation to President Amin of Uganda to visit Canada in August of this year. To support my objections I cited the inhuman and inhumane policies of dictator Amin toward non-black persons in his country.

Needless to say, I was rather surprised when the right hon. gentleman answered that it was this government's view that it should not intervene in the affairs of other Commonwealth nations. Further, the Prime Minister said that there is no provision for expelling a member of the Commonwealth. I must reject the statement that this government has not intervened in the affairs of other Commonwealth nations. The record of this government's condemnation of Rhodesia, to name only one example, is all too clear.

As to the question of expelling Uganda from the Commonwealth, I did not say nor did I imply that we should seek the expulsion of Uganda from the Commonwealth. But since the Prime Minister has raised the question I will address myself to it in a moment.

I will deal first with my reasons for objecting to the Canadian government extending a formal invitation or any other type of invitation to such a person as General Amin. General Amin's psychopathic reign of terror since he became dictator of Uganda is well known to all of us here but I would like to refresh the memory of hon. members on a few specifics. All hon. members are aware of the expulsion from Uganda of some 40,000 Asians. Their only crime was their racial origin; and they were not only expelled, they were stripped of all their personal possessions. They were given 90 days to leave the country, and some of them were second and third generation Ugandan citizens.

Canada accepted a large number of the Asians, and it is to our credit that we did so. But I waited in vain for Canada to register its indignation and condemnation of the Uganda president's actions in the United Nations, or at least to the Commonwealth. Our silence throughout this degrading and inhuman experience indicates a certain degree of approval.

Reports from Uganda a few months ago described a most disturbing and revolting situation involving the Uganda dictator. It was reported that he ordered 20 or more prisoners who had been convicted of minor offences removed from a village jail and tied to tables in the village square. General Amin then moved among the tables and assisted a group of soldiers to beat the prisoners to death with clubs. The general said that this would teach the villagers respect for the law. In the same vein, highly respected reporters for Reuters, AP and other agencies say that Uganda's soldiers are empowered to go about the country selecting people at random to be tried by military courts for minor offences, or even on trumped up charges, and then shot to death in the village squares.

General Amin announced early this month that he would expel Kenyans living in Uganda and confiscate their property if Kenyan newspapers did not stop reporting on his policies and practices. He has served notice on other non-black people in Uganda that they are more or less living on borrowed time. Everything that President Amin does, everything he believes in runs counter to everything that we in Canada hold in reverence. We have laws to ensure that people are not discriminated against in any way because of their race, colour, religion or for any reason whatever. General Amin's personal conduct, his political policies and his official practices generate deep revulsion in the hearts of most Canadians, and I have never heard anyone suggest that this man is a civilized human being.

This brings me to the second part of the Prime Minister's answer, the fact that he would not direct the Commonwealth in any way that would involve the censure of one government by another. I cannot accept this. As I mentioned before, I cannot help but feel that many people today interpret our silence in this matter to indicate at

least some measure of acceptance. In my view it is irresponsible of us not to register our condemnation of this revolting conduct on the part of a Commonwealth nation.

The Prime Minister said that there was no provision for the removal of a member from the Commonwealth, and while I did not suggest that it should be done I must say in retrospect that it is too bad that there is no provision to expel a nation from the Commonwealth. A nation such as Uganda and a dictator such as General Amin are out of step with the Commonwealth's aims and objectives. There is no way that he can contribute to the well-being of other citizens of Commonwealth countries. There is no way that he can contribute anything worthwhile to the Commonwealth as an organization. General Amin is detracting from the ideals and the objectives of the Commonwealth in everything he says and does, but as a member of our organization he is getting a free ride at the expense of the other members.

In conclusion, Mr. Speaker, I would urge the Prime Minister to advise the President of Uganda that our government's invitation was in no way a formal or official invitation to our country. I would go so far as to suggest that the general would not be welcome at the Commonwealth conference in Canada in August. Failing that positive approach, I would at least ensure that the general was not accorded an official welcome when he arrives here. For our government to extend an invitation to General Amin to visit Canada implies a double standard in the conduct of our external affairs that I find objectionable and unacceptable and I urge the Prime Minister to reconsider his position in this matter.

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I think it is no great secret that, as I am taking my first steps in the seraglio of the Secretary of State for External Affairs, my answer to the hon. member has been excellently prepared by the minister. I should have preferred the answer to be drawn up in French, as I am more at home in that language, but since it has alas been written in English, I will have to give it to the hon. member in English, but I suppose that will be just as acceptable to him.

[*English*]

When Canada offered to host the next Commonwealth heads of government meeting in August, 1973—

[*Translation*]

Mr. Pelletier (Sherbrooke): Mr. Speaker, I rise on a question of privilege.

The Acting Speaker (Mr. Laniel): Order, please. Is the hon. member rising on a question of privilege?

Mr. Pelletier (Sherbrooke): Yes, Mr. Speaker, unless it is a point of order.

I would like to know why the parliamentary secretary to the Secretary of State for External Affairs has not received the answer, which he must give in his mother tongue, in French. In the committee on External Affairs and National Defence, this happened twice, and I would like to know the reasons for it.

[Mr. Mitges.]

The Acting Speaker (Mr. Laniel): Order, please. I wish to call the attention of the hon. member to the fact that we have now reached the time of adjournment, which involves a procedure quite different from that we usually follow and, automatically, questions of privilege cannot be accepted. If the hon. member wishes to raise a particular point regarding the administration of the government or the operation of the House, I believe he will have to wait until tomorrow. Anyway, hon. members have had the opportunity of listening to his remarks, and I suggest that we should let the parliamentary secretary give his answer.

• (2230)

Mr. De Bané: Thank you, Mr. Speaker, but I wish to say that I understand quite well the reaction of the hon. member for Sherbrooke.

At all events, I shall continue the reading, in English, of the answer that was prepared for me.

[*English*]

This invitation represented our government's firm commitment to the Commonwealth and to the ideals which it espouses. As an association of nations which are at every stage of economic development, of diverse wages, cultures and institutions, the Commonwealth has the unique capacity to foster informal and intimate consultations concerning matters of common interest to the leaders of its 31 members.

As such, it is capable of exerting a beneficial influence in the promotion of international understanding and world peace. Nevertheless, one must remember that it is a voluntary association of independent sovereign states which derives its strength to promote international peace and progress from fruitful consultation and co-operation among its members.

The Commonwealth declaration issued by the heads of government at Singapore in January, 1971, affirms the association's belief in the benefits of fostering understanding among nations and firmly rejects coercion as an instrument of policy. Accordingly, the Commonwealth does not seek to impose policy upon its member states, particularly in the realm of domestic affairs.

Among the principles set out in the Commonwealth declaration is the statement that members—

—recognize racial prejudice as a dangerous sickness threatening the healthy development of the human race and racial discrimination as an unmitigated evil of society. Each of us will vigorously combat this evil within our own nation.

Membership in the Commonwealth, though stemming from a common heritage and tradition, is no less determined by a subscription to principles contained in the declaration. Yet there are no provisions for expelling a Commonwealth member for actions one or more nations believe to be contrary to the ideals of the association. The Commonwealth nations, however, can collectively express their displeasure if they so desire.

Canada's reaction to the expulsion of non-citizen Asian residents of Uganda is well known. Based upon the belief of all Canadians in equality and justice and the national inability to ignore the plight of human beings in need, we welcomed several thousand Ugandan refugees to Canada. This action was warmly welcomed by many within the

international community but especially so within the Commonwealth.

With regard to the forthcoming Ottawa meeting, it must nevertheless be borne in mind that each head of government of all the member countries is entitled to attend such meetings wherever they are held. The decision to hold a meeting is taken jointly by all heads of government, and it is always the hope and expectation that they will personally attend whatever potentially divisive problems there may be. The conference should not be expected to resolve such problems, but it would be a retrogressive step if they were allowed to prevent the meeting together of all heads of government for their traditional intimate exchange of views and their examination of the progress of a number of practical initiatives since the last meeting. Canada is now taking its turn as host to one of these meetings. Although this government strongly disagrees with the policy of expulsion undertaken by President Amin—

[*Translation*]

The Acting Speaker (Mr. Laniel): Order. The Chair does not want to prevent the parliamentary secretary from giving his answer. Complaints were made earlier about the prepared text. Perhaps the Chair itself has a complaint to make to those who write such texts. Perhaps they should make them shorter, so that we can stick to the three minutes allocated for reply. We try to limit this period to 30 minutes, so that hon. members have seven minutes to express their views on the question they raised in the previous days and I think we must also ask the government spokesmen, whether parliamentary secretaries or ministers, to try and reply as much as possible within the prescribed time.

I think at this stage, it would be difficult to allow the parliamentary secretary, who has already exceeded by two minutes the time that was allocated to him, to complete his answer. Perhaps he could take advantage of the rest of the night to give it directly to the hon. member who raised the matter.

Motion agreed to and the House adjourned at 10.38 p.m.

HOUSE OF COMMONS

Tuesday, March 13, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

FINANCE

INTERNATIONAL MONETARY CRISIS—STATEMENT BY MINISTER ON MEETING IN PARIS OF FINANCE MINISTERS

Hon. John N. Turner (Minister of Finance): Mr. Speaker, on Friday, March 9, I attended in Paris a meeting of finance ministers of the Group of Ten countries and of all members of the European Economic Community. The question before us was how best to relieve the speculative pressures affecting currency values which had led to the withdrawal of European and Japanese authorities from their exchange markets on March 2.

The meeting on Friday last permitted a useful exchange of views but could not arrive at any definite conclusions until the European countries had decided themselves whether to define fixed rates of exchange or to float and, if the latter, whether to float in unison or separately.

The Europeans made their own decisions Sunday night and, as is now known, beginning next Monday six countries will float jointly against the U.S. dollar; three others, the United Kingdom, Ireland and Italy, will for the time being float separately. Until next Monday, the European and Japanese markets will remain closed as they have been since March 2.

At a further meeting on Friday next which I shall be attending, there will be discussion of certain possibilities of co-operation between the European countries and others and we will no doubt discuss plans for expediting work now in train on the over-all reform of the monetary system.

Although the decisions taken last weekend do not have any direct, immediate consequences for Canada, I believe they will be helpful in reducing the speculative pressures that have been affecting certain exchange rates. By permitting the exchange rate system to react more directly to fundamental market forces, the decisions will set the stage for the basic reforms that are required.

Given Canada's great stake in foreign trade, we feel it is urgent to re-establish a calm, orderly international monetary regime and we shall participate actively in the international discussions and decisions directed to this vital objective.

This is a difficult time with respect to international trade and payments and much work lies ahead. While contributing all we can to the international discussions, we must make every effort to maintain the strength of our industries so that they will be able to meet competition and provide jobs for Canadians.

I am tabling with your permission, Mr. Speaker, copies of the communiqué issued in Paris, Friday, March 9, by our Group of Ten meeting and of the communiqué issued by the meeting of finance ministers of the European Economic Community in Brussels, Sunday, March 11.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, we are glad to see the minister with us today, knowing that he is making an interim report to cabinet. I would have hoped he would prepare a rather more informative statement for the House because, with all due respect, in many ways this statement is about as empty of real information as a good deal of the budget speech the minister made to the House some nights ago. Be that as it may, this conference, this meeting will perhaps mean in days to come that after some 25 years the principles of the Bretton Woods Agreement will be not only obsolescent in its present form but probably obsolete in that we have so many currencies now floating subject no doubt, as in Canada's case, to massive central bank intervention. We know that some 15 months ago the Bank of Canada did intervene massively when there was the prior crisis with regard to the United States dollar. It would be interesting to know how much intervention there is at the present time.

In the minister's statement we find the following:

> By permitting the exchange rate system to react more directly to fundamental market forces, the decisions will set the stage for the basic reforms that are required.

I simply enter the following caveat in that regard: Subject to the degree of central bank intervention which may totally distort the operations of the true market forces. In the press release tabled by the minister there is one sentence in paragraph four which leaves me wondering a little whether the ministers who met during this past weekend have not tried to find some convenient excuse by saying that the crisis was due to the speculative movement of funds. That in itself is an oversimplification. It may well reflect an inability to resolve the massive trade imbalances that have existed in respect of the grouping of problems within the Common Market.

• (1410)

The minister has indicated that the ministers unanimously expressed a determination to ensure jointly an orderly exchange rate system. Surely to goodness this does not even set the stage for the opening of multilateral trade talks this fall when a good many of the problems that underlie the speculative shifts where there is a surplus of a certain kind of currency floating about will be dealt with. Hopefully, this coming weekend we will get better reasoning than that expressed in paragraph four of the minister's press release.

International Monetary Crisis

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to express my appreciation to the Minister of Finance for giving us an advance copy of his statement. I hope he enjoyed his trip to Paris because it does not seem that there was any other reason for it except enjoyment. There does not seem to be much of a contribution that Canada has either made or could have made. I do not see that much has been accomplished by the meeting. Six countries have agreed to tie their currencies together and to allow them to float together. This still does not eliminate the speculation that will take place against those currencies in the future unless those six countries think that their currencies are strong enough that they can keep this kind of a tie while at the same time keeping the speculators off.

I do not think there has been much improvement or that we can have much optimism about the future of currency movements in the world. It seems to me that the real problem of speculation is not being faced by the Group of Ten and the Common Market group, and certainly it does not seem to have been faced by the Canadian government. One of the very real problems that exists is the action of the multinational corporations and their role in international speculation. To that extent we would like to get some information about what the Canadian banks are doing in this speculative fever that exists in the world. We can talk about the gnomes of Zurich, but there are some very respectable gnomes running around with all kinds of hot money disrupting international markets.

I think it is important that at some point the Minister of Finance give us some indication on the matter of policing and monitoring Canadian-based multinational corporations such as Inco and Brascan. For instance, did he raise this question at the meeting, or was the question raised at all by the other countries? Is there any movement in the direction of doing something to control the multinational corporations throughout the world that seem to act as independent agents contrary to the interests of the governments of the countries themselves? Unless the minister tells us that he is dealing with these matters, we can only hope, as I said earlier, that he had a very nice time and a nice trip to Paris.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, all the problems arising today in the western world's different monetary systems almost make us, of the Social Credit Party, smile, because for many years we have precisely been denouncing such a system.

All currency fluctuations and related problems prove the impossibility of maintaining sound monetary balance within the present financial system. Each country, and that is the cause of the problem, wants to have a favourable commercial balance, which is materially impossible and leads to speculation on various currencies.

Mr. Speaker, all this happens because it is overlooked that money has no value except what it represents in goods or services. Canada should give the whole world a concrete example by establishing a monetary system truly based on the balance which should exist between currency on the one hand and production on the other. We would thus return to sound commercial transactions, by way of exchanging goods rather than by meaningless currency fluctuations.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

STATEMENT BY MINISTER ON BENEFIT CONTROL PROGRAM

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, last week I undertook to make a statement to the House on the benefit control program being applied to prevent payments of unemployment insurance benefits to persons not entitled under the act to receive them, and on the methods used by the Unemployment Insurance Commission to establish such errors and identify individual claimants who have been receiving such benefits.

Let me start by saying categorically that I am firmly convinced that the vast majority of Canadians now drawing unemployment insurance benefits are fully entitled to receive them by right of legislation enacted by parliament and by its true intent. I am equally determined that this majority of rightful claimants not be badgered or humiliated as a result of the commission's efforts to weed out the minority who, knowingly or unknowingly, are abusing the program.

Before outlining the ground rules by which unemployed Canadians are entitled to draw benefits, under the program described by the Canadian Labour Congress in its recent brief to the cabinet as "one of the best in the world," and the procedures now applied to ensure that this program and its reputation are not damaged by abuse, I can first report to hon. members two or three immediate steps that have been taken to protect rightful claimants against harassment.

At my request the Unemployment Insurance Advisory Committee, a nine-member body composed of four representatives of organized labour, four representatives of business, and Chairman Anatole Lesyk, Q.C., of Montreal, met this morning to undertake its own thorough study of the current benefit control operation, and other matters related to proposed amendments to the current act.

I can further report that all benefit control officers have been instructed that the need for thoroughness in their work does not and must not justify an overzealous approach or underhanded methods.

Some hon. Members: Hear, hear!

Mr. Andras: Those instructions recognize as a fundamental principle that the most acceptable way to remove a claimant from the active file is to see him placed in suitable employment. They also include this emphasis on three basic rules of good conduct:

1. The benefit control officer must use courtesy and tact in the conduct of his investigations.

2. The use of leading questions in an attempt to have a person disqualified is strongly condemned by the commission.

3. The benefit control officer must recognize the particular circumstances of a claimant, and be prepared to assist those in need of help by referring them to the claimant assistance program.

If any hon. member of the House, on either side, knows of any specific instance in which these guidelines have been abused by officials of the commission, I would be grateful to receive any information that would help rectify any injustice.

But in fairness to the Unemployment Insurance Commission officials who have been under long and heavy pressure, first in the effort to design and put into operation a sweeping transformation and improvement of the unemployment insurance system and, second, to iron out the kinks that were unavoidable when changes so radical were made at the pace at which the new program was implemented, I must emphasize that my own investigation in the week since I committed myself to make this report to the House has not turned up any volume of specific instances of overzealousness.

Another measure I would like to say will come into being is the distribution of a pamphlet to all people drawing unemployment insurance benefits clearly setting forth their rights and obligations under the act and under the appeal system.

The duty of the benefit control officers is to detect violation of the law, and the law is quite clear. Section 25 of the Unemployment Insurance Act, 1971, reads as follows:

A claimant is not entitled to be paid benefit for any working day in an initial benefit period for which he fails to prove that he was either

(a) capable of and available for work and unable to obtain suitable employment on that day, or

(b) incapable of work by reason of any prescribed illness, injury or quarantine on that day.

Further, under Regulation 145 passed in July, 1972, all unemployment insurance claimants are specifically notified in writing, when they receive their first benefit payment, that they may be required to prove that they are actively seeking work. Registration with their local Canada Manpower Centre, or with their union hiring hall if this is the custom in their occupation, is required of all claimants. But this is not in itself in all cases sufficient proof of active search for a job, particularly in localities where suitable jobs are available but are not being filled.

• (1420)

With your indulgence, Mr. Speaker, I will digress here to urge all Canadian employers, and particularly those who have complained that the present unemployment insurance system has hampered their efforts to fill jobs, to register their vacancies with the Canada Manpower Centre. I cannot overemphasize the importance of this step in helping ensure that unemployed persons and unfilled jobs are quickly brought together.

Guided by information on job vacancies listed at Canada Manpower Centres, by the "help wanted" columns of newspapers and other local labour market information, offices of the Unemployment Insurance Commission implement Regulation 145 by sending job search statement forms to claimants whose occupational skills are known to be in demand in the locality in which they live. These forms ask the claimant to list the dates and details of efforts made to find work since filing claim for benefits, the persons contacted, the location at which the application was made, the type of work sought, and the results of the effort.

I repeat, these forms are to be sent only to claimants whose skills are known to be in demand in the area in which they live. This more sophisticated method of sorting out, by region and occupation, those claimants whose job skills are in local demand went into full operation at the beginning of this year. Its development began in mid-1972.

It relies on two basic tools. The first is an exhaustive classification of occupations of claimants. Second, special computer programs based on this classification make it possible to check the number of unfilled job openings in any area against the number of unemployment insurance claimants in that area who could fill those specific vacancies.

This does not mean that unemployment insurance claimants are disqualified by a computer. The computer programming is only a tool that guides benefit control officers to individuals who are drawing unemployment insurance benefits while living in an area where their occupational skills are in high demand.

These individuals are then interviewed, as a rule at home, by a benefit control officer, to determine whether they have been actively seeking work and are genuinely available for work. A report of the interview is written, to be signed by the claimant. Most commonly the report is written by the benefit control officer but the claimant is free to make changes or additions before signing it, and is free to refuse to sign. The report is made in two copies, with one kept by the claimant.

In some cases the accuracy of the answers given by the claimant is checked out discreetly by the benefit control officer.

The statement of the benefit control officer, and his report of the results of any subsequent investigation, are turned over to an insurance officer who decides, according to the act and the regulations, whether the claimant is entitled to continue drawing benefits. If the decision is that disentitlement is warranted, the claimant has the right, and is so informed, to appeal to a board of referees. These boards are independent bodies. Each includes a representative of the labour movement, a representative of the employers, and a chairman appointed by the government. The claimant has the right to present new evidence, not given to the benefit control officer in the original interview, to the board. Proof of search for work since the interview may lead to re-entitlement.

The investigations undertaken under this system have been described as "blitzes". In fact, in the large urban centres they are part of a continuing process. Only in the smaller communities do teams of benefit control interviewers move in for short periods, each officer interviewing an average of six claimants a day.

The rate of disqualifications resulting from the benefit control process has been startling. In the first nine weeks

of 1973, of 62,879 claimants whose investigation was completed, 40,846, or 65 per cent, were disqualified.

It must be borne in mind that the number of completed investigations is only slightly more than 10 per cent of the total number of Canadians drawing unemployment insurance. Those investigated were pre-selected by the computer and classification system I have described. In areas where there are no jobs available, there are no investigations.

I take no satisfaction from this high rate of disqualification.

Few hon. members would quarrel with the results of an investigation in which it was learned that 32 claimants, normally residents of Calgary and Edmonton, had asked the commission during the height of the skiing season to mail their unemployment insurance cheques to a post office box which proved to be the address of the Banff Springs Hotel. Twenty-nine of them were disqualified.

But in the more common cases this process of investigation and disqualification when it is warranted is an unpleasant necessity. The existing Unemployment Insurance Commission was established to help Canadians afflicted by unemployment, not to hound or harass them. The benefit of any doubt must still go to the individual.

The program cannot, however, fulfil its goal of helping the genuinely unemployed maintain a decent life unless it is both fair and seen to be fair. It must be fair to the unemployed who are sincere in wanting work, to the employees and employers who pay premiums, and to the Canadian taxpayers, who pay a substantial share of its cost in times of high unemployment.

It is to protect this essential condition of the program's survival, and guard its acceptability in the eyes of the majority of Canadians, who will support a generous program if they are assured that it is not being abused and exploited, that these new and more effective benefit control procedures have been developed and put into effect.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I thank the minister for giving me ample time to at least peruse the statement he has made in order for me to be able to make some comments. I certainly welcome the statement, subject to certain matters which I will bring to the minister's attention.

I am pleased to note the minister has indicated there will be no badgering or unnecessary harassment of those who are entitled to claims. I was pleased to hear the minister state that the program "must be fair to the unemployed who are sincere in wanting work, to the employees and employers who pay premiums, and to the Canadian taxpayers, who pay a substantial share of its cost in times of high unemployment." Another paragraph in the minister's statement is even more significant: "It is to protect this essential condition of the program's survival and guard its acceptability in the eyes of the majority of Canadians, who will support a generous program if they are assured that it is not being abused and exploited, that these new and more effective benefit control procedures have been developed and put into effect."

As I listened to the minister trying to justify the unjustifiable, it took me back to the days when this act was first brought before the House of Commons. At that time, we on this side indicated to the minister that there was something wrong with the act in view of the fact it amalgamated or integrated insurance and welfare. We stated that as a result there would be significant problems, the likes of which we did not know. Now we do know what it is all about.

I was not only surprised but flabbergasted when I read of the investigation that took place in the Hamilton-Toronto area where some 20,000 out of 28,000 investigated were either disqualified or threatened with disqualification. I am not a mathematician, but that seems to be approximately 70 per cent. That is a far cry from the 3 per cent or 4 per cent we have been told were cheating. I do not have any qualms about the type of language I use. Cheaters and chisellers must go. This is the cry of all members of the House and the Canadian people.

Some hon. Members: Hear, hear!

Mr. Alexander: My friends to the left may say that is a right wing philosophy, but we are talking about tax dollars and trying to make a very difficult act work. When we were on the hustings during the election campaign, we stated we would like to bring in the Auditor General in order to ascertain how much the Unemployment Insurance Act is costing the people. We have since heard it is some $2 billion. We also indicated that abuses should be cut down. In this regard I am pleased to see we are moving in that direction. We also stated we would tighten up the administration. All these things are now coming into focus.

I do not want it left that, through overzealousness on the part of benefit control officers, those who are rightfully entitled will be cut off to their detriment. It seems to me that the way in which we are now approaching this matter is a proper way as long as we understand it should be done with compassion and understanding for those rightfully in need.

There is also the problem of the appeal board. I respectfully suggest that the minister must direct his attention to this area because I heard him say there has not been a significant number of appeals since the investigations began. However, I can vouch for the fact there will be appeals for the simple reason the act allows for appeals. There will be those who, through some quirk of fate, overzealousness or for some other reason are denied benefits and when they are denied they will take advantage of the appeal procedures under the act.

• (1430)

I note that the minister, as promised, has referred this question to the advisory committee. I understand, also, that he has referred other matters to that committee in connection with proposed amendments to the existing act. I hope that in due course the minister will enlighten the House as to these other matters, related to the Unemployment Insurance Act, which he has directed to the committee's attention in order that we may know just what is being studied.

Of equal concern to me is the fact that the minister, in order to show some awareness of the problem, did introduce Bill C-125 but has not referred it to the standing

committee to provide Members of Parliament as well as representatives of labour, employers and other concerned people with an opportunity to become involved in discussion of this legislation. It now seems to me, from the announcements I have heard, that the minister is attempting to amend the act by way of administrative or ministerial directive rather than giving representatives of labour, management and other groups, as well as Members of Parliament, the opportunity to delve into the subject matter of this bill.

I notice, also, that a report is still awaited from the advisory committee. The minister did not tell us whether this report was needed before he would introduce a modified or amended Bill C-125. I wish he had cleared up this point, because I should like to see a bill of some kind introduced rather than action be taken by way of administrative direction. The former course would allow hon. members to give the minister the benefit of their expertise.

In giving direction to the benefit control officers the minister indicated that these officers must recognize the particular situation in which claimants find themselves and assist those in need of help. Many people in Canada fall into this latter category; because of difficulty in adjusting to language or culture they are left at some disadvantage. I hope the minister realizes that in certain areas, particularly in our larger urban areas, this can be a serious problem. A great many people really do not know what is going on, and because of harassment in the past they are often afraid of the type of person who is involved in carrying out these inquiries. I hope that in our major urban centres, to which most of our immigrants are attracted, this situation will be kept carefully in mind and that those concerned will be treated with understanding.

The minister talked about availability for work and suitability for employment. I hope he realizes that in many instances people go across this land looking for work in all sincerity, but because of gentlemen's agreements, shall we say, based on attitudes toward sex, race or colour, they are denied employment. I see the minister shaking his head. This is something else we have to be extremely careful about; I hope the benefit control officers are aware that such a situation does exist in Canada. Mr. Speaker, I see I am running out of time.

An hon. Member: You already have.

Mr. Alexander: I hear a smart-aleck on the other side saying I already have. I want to let you know, Mr. Speaker, that you are the only one in this House who can chastise me in the sense of putting me down. Until that happens, I shall continue.

Some hon. Members: Hear, hear!

Mr. Alexander: I do not care what the Minister of Manpower and Immigration does with respect to this act until such time as the government realizes that the only solution to this dilemma is a full employment policy. If it so chooses, the government can even steal some of the policies we have outlined—

An hon. Member: You would not vote for them if we did.

Mr. Alexander: —in terms of an expansionary budget and measures to stimulate the economy from which employment would be derived. It is time the government took an attitude similar to that adopted by the United States where unemployment has now fallen to something like 5 per cent. In West Germany and Japan, unemployment is just about negligible. Until the government changes its course, we shall always experience problems in connection with the Unemployment Insurance Act.

In closing, I should like to say I welcome the minister's statement. I hope, though, that the advice which will be offered to him both by members of my party and by hon. members in the party to my left will be sympathetically received, because he has entered a very dangerous area. The cheats and chisellers should go. We should take action in this direction without hesitation. But in doing so we must take care that those who are entitled to benefits, and who are paying for the scheme, are not unduly harassed or cut off without good reason.

Some hon. Members: Hear, hear!

Mr. Andras: On a point of order, Mr. Speaker. I am sure the hon. member for Hamilton West would wish to join me in correcting any possible erroneous impression that might have been left inadvertently by one comment he made. I think it extremely important that the facts be put clearly before the people. He quoted a statistic to the effect that 28,000 claimants had been examined and 20,000 had been disqualified, or 70 per cent of those examined. The total number of claimants in that area was 120,000. That is bad enough, but the number disqualified did not amount to 70 per cent of the claimants.

Mr. Stanfield: On the point of order, Mr. Speaker, I did not object to the length of the minister's statement because this is an important subject, but I do not think that after making such a lengthy statement the minister should raise a phony point of order.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Alexander: The minister's intervention is, of course, highly unusual. I thought I said that of 28,000 claimants investigated 20,000 had either been disqualified or threatened with disqualification, out of a total number of some 100,000-odd claimants. But let me add this—

Some hon. Members: Oh, oh!

Mr. Alexander: The minister raised the point of order. I shall continue to speak on the point of order. I wish to repeat one sentence in the minister's statement. He said: "In the first nine weeks of 1973, of 62,879 claimants whose cases were investigated, 40,846, or 65 per cent, were disqualified." I now sit down.

Some hon. Members: Read the next paragraph.

Mr. Speaker: Order, please. If I were to make a ruling I would have to say, of course, that the point of order was not well taken in that it was a matter of debate. The minister sought to correct what he thought was a mis-Statement and the hon. member for Hamilton West did

the same thing in respect of the minister. I think we should get on now and hear the hon. member for Nickel Belt.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, as a newcomer to this House I believe I bring some kind of unbiased view to this whole situation.

Some hon. Members: Oh, oh!

• (1440)

Mr. Rodriguez: It waxes strange that this government, which created high unemployment in order to fight inflation, which was responsible for this monster that it let loose among the Canadian people, had to do something about the large numbers who became unemployed and brought the new Unemployment Insurance Act into being. We in this party applauded that act because it took care of and looked after the interests of those who had become the victims of the massive war against inflation that created unemployment.

We in this party have never condoned the actions of those who cheat in any social or corporate program. We fully realize, as studies will verify, that about 2 per cent of the people affected cheat in any social program. The minister himself, in his statement, said he is firmly convinced that the vast majority of Canadians now drawing unemployment insurance benefits are fully entitled to receive those payments as of right according to law. Having said that, he went on to pick out one small example among the minority of claimants and referred to people in Calgary or Edmonton who went skiing and had their unemployment insurance cheques mailed to them. If he is so concerned about the rights of those who have an entitlement to unemployment insurance being criticized in the press, why has he lampooned a small number of those who are collecting unemployment insurance incorrectly? We suggest that this statement will only serve to reinforce the reactionary thinking of those who are against the vast numbers of people legally collecting unemployment insurance.

This party has never faulted the act and what it seeks to do, nor the broadening of the act which is necessary to cover those who are the victims in this war. Yet we do criticize the administration of the act. We feel that the act is administered in a very inhumane fashion.

May I speak briefly about the benefit control officers. Apparently the minister has instructed them to follow three particular aspects of a certain code of ethics. The minister may not be aware of some of the questions that are being asked. As recently as last week I learned of a fellow who had been a university lecturer and had earned $10,000 a year for two years. He became unemployed following a cutback in university spending. He was laid off and collected unemployment insurance. Then he was visited by a benefit control officer who asked him what salary he would accept. The man answered, "$10,000 a year", because that was the salary he had earned for the past two years. One week later he received notification from the commission saying that he was limiting his opportunities for employment by saying he would accept only $10,000 a year and his unemployment insurance benefits were cut off. That is only one example. I could list many such examples. I deal with 52 unemployment insurance cases a week involving my local office. I will gladly give the minister several examples showing that the administration of the act is at fault.

This party has always held that social programs such as unemployment insurance exist to help people. The Unemployment Insurance Act is supposed to help them over the rough stages until they can again obtain employment. Instead, we find, that they are being used to feed reactionary thinking across the country. What the government ought to do to solve this problem is expand the economy so that jobs will be created and there will be an opportunity for anyone wanting work to obtain a job.

The only thing we applaud in the statement of the minister is his intention to have the advisory committee of the UIC take a look at the whole matter of benefit control and the way in which it is implemented across the country. We support that aspect of the program. The rest of the statement, I repeat, concerns a small number of claimants and that part of it merely feeds the fires of reactionary thinking among members to my right.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I cannot help mentioning first that we have received the statement in English. I accept the apologies of the minister, but I would point out to him that one way of reducing unemployment would be to hire more translators.

I also wish to say that temporary amendments such as those suggested will not solve the problem. The legislation is too complicated and is difficult to put into effect. The Canadian people do not understand legislation which is too complicated. Mistakes have increased last winter and it was worse this winter. Some workers waited three months before being paid; I met some during the weekend who filed claims at the end of November and who have not yet been paid.

I do not necessarily criticize the public servants, because I admit that some are good; they are not all good but several are conscious of their responsibilities. However they are administering an almost unworkable piece of legislation due to all kinds of administrative complexities which the workers cannot easily understand.

I have already mentioned this in committee but not too often, because I do not monopolize the time allotted to others. However, I would like legislation prepared for workers to be drawn up in terms clear enough to enable them to understand it.

I will not dwell on this matter now; I suppose that an amendment to the legislation will be introduced. I feel that another bill should be brought in to clear up the situation.

One important point that must be borne in mind is decentralization. Centralization of benefit payments in one regional office has resulted in the installation of com-

puters which should hasten the solution to late payments. Thousands of unemployed go through an unfortunate experience in this field. They must wait for months, as I said earlier, before getting their first benefit cheque. This situation is inconceivable not to say revolting.

I suggest here that payments ought to be made in district offices and if the government really wants to improve the fate of thousands of unemployed, it must take some practical means, including decentralization. This is why I insist that they ought to introduce clearly written legislation and prepare regulations enabling understanding officials—and I know that some of them are—to truly assist the unemployed by administering in a humane way social legislation. Public servants would do well to remember that they are the servants of the people not despots, that a nation is made up of individuals not robots. The unemployed may be without work but not necessarily without sense. They see what is happening. Public servants and technocrats who draft legislation should also bear in mind that they are paid by the people who in return expect services and not troubles.

* * *

• (1450)

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT IN ATLANTIC PROVINCES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise under the provisions of Standing Order 43, and I do so because of the unemployment figures released today. Some 87,000 Canadians cannot find employment in the Atlantic provinces. The rate of unemployment in my own province of Newfoundland is almost three times the national average. In light of the obvious failure of Department of Regional Economic Expansion programs to achieve any substantial or decent increase in employment opportunities in the Atlantic region—I suggest that this motion is similar to a motion I moved when the figures were issued last month, and I commend it to the government House leader who is a distinguished minister from the Atlantic provinces—I move, seconded by the hon. member for Gander-Twillingate (Mr. Lundrigan):

That in the opinion of this House the Prime Minister should immediately arrange a conference between the Atlantic provinces and the federal government on alternative economic opportunities for the region, and that the federal government outline its short and medium term targets to reduce unemployment and to ameliorate the present disastrous situation in the Atlantic provinces.

Mr. Speaker: The motion proposed by the hon. member for St. John's East under the terms of Standing Order 43 requires unanimous consent. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put at this time.

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUIREMENT OF PROOF OF EFFORTS TO SECURE EMPLOYMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Roland Godin (Portneuf): Mr. Speaker, under Standing Order 43, I request the unanimous consent of the House to discuss a matter of the utmost importance for some Canadians.

My motion concerns employees of various federal and provincial government departments who are dismissed due to a lack of funds, and most road construction and maintenance workers. I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That this House require that any Canadian worker who is laid-off on a temporary basis for a period not exceeding six months be exempted from applying to other employers in order to prove that he is not working and thus eligible for unemployment insurance benefits; this would be a recognition that our economic system and our climate make such temporary lay-offs inevitable, affecting thousands of Canadians every year.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

AIR TRANSPORT

CHARTER FARES PAYABLE BY CANADIANS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, pursuant to Standing Order 43 I rise on a matter of urgent and pressing necessity, namely, the fact that under the new advance booking charter regulations Canadians flying to the United Kingdom will pay higher fares than passengers on charter flights from the United Kingdom to Canada. I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the House advise the Minister of Transport (Mr. Marchand) that he urge the Canadian Transport Commission to revise its A.B.C. regulations so that they will permit a more equitable air fare schedule commensurate with the fares being charged by carriers operating out of European points.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Scarborough East. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Oral Questions

ORAL QUESTION PERIOD

MANPOWER

DIRECTIVE ESTABLISHING PRIORITY IN JOB REFERRALS—RELATIONSHIP TO SKILLS AND NEEDS OF EMPLOYERS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration arising from an alleged directive to manpower offices which seems to me to represent a significant change of policy. Has the minister instructed his department to give absolute priority in referrals for all jobs, including on the job training, to unemployment insurance claimants in the first instance, welfare recipients in the second instance, and other unemployed persons in the third instance? If so, does this mean that the policy of the department is now one of high selectivity, seemingly ignoring suitability of skills and the needs of employers as well as of other Canadians?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the deputy minister sent a dispatch to director generals of the department last Friday, I believe it was. I think the words quoted by the hon. member are accurate, but they should be taken in context with other regulations and other manuals of instruction. Unquestionably in every case suitability for work is the supreme criterion that is used and after that the priorities as indicated would follow.

Mr. Alexander: I take it, in light of the minister's answer, that this directive was sent with the consent and knowledge of the minister. In light of the fact that the decision taken by the minister seems to contradict flagrantly the Unemployment Insurance Act, as it would appear that amendments are being made by administrative procedure and regulation, can the minister advise whether he has abandoned the introduction of a modified or amended Bill C-125 in order to deal with the problems in the act, or does he intend to continue bringing about regulations without seeking the advice of parliament, labour and management?

Mr. Andras: Mr. Speaker, it is, of course, a legal opinion, but I would think that the hon. member's question is based on a wrong premise when he says that this in fact contradicts the terms of the Unemployment Insurance Act. As I said in my earlier answer, the question of suitability for work and capability of handling a job is paramount in referring people to employers to fill job vacancies.

Mr. Alexander: Mr. Speaker, I wonder whether the minister would answer the question and advise whether he is going to continue modifying the act by way of regulations and ministerial direction, or is he going to bring in a modified or amended Bill C-125 to deal with this situation?

Mr. Andras: Mr. Speaker, I do not think we are attempting to modify the act by administrative change or by regulation. The answer is that Bill C-125 is on the order paper and will be brought forward in the House in due course.

[Mr. Speaker.]

DIRECTIVE ESTABLISHING PRIORITY IN JOB REFERRALS—POSITION OF HOUSEWIVES, DISABLED VETERANS AND STUDENTS

Mr. J. R. Ellis (Hastings): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. We feel that there is a change in policy here. In view of this shift in policy, would the minister advise the House what priority people such as housewives, disabled veterans and students who are seeking to enter the labour force will now have? Does the minister not believe that the manpower services should be for the benefit of all who desire those services on a first come, first served basis?

Mr. Speaker: Order, please. There are procedural difficulties in the hon. member's question. The question was preceded by a statement or allegation, which is not in order, but I am willing to overlook this. The second part of the question appeared to be an argument more than a question. However, perhaps the minister might be allowed to reply briefly.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not think this is proposing any discrimination. I think it simply makes good sense to establish some order of priority. Veterans and students within the unemployment insurance claimant rolls, veterans and students within social welfare rolls, veterans, students and straight unemployed, will be given priority within those particular categories over others. We are simply saying that in that very broad general categorization there is a sequence of choices. I think that makes ordinary common sense.

DIRECTIVE ESTABLISHING PRIORITY IN JOB REFERRALS—PRIOR CONSULTATION WITH PROVINCES

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. In view of the second-class rating of welfare recipients in job placement and job retraining programs through the manpower offices, did the minister consult with the provinces before instituting such policy?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we are not going to permit any such thing as second-class citizens in this situation. I explained last night at some considerable length, though perhaps not very ably, that we are preparing and launching special programs for people of the sort described by the hon. member.

Mr. Don Blenkarn (Peel South): I have a supplementary question, Mr. Speaker. Would the minister tell the House whether the change in priority for those who receive retraining will improve the unemployment statistics?

Mr. Andras: Mr. Speaker, I would hope that everything we do is bent that way.

Mr. Blenkarn: Would the minister advise the House whether this is just another method of cooking the books at the expense of those on welfare or chronically unemployed?

Mr. Speaker: Order, please. That question, of course, is out of order.

Mr. Heward Grafftey (Brome-Missisquoi): I have a supplementary question, Mr. Speaker. Is the minister aware of what this directive does to non-unionized labour in rural areas across the country?

Mr. Andras: Quite frankly, no, Mr. Speaker. I would be very interested in the hon. member's thinking on that one.

Some hon. Members: Oh, oh!

• (1500)

Mr. Speaker: The hon. member for Brant on a supplementary. May we have order, please. The hon. member for Brant has been recognized for a supplementary.

* * *

UNEMPLOYMENT INSURANCE

ALLEGATION THAT BENEFIT CONTROL OFFICERS WORK ON QUOTA SYSTEM—REQUEST FOR CHANGE

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. I have been told on good authority that benefit control officers are being forced to work on a quota system. Would the minister responsible for the Unemployment Insurance Commission issue orders immediately to rescind these instructions?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I just cannot believe that is the case, but if there is any possibility of that taking place I will search for it and take action forthwith.

Mr. Speaker: Order, please. There are supplementaries on this matter. Before pursuing the subject the Chair recognizes the hon. member for Lotbinière.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—ANNOUNCEMENT BY MINISTER OF TRANSPORT OF APPROVED PROJECTS—DISCUSSION BETWEEN MINISTERS CONCERNED

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the hon. Minister of Manpower and Immigration who is at the same time accountable to the House for the Local Initiatives Program.

Is he aware that the Minister of Transport announces to the sponsors of the projects, to some of them at least, that their project has been accepted by the government and, if so, is it pursuant to a cabinet decision?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the final authority for rejection or acceptance of local initiative projects is, fortunately or unfortunately, totally mine.

[*Translation*]

Mr. Fortin: Mr. Speaker, I have a supplementary. I would like to ask the hon. Minister of Manpower and Immigration if he has had discussions with the hon. Minister of Transport asking him to announce to project sponsors the acceptance of some projects? Has such a discussion or agreement taken place between both ministers?

[*English*]

Mr. Andras: Mr. Speaker, I do not remember any precise discussion between the Minister of Transport and myself. I might say I think I have had discussions about local initiative projects with almost every member of the House at one stage or another.

[*Translation*]

Mr. Fortin: Mr. Speaker, I wish to put another supplementary.

Could the Minister of Manpower and Immigration tell us then how is it that the Minister of Transport sent the following letter to a citizen in Victoriaville and I quote:

I am pleased to advise you that the project you have submitted under the Program—

Mr. Speaker: Order. The hon. member should put his question. I do not think it is possible to quote letters or telegrams in support of questions. The hon. member should ask his question directly without reading the text of the letter to which he wants to refer.

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

On answering my first question, the minister said there was no such undertaking. He then said he was fully responsible for the administration of his department. I think this is a question of privilege since he has misinformed the House. In fact, there was indeed a letter that was sent out into my constituency. I will indicate that there is indeed a matter of personal privilege and I quote this letter:

I am pleased to announce that the project you have presented under the Local Initiatives Program has been accepted—

—"has been accepted—"

—and the necessary funds for its completion will be granted.

Mr. Speaker, it is a very serious matter when the Minister of Transport says: Your project has been accepted and the necessary funds for its completion will be granted. That means that the Minister of Transport in that letter signed by himself was committing amounts of money from the Department of Manpower and Immigration.

One week later, an official of the Department of Manpower and Immigration sent a letter to the effect—

Mr. Speaker: Order. May I say to the hon. member that we are losing rather precious time. In the past I have suggested to hon. members—and I think I have had the support of the hon. member for Lotbinière in that regard—that we loose precious time during the question

period by raising questions of privilege and points of order. I think the hon. member will co-operate with the Chair and other hon. members by indicating as quickly as possible what his question of privilege is and how his rights have been encroached upon.

Mr. Fortin: With pleasure, Mr. Speaker. I believe my rights have been encroached upon for the following reasons. First, according to the agreement announced by the minister hon. members were to be informed of those projects, and that was not done in that case; second, the Minister of Manpower and Immigration said a moment ago that there had been no agreement with any other minister to announce the project, and that is wrong according to the letter I have just read; third, the people in my riding who submitted this project were misled because one week after they received a letter from the Department of Manpower and Immigration to the effect that their project had been refused; fourth, I would like to say with respect that hon. members cannot get an honest, straight and clear answer from the Department of Manpower and Immigration in that regard while at the same time the Minister of Transport is playing politics in our ridings instead of dealing with the department for which he is responsible.

Hon. Jean Marchand (Minister of Transport): I should like to say a word about the question of privilege. I happened by chance to visit the constituency of Lotbinière during the last election campaign, and heard the hon. member boasting that he had managed to get at least 15 projects approved by the department as part of the Local Initiative and Opportunities for Youth program. So I am congratulating him.

Mr. Speaker: Order, please. Would the hon. member kindly be seated. I do not see why the question period should be taken up with arguing out the matter raised by the hon. member for Lotbinière. He is obviously at disagreement with the Minister of Transport over what may or may not have been told to one or more voters in the constituency of Lotbinière. I seriously doubt if we should spend very much more time on this matter.

Mr. Fortin: Thank you, Mr. Speaker.

The hon. Minister of Transport has just misled the House once again, and seriously so, since I never claimed to have obtained approval for a local initiative project for my constituency; I have never announced one. If I did announce or say during the election campaign that several projects had been adopted, it was to show how false was the Liberals' theory that one had to be in power in a constituency for it to be eligible. And I would like to point out that the minister's visit helped me a great deal, since I had a majority of 11,000.

Mr. Speaker: Order, please. If the hon. member for Lotbinière will let us, we will now return to the oral question period. I trust that we shall now be able to hear some questions and answers rather than questions of privilege.

[Mr. Speaker.]

[*English*]

DIRECTIVE ESTABLISHING PRIORITY IN JOB REFERRALS—EFFECT ON YOUNG PEOPLE SEEKING FIRST EMPLOYMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. In view of the high level of unemployment among Canadians under age 25 I should like to ask the minister whether, in authorizing this directive with regard to beneficial treatment related to job vacancies in terms of length of time on unemployment insurance, the minister has considered the effect of the directive on the employment opportunities for young Canadians seeking employment for the first time? If so, has he made any calculation as to how much longer young Canadians will have to wait to get jobs in view of the directive he has issued?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I outlined again at some length last night, perhaps not clearly but it is on the record, many programs that we direct to people under age 24 or age 25. We are very concerned about this. It represents a high rate of unemployment because they form the largest single group of the unemployed among our labour force. We are taking a great many measures to alleviate their distress due to unemployment. I do not think this establishment of priorities, however, would inhibit their possibility of obtaining employment, but I am quite willing to review it. I will take advice from hon. members opposite and look over the situation.

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THE CANADIAN ECONOMY

UNEMPLOYMENT AMONG YOUTH—POSSIBLE ADDITIONAL PROGRAMS TO ALLEVIATE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary which I will address to the Prime Minister. I should like to ask him whether his government intends to announce, with the coming of spring and summer, programs in addition to those announced a while ago by the Secretary of State with regard to the creation of employment. I ask this in view of the fact that, comparing February of this year with February of last year, or January of this year with January of last year, the percentage of those under age 25 out of work seems to have remained constant although the actual number has increased.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the question relates to events which might happen later in the spring and summer, perhaps the Leader of the Opposition would like to put it on the order paper.

Some hon. Members: Oh, oh!

An hon. Member: There is sympathy for the unemployed.

An hon. Member: The same old arrogance.

Mr. Stanfield: Mr. Speaker, I am quite prepared to let young Canadians assess that response themselves.

Some hon. Members: Hear, hear!

• (1510)

UNEMPLOYMENT AMONG YOUTH—REQUEST FOR FORECAST AND PROJECTED TARGET FOR 1973

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance a question. In view of the projection made by the minister or his officials that the seasonally adjusted rate of unemployment is expected to drop to approximately 5.2 per cent, has he any forecast as to the drop, if any, in the rate of unemployment among those under the age of 25 and, therefore, what the projected target is for 1973 in light of the 5.2 per cent over-all figure.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, with regard to the preamble to the hon. member's question, the forecast of the drop in the rate which may or may not have been made by my officials was based, as was indicated at that briefing session, on a number of inter-related assumptions. As to the current situation, although it is no comfort to those men and women still out of work, particularly young men and women, I think the House can take some satisfaction from the fact that the seasonally adjusted rate has dropped again this month.

Some hon. Members: Answer the question.

Mr. Turner (Ottawa-Carleton): As to a forecast regarding how many men and women under the age of 25 will be out of work, I cannot give that to the House. As to my target, the hon. member knows it; I have given it on several occasions.

An hon. Member: What is it?

UNEMPLOYMENT—POSSIBILITY OF CONTINUING DROP IN ACCORDANCE WITH GOVERNMENT FORECAST

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. Given the fact that the unemployment rate in January and February of 1973 was precisely the same as that in 1972, has the Department of Finance found any indication in the structure of unemployment we now have to suggest that the unemployment rate will continue to drop in the way they have forecast?

Hon. John N. Turner (Minister of Finance): The hon. gentleman knows the basis of the inter-relationship between growth of the labour force and growth in jobs. I would refer him to the statement of Statistics Canada today that we registered an increase in the actual employment of 90,000 in February, which is the largest gain on record for this month in the history of this country.

Some hon. Members: Hear, hear!

Mr. Gillies: Given the fact that the rate of unemployment is not reducing in the country, will the minister give further consideration to introducing supplementary budgetary proposals which would expand the economy further?

Mr. Turner (Ottawa-Carleton): The fact that the hon. gentleman wants to give me is not a fact.

UNEMPLOYMENT IN ATLANTIC PROVINCES—INQUIRY AS TO GOVERNMENT POLICIES TO ALLEVIATE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

An hon. Member: Better be careful; he's touchy today.

Mr. Lundrigan: In view of the very disturbing news today, which is a matter of concern to all Canadians, about the further increase in the unemployment insurance rate in the Atlantic provinces, coinciding with the prediction of OECD, and specifically with New Brunswick rising from 19,000 to 31,000 and Newfoundland from 23,000 to 28,000, in other words, a 1.5 per cent increase in these provinces, would the right hon. Prime Minister tell the House now what he is going to do about it?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure the hon. member was not referring to the unemployment insurance rate but to the unemployment rate. I will consider the question and if we have any announcements to make I will make them in due course.

Mr. Lundrigan: In view of the fact that we have had this situation now almost since the time this government was formed in 1968, despite the existence of the Department of Regional Economic Expansion, and in view of the fact that a number of government policies are running completely counter to the efforts of the Department of Regional Economic Expansion, can the Prime Minister say whether his government has the courage to take issue with the transportation policies? Is it willing to review the tariff policies? Is it willing to review the inflexibility of the incentive policies—

Mr. Speaker: Order, please. The hon. member will appreciate that his question is certainly more a speech than a question. It sounds like four questions.

Mr. Lundrigan: Mr. Speaker, I am asking the Prime Minister a question regarding tariffs, transportation, cost-sharing and banking policies. Is the government willing to make a major review of the policies of the government that are running completely counter to the efforts and aims of the Department of Regional Economic Expansion, which might be the biggest influence and be the most important reason why, despite the efforts of that department—

Mr. Speaker: Order, please. That, of course, is not a question.

Mr. Lundrigan: On a point of order, Mr. Speaker, at least I have made some kind of representation to the Prime Minister which has to do with the fundamental policies of the government. I am asking the Prime Minister, as he keeps on writing away after having returned from his Caribbean holiday, whether he will give these matters the serious consideration they deserve?

Mr. Speaker: Order, please. The hon. member for Scarborough West.

Mr. Lundrigan: Mr. Speaker, I am not going to give up unless the Prime Minister—

Mr. Speaker: Order, please. The hon. member should resume his seat. He has said himself that he was not asking a question but making a representation, which is his right. But I suggest to the hon. member that the way the question was put it was not really a question but a representation, as he himself has said. He has to assume that notice has been taken of his representation.

Mr. Lundrigan: May I say, with the greatest respect, Your Honour, that we have been waiting for five years to have this representation acknowledged.

Some hon. Members: Order!

Mr. Speaker: Order, please. The hon. member for Scarborough West.

Mr. Lundrigan: All I am saying to the right hon. Prime Minister, through you, Sir, is that we expect the Prime Minister to acknowledge the representation, and to indicate whether or not he is willing to look at these policies. It is no good for us in the Atlantic provinces to know only that we have made a representation. We want to know whether the Prime Minister is going to consider the matters that we have placed before him today.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Scarborough West. If there are supplementary questions, I will return to hon. members who have them in a moment.

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HOUSING

ALLEGED DECLINE IN PRIVATE INVESTMENT IN RESIDENTIAL CONSTRUCTION—GOVERNMENT ACTION TO STIMULATE

Mr. John Harney (Scarborough West): Mr. Speaker, my question is for the Minister of State for Urban Affairs. Considering that the fourth quarter figures for 1972 indicate a considerable drop in private investment in residential construction compared with the third quarter of 1972—the first drop, by the way, in more than two years—and that this drop in spending, in all likelihood, resulted in the decline in housing starts reported by Statistics Canada, is the minister prepared to take meaningful steps to increase investment in residential construction to bring about a much needed increase in the supply of that scarce commodity, housing?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, we have Bill C-135 in front of parliament which provides a new financial mechanisms bill, the purpose of which is to draw private capital into the residential mortgage business. To answer precisely the remarks of the hon. member, I point out that 1972 was a record year in this country in terms of construction and that the first two months of this year exceeded the first two months of 1972.

Mr. Harney: I have a supplementary question for the Minister of State for Urban Affairs. Considering that the proposals in Bill C-135 will in effect do nothing to change the present pattern of mortgage lending in this country in any significant way, is the minister willing to consider withdrawing this bill and its pollyanna proposals to bring in something significant which would draw or direct private lending money into the private residential construction sector?

Mr. Basford: I am not prepared to accept the premise of the question and I am not prepared to withdraw the legislation. I hope it will be passed at the earliest possible opportunity.

Some hon. Members: Oh, oh!

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THE CANADIAN ECONOMY

UNEMPLOYMENT IN MARITIME PROVINCES—REQUEST THAT PRIME MINISTER MEET WITH PREMIERS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Prime Minister to that of the hon. member for Gander-Twillingate. In view of the fact that 87,000 people are unemployed in a region which is continually plagued by high unemployment, high food costs, low incomes and rising transportation costs, will the Prime Minister undertake to meet the premiers of the four Atlantic provinces to discuss ways of improving the economic climate similar to the conference he has planned with the four western provinces?

• (1520)

Right Hon. P. E. Trudeau (Prime Minister): Certainly, Mr. Speaker. If the premiers of those provinces want to meet with me, I will be very happy to do so.

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TRANSPORT

REQUEST FOR MEETING BETWEEN PRIME MINISTER AND PREMIERS OF MARITIME PROVINCES ON IMPACT OF TRANSPORTATION POLICIES

Mr. Charles H. Thomas (Moncton): Mr. Speaker, I wish to direct a supplementary question to the right hon. Prime Minister. Since the Premiers of New Brunswick and Nova Scotia have recognized the importance of transportation costs to that area and have stated that the federal government must make changes, will the Prime Minister immediately convene a meeting with these premiers to discuss the impact of freight rates and other specific transportation problems on the economy of New Brunswick and the entire Maritimes, in line with the promise contained in the Speech from the Throne?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am informed by the Minister of Transport that he is indeed meeting with the premiers of those provinces on the ninth of next month.

MANPOWER

ALLEGED EMPLOYMENT OF UNITED STATES PIPE INSPECTORS WITHOUT WORK PERMITS RATHER THAN CANADIANS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the fact that American pipe testers are coming across our border at Niagara Falls to work in Canada without having work permits, and in view of the fact that the Stelco mill in Welland is allowing these pipe inspectors to enter its plant and work in contradiction of the visa regulations, would the minister report to the House why Messrs. K. E. Karako, L. E. Shipley, G. Bruce, and D. J. Pinkerton, who work for Moody International out of Pittsburgh, a non-registered company in Ontario, are allowed to work in Canada while four Canadian inspectors of the same calibre must register with Canada Manpower as unemployed to be eligible for UIC benefits?

Mr. Speaker: Order. I would think that a question in those terms should normally be placed on the order paper. If there is some urgency to the matter, perhaps it could be considered at the time of adjournment.

Mr. Paproski: On a point of order, Mr. Speaker, there is urgency to the matter. We are allowing these people to cross our border without work permits, and the same regulations should be applied as apply to Canadians who visit the United States. What is good for the goose is good for the gander.

Mr. Speaker: Order, please.

Mr. Railton: Mr. Speaker, I rise on a point of order. My constituency has been mentioned in this question. I was speaking to the head of the union there yesterday, and I did not hear anything about this. I will be calling him later this afternoon and I might be able to get the necessary information.

* * *

ROYAL CANADIAN MOUNTED POLICE

PROVISION OF NEW CRESTS AND SIGNS FOR BUILDINGS AND VEHICLES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct a question to the Solicitor General. Having for a period of ten months pressed for the restoration of "RCMP" to the automobiles and other vehicles, as well as to the detachment buildings, I wish the minister would tell the House exactly what has been done in order to bring about this restoration, and in particular whether what has been done is the result of the experience of October 30 last and the tremendous pressure in the prairie provinces for the preservation of the words "Royal Canadian"?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as I stated yesterday, we approved new building signs and automobile decals last week. Today, we issued a press release with pictures of those new signs and new decals. As the House will recall, Mr. Speaker, the Prime Minister made a speech in Edson, Alberta, last year, in which he stated that this matter would be examined. It was examined and re-examined with the provinces, and we finally developed a new sign that met the conditions of the Official Languages Act and still retained the names "Royal Canadian Mounted Police" and "RCMP."

Mr. Diefenbaker: Mr. Speaker, I have before me the picture that was issued to the press showing the coat of arms and "RCMP GRC." Does the minister think there is any danger that Canadians, seeing such a car passing by, might not realize that it was a police car?

Some hon. Members: Oh, oh!

Mr. Allmand: Mr. Speaker, the RCMP cars have white doors, with the crest and with "RCMP" and "GRC" on them. They also have a red light on top—

Some hon. Members: Oh, oh!

Mr. Allmand: —and a siren. I doubt that anyone would mistake them for anything else but RCMP cars.

Mr. Diefenbaker: Does the minister realize, having quoted the Prime Minister, that the Prime Minister said the reason the "RCM" was removed was that people would not know it was a police car, and he was afraid guilty criminals would get away? Does he recall that?

Some hon. Members: Oh, oh!

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TRANSPORT

POSSIBLE LEGISLATION TO IMPLEMENT RAILWAY RELOCATION PROGRAM

Mr. J.-J. Blais (Nipissing): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. In view of the statement in the Speech from the Throne on the government's intention to implement a railway relocation program, and in view of the increasing interest of some northern Ontario communities in salvaging their downtown cores, is the minister planning to introduce legislation relating to implementation of the government program and, if so, when is such legislation to be introduced?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the drafting is proceeding on an urgent basis. The Minister of Transport and I would hope to introduce the legislation soon and have it passed with the co-operation of hon. gentlemen opposite so that the municipalities of this country could take advantage of this very important proposal.

Oral Questions

PENITENTIARIES

WILLIAM HEAD—POSSIBLE CONVERSION TO MEDIUM SECURITY INSTITUTION—REQUEST FOR CONSULTATION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Solicitor General. His written reply to my oral question of March 5 concerning William Head prison confirms that at present it is a minimum security institution but "it is proposed to convert William Head institution from a minimum to a medium security penitentiary." Will the Solicitor General assure the House that he will not convert William Head to a medium security penitentiary except with the concurrence of the people of that area?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I doubt that I can give that commitment to the hon. member, but I would be willing to look into his representation.

* * *

ENERGY

PROPOSAL TO USE RAIL TRANSPORTATION FOR ALASKAN OIL—POSSIBLE CONSULTATION WITH UNITED STATES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. It is prompted by the brief that I understand was presented to him just recently, in fact possibly yesterday, by the government of British Columbia concerning its proposal that rail transportation be used for the shipment of Alaskan oil to the southern markets in the hope of avoiding both a west coast tanker route and a Mackenzie Valley pipeline. Is it now the minister's intention to meet with his United States counterpart, the Secretary of the Interior, with regard to this proposal?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think that the appropriate thing would be, first, to examine the proposal, which, as the hon. member said, was first made to me yesterday morning by a British Columbia minister, from the standpoint of engineering feasibility, the effect on the ecology, and also the route choice. It seems to me we should first find out whether the proposal makes any sense before we talk to anybody outside our country.

Mr. Speaker: Order, please. The Chair will recognize the hon. member on a supplementary and then try to see two or three other hon. members who have not yet been recognized before calling orders of the day. The hon. member may ask a supplementary but there will be no further supplementaries.

Mr. Leggatt: I will certainly keep that stricture in mind, Mr. Speaker. This proposal raises the question of rail transportation for oil, and the Queen's University study on rail transport out of the Mackenzie Valley has been in the minister's hands for a good part of 1972. I should like to ask the minister what specific assessment has been made by his department in regard to rail transportation in

[Mr. Basford.]

view of the length of time his department has had that study?

• (1530)

Mr. Macdonald (Rosedale): Mr. Speaker, I would point out to the hon. member that the Queen's University study was with regard to the Mackenzie Valley route, while the British Columbia government study is with regard to the Yukon route which is quite different terrain, as he knows.

* * *

INQUIRY OF THE MINISTRY

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I wish to put a question to the right hon. Prime Minister.

In order to avoid the problems which might result from an increase in the price of silver when commemorative coins for the 1976 Olympics are minted, could the Prime Minister tell us if he intends to suggest to the mayor of Montreal the striking of commemorative coins in a less expensive metal like nickel or copper, or even the printing of paper currency?

Mr. Speaker: I think that the hon. member's question is some kind of representation.

* * *

[*English*]

PENITENTIARIES

ALLEGATIONS BY SPOKESMAN FOR GUARDS—REQUEST FOR INVESTIGATION

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Solicitor General and arises from the statement made yesterday by Paul Gascon, executive secretary in the Solicitor General's section of the Public Service Alliance. Has the minister ordered an investigation into the allegations made by this spokesman on behalf of penitentiary guards, including his description of present rehabilitation policies as a monumental farce and his charge that prison—

Mr. Speaker: Order, please. The question should be asked directly and perhaps the minister could reply briefly. The hon. member knows that questions asked in relation to statements made outside the House should normally not be asked except when directed to the Prime Minister. For the moment, the minister might be allowed to reply quickly.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, these allegations have not yet been investigated. I only read them about an hour before I came into the House. However, I can promise the hon. member that they will be investigated and I will give him a report.

[*Translation*]

REGIONAL ECONOMIC EXPANSION

QUEBEC—REPRESENTATIONS RESPECTING CONSTRUCTION OF DEEP-WATER HARBOUR

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, may I direct a question to the Minister of Regional Economic Expansion in relation to the building of a deep water port in Quebec for large tankers.

Has the minister received any representations in this respect from Mayor Galienne of Sept-îles or from any other person or organization of the Port-Cartier and Sept-Îles area?

Mr. Speaker: Again, such a question should normally be put on the order paper and if there is any urgency, it could be debated like other questions at adjournment.

* * *

[*English*]

INDIAN AFFAIRS

GRASSY NARROWS AND WHITE DOG RESERVES—HIGH LEVELS OF MERCURY IN BLOOD OF NATIVES—GOVERNMENT ACTION

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, my question is for the Minister of National Health and Welfare. What action has his department taken to deal with the revelation that Indians on the Grassy Narrows and White Dog Reserves apparently have levels of mercury in their blood higher than that which killed 35 fishermen in Japan in 1963?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the department has been made aware of this situation and doctors in the area working for the department have investigated the facts, together with doctors representing the provincial government. There is a task force from the department that will go into the reservations very shortly to investigate the matter further and see what additional measures, if any, have to be taken.

Mr. Speaker: Before calling orders of the day, the Chair will allow one last question. The hon. member for Crowfoot.

Some hon. Members: Hear, hear!

* * *

GRAIN

QUESTIONNAIRE TO FARMERS ON FORM OF PAYMENT PREFERRED FOR WHEAT USED DOMESTICALLY—USE OF PERMIT NUMBER TO IDENTIFY REPLIES

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct a question to the Minister of Justice who is in charge of the Canadian Wheat Board. Is the minister going to make public the results of the balloting that he is conducting among the prairie grain producers concerning the two-price wheat system? If he is, does he feel it necessary to have the voter's name and delivery permit number on the ballot?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as I indicated to the House about a week or ten days ago, and I am sure the hon. member can refer to *Hansard*, I do intend to inform the House of the results of the questionnaires after they are completed. The decision to include the request for the name and permit number on the questionnaire was made in the belief that farmers would generally not mind including that information, and to avoid any suggestion that might have come from hon. members that there was any danger of a number of questionnaires being returned by the same person or organization.

Mr. Horner (Crowfoot): This is a very important supplementary, Mr. Speaker. I would not abuse your instruction or the privileges of this House, but certainly we believe in democracy and in the principle of the secret ballot. This is not a secret ballot. There could be no duplication of it because each producer has his own specific delivery permit number. He could not have a duplicate and send in more than one ballot. This is very unnecessary and I urge all farmers not to participate in this type of balloting.

Some hon. Members: Oh, oh!

Mr. Horner (Crowfoot): This is simply going to be used for political purposes by the Liberal party.

Mr. Speaker: Order, please. The hon. member for Regina-Lake Centre may ask a supplementary after which I shall definitely call orders of the day.

QUESTIONNAIRE TO FARMERS ON FORM OF PAYMENT PREFERRED FOR WHEAT USED DOMESTICALLY—REQUEST FOR REVISION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, a supplementary to the minister in charge of the Wheat Board. In view of the fact that this can in no way be called a ballot, in view of the fact that the president of the Saskatchewan Wheat Pool has said the questionnaire is slanted, and in view of the fact that there is an alleged discrepancy in the figures used by the minister, will he advise the House if consideration will be given to a revised and more complete informational questionnaire being sent out, and will he advise the House who wrote this one? Was it anybody in the Wheat Board or was it a member of his staff?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am happy to inform the hon. member for Regina-Lake Centre and the hon. member for Crowfoot that the 50,000 farmers who so far have returned the questionnaire have not seemed to object to the nature of it or to the inclusion of the permit number. The president of the Saskatchewan Wheat Pool, who has a different view from some people about the manner in which the payments should be made, did take issue with a number of statements contained in the questionnaire but he did not say that they were wrong.

Canada-United States Auto Pact

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

Mr. Nowlan: Mr. Speaker, I did not want to interfere with the question period but I wanted to draw Your Honour's attention to the fact that the Parliamentary Secretary to the President of the Privy Council, who also happens to be the House leader, did ask a question during the question period. I would hope, Mr. Speaker, that the President of the Privy Council, as House leader, would convene the Committee on Procedure and Organization even earlier than he had anticipated if his own parliamentary secretary is going to keep asking questions, so that we can clarify this matter along with a good many others.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I do not know whether there is any point in pursuing this point of order. It was made before and I indicated my feelings to hon. members on the objection which has been taken. It was agreed that the matter would be looked into by the Committee on Procedure and Organization. I assume that the committee will be convened very soon as suggested by the hon. member for Annapolis Valley. Orders of the day.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO DEVELOP AN IMPROVED CANADA-UNITED STATES AUTOMOTIVE AGREEMENT

Mr. Edward Broadbent (Oshawa-Whitby) moved:

That this House deplores the failure of the government to develop beyond the 1965 Canada-United States Automotive Agreement a policy which would benefit Canadians and which would contribute to resolving Canada-United States conflict in this area to the mutual benefit of both countries; and this House, therefore, urges the government to take certain immediate steps to lower the prices of automobiles to Canadian consumers and to protect the jobs of Canadian auto workers.

He said: Mr. Speaker, two weeks ago today the Minister of Industry, Trade and Commerce (Mr. Gillespie) sparked a two day flurry of controversy on the meaning and importance of the Canada-U.S. Automotive Agreement.

At the heart of the controversy three related items are to be found, each of which emerged during the two day debate or discussion but which were unresolved. First, there was the interest of Canadian consumers who have paid, cumulatively, hundreds of millions of dollars more than they should for North American automobiles since 1965. Second, there was the concern of thousands of Canadian auto workers who for approximately three years have been left by a vacillating government in a state of uncertainty about the future of their jobs. Third, there was and is the crucial matter of United States government dissatisfaction with the results of the automotive agreement. This dissatisfaction was formally conveyed just a few days ago in a television interview by Senator Hartke of Indiana. Surrounding these three areas of concern, indeed, making them inextricably bound one to the other, is the nature, meaning and relevance of what are known as the safeguards in the Canada-U.S. Automotive Agreement.

• (1540)

There can be no doubt that the two Liberal governments elected in January, 1968 and again last October 30 must bear the major share of the blame for the apprehension which exists among many of our workers in this industry, for the gouging of Canadian consumers and, to a much lesser but real extent, for the dissatisfaction of the Americans.

For over three years now the government, for political reasons, has deliberately involved itself in a contradictory approach, as evidenced by statements, to the Canada-U.S. Automotive Agreement. On the one hand, it has not yielded to United States pressure to remove the safeguards from the Agreement; yet, at the same time, it has tacitly accepted the American view by implying in its public statements that the safeguards built into the pact were either transitional from the outset or, in any case, were no longer required. Neither Canadians nor Americans know the real policy of this government on this industry.

The former minister of industry, trade and commerce took great care never to say in public that he regarded the safeguards as being transitional, although in private he frankly said that his commitment to this view was somewhat less than 100 per cent. However, the present minister blew the whistle, I think, on what I consider to have been the real government policy for the past two years when he said in the House two weeks ago that the safeguards were transitional. During the subsequent two days of exchanges in this House, the minister was forced to correct his earlier assertion and admit on March 1 that he had been in error when he said that it was stated in the auto pact that the safeguards were transitional. It is good that the minister corrected the public record. It is even more important, however, for the government to tell the people of Canada what its automotive policy is. What are its plans for Canadian consumers and Canadian auto workers? What is it presenting in the ongoing negotiations to the Americans for discussion? Is it presenting anything, or is it simply, as I suspect, reacting to American initiatives?

The auto pact came into being in 1965 following years of deficits amounting to hundreds of millions of dollars annually on Canada's part in Canada-United States automotive trade. Prior to its signing, the Canadian government had decided to embark on an export subsidy plan, to correct this major trade balance problem. Understandably, at that time the American government did not favour this kind of unilateral action aimed in its direction. That program, incidentally, was exactly equivalent to the United States DISC program, which the United States has imposed on the rest of the world in the past year.

At that time, instead of accepting Canadian proposals to go ahead with this unilateral trade action, the United States agreed to hold talks with Canada. Those talks centred on the need to improve Canada's balance of trade position. That improvement would provide for the

future growth of the North American automobile industry in this country and in the United States. The result of those discussions was the auto pact. The intent of the pact was to liberalize automotive trade between Canada and the United States by removing most tariff barriers and ensuring that the industry in both countries would be able "to participate on a fair and equitable basis in the expanding total market of the two countries", as provided in Article 1(b) of the Canada-U.S. Automotive Agreement.

In exchange for two basic commitments, the government of Canada agreed to permit automotive companies located in our country to import cars and parts from the United States. The commitments or, as they are now known, the safeguards, were: First, United States auto makers were obliged to continue, as a minimum, to produce the number of vehicles in Canada bearing the same ratio to their sales in Canada as in the base year 1964; second, in addition each company was required to provide an increasing amount of what is now known as Canadian value added. This consists of the dollar value of labour and parts produced on the Canadian side of the border. The amount of increase was to grow proportionately for each year in the future.

Both countries hoped to gain from this arrangement. The Americans would gain tariff free access to a very lucrative Canadian market. This would enable the car companies to rationalize their production runs on a continental basis and thus put them in a more competitive position in both countries vis-à-vis cars produced outside our continental North America. Canada gained by having in the second safeguard an assurance that our trade balance in automotive products with the United States would no longer be in permanent deficit, and we would be sure of our share of any growth in jobs in the industry in this country. The third beneficiary would have been the Canadian consumer, who was to get a substantial reduction in automotive prices as a result of the removal of tariffs to the companies. These tariff concessions were to be given on the condition the companies met certain conditions to which I just referred. The companies, however, made the individual consumer pay an extra duty.

What have been the results of the pact since 1965, Mr. Speaker? Canada's position in the North American automotive trade has certainly improved. We have moved from a chronic deficit position to one of having a slight surplus last year of $5.8 million. Cumulatively—I stress this—for the period 1965-1972, we experienced, nevertheless, a net deficit in North American automotive trade of about $2 billion. One can hardly say that the pact has brought miraculous benefits to Canada. If the present trend in the trade graph continues, next year will almost certainly show another deficit.

Employment in the industry has also grown. In 1964, there were about 70,000 employees in Canada. In this industry about 97,000 are now employed. Similar growth in employment has taken place in the United States. The Canadian consumer, however, has not obtained his fair share of the intended benefits of the pact. After allowing for differences in tax structures between the two countries, Canadians pay between $200 and $300 more for a car produced in Canada than do their American neighbours for the same car after it crosses the border and is purchased in Buffalo, Boston, San Francisco or any other American city.

According to a systematic study carried out recently, the four major automotive companies, General Motors, Ford, Chrysler and American Motors, charge their dealers in Canada about $250 more for a standard car produced in Canada than they charge their dealers for an identical car produced in the United States. This difference, understandably, is not absorbed by the dealers but is passed on to the Canadian consumer. After seven years of innovative restructuring of the Canadian side of the automotive industry, and I stress this, there is no excuse for this price difference.

The Canadian part of the industry is the most efficient on the North American continent. There is all kinds of evidence to show that Canadian productivity is higher than American productivity in this industry. Despite this real improvement that has occurred in our productive capacity, the Canadian consumer is not getting his due in terms of prices. Therefore, Mr. Speaker, we are witnessing sheer profiteering on the part of the large companies, at the expense of the Canadian public.

I now want to talk about the safeguards and deal with them in terms of whether they are essential. The American government, a number of Canadian economists and, I suspect, even the government of Canada believe that the safeguards in the pact are no longer required. Those who take this position contend that the safeguards were merely transitional requirements needed only until parts and assembly plants in Canada could adjust to the new continental market situation. If maintained, it is said, they are simply unjust, protectionist devices which violate the intent of the pact.

The "free trade" interpreters of th e pact I suggest are simply and categorically wrong. Prior to the drafting of the pact Toronto economist, Professor V. Bladen, former head of the political economy department of the University of Toronto, had served as a one-man royal commission on the automotive industry. When so serving he cogently argued that it would be suicidal for Canada not to have safeguards in the automotive trade agreement with the United States. He said so for the obvious reason that if we give tariff free access to our market to an industry which is almost 100 per cent American owned, there would be no guarantee that Canada would get its share of future growth in the automotive industry or indeed that present Canadian production levels would be maintained. It is for this reason that the production safeguard principle was imbedded in the pact.

• (1550)

It is essential that we retain some such requirements in the pact, however they are formulated, which will ensure that Canada share, as the pact states, "on a fair and equitable basis in the expanding total market of the two countries", or that principle is contradictory to a free trade assumption. Given the protectionist policies currently being pursued in the United States, DISC, the Burke-Hartke bill, etc., due to their own high level of unemployment, there is every reason to assume that without job-protecting safeguards in the auto pact, we would see not only a restriction in our share of the growth of the total

North American market to which we are entitled, but also a diminution of our present levles of production. In short, thousands of Canadian jobs are at stake.

In their discussions with Canada, the Americans have been justifiably critical of our government's failure to get automotive companies to bring their prices in Canada into line with those in the United States. One of their chief reasons for agreeing to the pact was an anticipated growth rate of 8 per cent in the Canadian automotive market for North American cars and trucks. For this to have taken place, automotive companies would have had to lower their Canadian prices. If they had done so, Canadian consumers would not be purchasing at about twice the rate of their American counterparts foreign produced automobiles and trucks.

In 1965, non-North American sales accounted for 11 per cent of the Canadian market. After six years, instead of declining, this percentage increased to 25.9 per cent for 1971, the last year for which statistics are available. In British Columbia, about 50 per cent of the cars sold are made outside North America. The percentage of such vehicles sold in the United States in 1971 was 15.8 per cent, approximately three-fifths of the Canadian level. There can be no doubt that the major reason for the significant and growing market for non-North American cars in Canada compared with that which prevails in the United States is the unwarranted overpricing which takes place in Canada.

The price gap for identical cars, after allowance was made for taxes and differing dollar value, between Canada and the United States in 1964 was approximately 9 per cent. In 1971, although there had been progress up to then, the difference was still 9 per cent. In fact, for 1972, according to one study, the price differential between cars sold in Canada and the United States, after making allowances for taxes, had increased to 10 per cent, one per cent more than it was in 1964, the year the auto pact came into being.

The four major automotive companies in Canada reap excessive profits, excessive even for an oligopoly controlled industry. According to an article published in the *Globe & Mail* last April 26, the per unit profit of Ford of Canada was $222 higher than the per unit profit of its United States parent. The differences for the other companies are virtually certain to be identical. The per unit profit for Ford of Canada increased in each of the four most recent years for which statistics are available. I urge the minister to note these facts. In 1968, the per unit profit was $117. That is the profit after considering all factors when the car is released through the dealer. The per unit profit for 1969 was $164; 1970, $153, and 1971, $228. I am certain the per unit profit of Chrysler and General Motors was similar.

It is interesting to note that between 1966 and 1972, the duty remissions which the companies got from the Canadian taxpayer as a result of the pact were as follows: Ford, $176,614,083; American Motors, $3,135,075; Chrysler, $1,992,607 and General Motors, $1,388,150.

It is clear that in addition to making clear the future security of Canadian automotive workers, we also need an immediate policy which will stop the gouging of Canadian consumers.

Some hon. Members: Hear, hear!

Mr. Broadbent: There is, I believe, a course of action which will meet the needs of both consumers and autoworkers in Canada and, incidentally, might be appealing to American opponents of the pact, whether or not they are in congress. What we propose is to remove the prohibition which compels Canadians to pay a 15 per cent duty on new cars purchased in the United States. The effect of this will be to cause the North American automotive companies to reduce the price of their cars to Canadian dealers to the level which prevails in the United States. The prospect of dealer competition in the United States will cause this reduction to be passed on to the Canadian consumer by dealers in this country. My point is if we remove the 15 per cent duty for individual consumers crossing the border, the companies in Canada will not permit their dealer systems to go under. They will stop the gouging of their own dealers which has gone on up to this point and ensure that the duty saving is transmitted into price reductions to their dealers. To stop Canadians from crossing the border into the United States to purchase their cars, the dealers in Canada will reduce their prices and the Canadian consumer will get the benefit.

However, and this is important, to ensure the preservation and growth of Canadian employment in the auto industry, production level safeguards must be maintained. Instead of basing them on consumption levels in Canada, however, changes in the automotive agreement should be proposed and negotiated by the Canadian government which would make Canadian production and CVA requirements dependent upon Canadian purchases anywhere in continental North America. A new Canadian minimum production floor level needs to be introduced for negotiation, and it should be based on 1972 levels instead of 1964 levels of production as is now the case. This approach would provide a measure of justice, long overdue, to Canadian consumers. It would also create more jobs for Canadian workers precisely because an average price reduction of $250 per car would inevitably mean that Canadians would buy more vehicles manufactured in North America and fewer imports.

• (1600)

To conclude, this proposal, if adopted, would mean more jobs for Canadian workers. It would also mean lower prices for Canadians. It is, then, the kind of proposal which deserves, and, I hope, will receive, the support of the party to my right and of the government which sits opposite.

Mr. Terry O'Connor (Halton): I rise to speak on this motion with some degree of admiration for the drafter; he has managed succinctly to cover the two chief areas of concern now surrounding the Canada-United States automotive trade agreement. First, he mentioned the necessity for progress under the agreement leading to the tangible mutual benefit of both countries. The key word, here, is "mutual". Second, he spoke of the continuing and worsening problem of the widening price differential between the two countries. We have little confidence in the remedy proposed by the previous speaker as solutions of these trade problems. In particular, the events of the past two weeks have shaken our confidence—and certain-

ly have shaken the confidence of the Canadian business community—in the Minister of Industry, Trade and Commerce (Mr. Gillespie).

Consider the confusing and, often, inconsistent positions and statements adopted by the government on this issue. The matter arose two weeks ago with the announcement in the United States that the Canadian automotive trade deficit with the United States was $100 million as opposed to a surplus of almost $200 million in 1971. The minister told us not to worry. Statistics Canada, he said, has set the deficit at $41 million. He said—and I am quoting: "I do not see that there is any emergency or any reason to push any panic buttons at this time." This statement is reported at page 1751 of *Hansard*. We agree. Nothing to panic about; there are bound to be fluctuations in our trade positions. We enjoyed surpluses in two preceding years. Now, we are faced with a relatively—and I stress the word "relatively"—small deficit by comparison with the total automobile and parts movement of nearly $7 billion annually.

Then, the minister dropped his bombshell. He referred to the paragraphs in the agreement which had traditionally been known as the Canadian safeguards as being of a transitional nature—the first time they had been described as such, to my knowledge, by a Canadian minister. Further, he said the agreement itself provided that these safeguards were transitional. The clear meaning of this statement was that the government, in a major policy shift, had adopted the United States contention that the provisions for Canadian protection in the agreement were of a short-term nature designed to get Canada over a temporary trade deficit. The implication was that they could be removed, since, as the minister further noted, they had been overfulfilled to the extent of $1 billion. We in the opposition urge that the safeguards should be maintained and, indeed, improved. If we can experience a reversal in our trading position from a surplus of $200 million to a deficit of $100 million, or whatever the correct figure is, perhaps the safeguards are inadequate.

The next day the government changed its position. The minister said he had been mistaken, that there was no mention in the agreement of the safeguards being transitional. The words were, in fact, only the words of the negotiators. That is fine. I am sure, however, that the negotiators said many things about many subjects—about free trade in used cars, about free trade at the consumer level, even about who would go out for coffee that morning. The fact remains that the agreement is a legal document with all its terms contained inside the four corners of the document itself. To accept the implications of the minister's suggestion that the words of the negotiators carry any force or effect would be totally ridiculous.

The hon. gentleman went on to assure the House that the safeguards would not be removed, but they would be improved. As reported at page 1784 of *Hansard*, he said, in this context:

> I am certainly interested in seeing them improved, and that will be the position of the government. If there is any change with respect to these provisions it will be to improve them so as to make them more workable.

Thus, he completed the transition, if I may use that term, from implying that the safeguards might be dropped, to the position urged on him by members of this party that they should be improved. Then, Mr. Speaker, he had the unmitigated gall to tell the House that there is confusion in the minds of opposition questioners over this point. This was after he had gone through the process of reversing his own position twice in two days.

Again, the minister is ill-informed as to the actual terms of the agreement. The production to sales in Canada ratio, one of the protections set out in the pact, is an annual target, one which must be met each year. It is simply not open to the interpretation that it has, at some time in the past, been far exceeded and is therefore no longer a protection. The minister, as I reminded hon. members, supported the position that the safeguards were transitional by telling us that they had been over-fulfilled to the extent of $1 billion. Mr. Speaker, inasmuch as it hangs over the heads of automobile manufacturers annually to meet a certain production to sales ratio, this particular provision continues to provide protection for Canadien production and for the Canadian automobile worker.

Everyone agrees that the auto pact has been a great boon to the Canadian auto and parts manufacturing industry. We must ensure that it continues to be so. The government now admits we must attempt to improve the safeguards. Some may suggest there is little chance of our maintaining what is in the agreement now, let alone improving on it. There is no doubt the bargaining sessions are going to be tough, and it may well be that in order to gain trading concessions or improvements we shall have to give ground in other areas. It may well be that the auto pact requires some amendment.

Obviously, the Americans think the safeguards are an extremely important factor in the reversal of their trade fortunes in this area. They have been pressing strongly for changes during the last four or five years. This being the case, we have a strong bargaining lever at our disposal, one which could well be used to bring us better safeguards. Surely, though, it is a fundamental bargaining principle not to show one's hand or reveal what one is prepared to give up prior to the commencement of the bargaining sessions. In other words, one should not give away gratis in the House of Commons what is a significant bargaining lever which could be used to gain other concessions at the bargaining table. The stumbling and fumbling of the minister on the whole matter over the past few weeks inspires little confidence in us, and, more importantly, little confidence in the Canadian manufacturing sector of our economy.

• (1610)

As I said at the start, the words "mutual benefit of both countries" in this motion are the key. We feel that the future negotiations with the United States should be directed towards working out a set of mutual safeguards which will protect automobile production and jobs in both countries.

The point that perhaps most raises the hackles of the United States is the fact that the present safeguards are designed chiefly to ensure a fair share of auto production and jobs to Canada. I hold no brief for the United States. They are certainly able to take care of themselves at the bargaining table. But if the present protections continue

to result in a widening balance in favour of Canada, we cannot complain too vociferously about some means of controlling such a situation. In this respect, let us keep in mind that this was not the case during this past year. Canada suffered a setback in her over-all trade balance of nearly $200 million, but the prior two years had resulted in automobile trade surpluses in our favour of a substantial amount in each case.

Measures of mutual benefit could include—and I say could—an agreement, for example, or a term in an amended auto pact agreement, to relate employment in the industry to the consumption of cars and parts in both countries. For instance, if Canada consumes 13 per cent of the North American market, we should reasonably expect to enjoy 13 per cent of the production facilities, capital expenditures and, of course, jobs.

Alternatively, as another example of the type of term that might well provide mutual protection for both Canada and the United States, the agreement could be amended to provide a floor and a ceiling for the Canadian value added requirements; or, upper and lower surplus and deficit limits which in both cases, if reached, would trigger penalty mechanisms and the imposition of duties to encourage companies to reverse the undesirable trend.

I am being deliberately vague, Mr. Speaker, because I subscribe to the view of the minister—I know we do not agree on too many things, but on this point I do agree—that bargaining in public is not a desirable or profitable practice. Perhaps the minister should have followed his own advice when he suggested two weeks ago that the safeguards were of a transitional nature. Suffice it to say that there are very positive steps that can be taken in the interests of both countries to overcome these irritants which have grown up and now exist between us with respect to this agreement.

The motion before the House urges the government to take certain steps to lower the prices of automobiles to Canadian consumers and to protect the jobs of Canadian auto workers. The agreement itself has adequately, even admirably, protected jobs in Canada over the course of its duration. The agreement, however, does not specifically dictate the price of cars or require any type of movement toward parity of prices between the two countries. Presumably it was thought that with a free market at the manufacturing level there would be a gradual movement toward price parity; and in fact this has been the case, or was the case for the first few years of the agreement. However, as the hon. member for Oshawa-Whitby (Mr. Broadbent) has pointed out, this is not the case at present. In fact, in the past year the situation has worsened and this is an area of major concern. The price gap in 1972 actually widened from what it was in 1971.

I would refer you, Mr. Speaker, to the sixth annual report of the President of the United States to Congress on the operation of the auto pact. This report, not yet available to the public, will be released shortly and contains some disturbing facts and figures. The document, albeit a United States-biased review of the situation, contains figures that show that both the wholesale and retail price differentials on selected, typical cars widened instead of narrowed in 1972. For instance, on a typical 4-door, 6-cylinder sedan with comparable equipment, the wholesale price was 10.8 per cent higher in Canada than in the U.S. in 1972. This is an icnrease from 10.6 per cent in 1971, but more significantly the 1971 figure was down from a 14.2 per cent difference in 1970, and an 18.5 per cent difference in 1965. As a second example, on a typical 4-door, 8-cylinder sedan with standard equipment, the wholesale price difference jumped in 1972 to 10.9 per cent, up from 9.9 per cent in 1971, but again down from the 1970 figure of 13.9 per cent and the 1965 figure of 18.5 per cent.

As I said, Mr. Speaker, the disturbing element of these figures is the fact that the trend from 1965, which continued through the end of 1971, reversed itself in 1972. The reversals and differences are marginal, but the interruption of the trend is significant and unfortunate to the Canadian position. On some more expensive models the trend has not been interrupted, but the facts very clearly show that on the lower and medium priced cars, the models which the average consumers in Canada purchase, there exists a continuing high difference in car prices between our two countries. And, more significantly, this differential is not narrowing. This in spite of the fact that it has been this government's stated aim over a number of years to narrow this difference.

Despite this policy and these pessimistic figures, this government failed to dissuade the automobile manufacturers from increasing prices in 1973. Again, the government knows the tools and persuasive devices available to it to put some muscle into its requests of the companies that they reduce or limit further increases in prices. However, it simply lacks the resolve or the ability to do other than pay lip service to the narrowing of the price gap.

A further significant, and again upsetting, feature of this report of this very concise analysis of the auto pact agreement is the number of references to the safeguards as being of a transitional nature. This may be a sidelight or tip-off, but it is interesting to note that the word "transitional" is used in this report prepared for the President of the United States—it is a very short report consisting of some 26 pages—a total of eight times, almost to the point of it being taken for granted, at least by United States officials, that the safeguards were in fact transitional.

However, Mr. Speaker, the hon. member's motion is correct. The government has failed to develop a policy that would benefit Canadians and resolve the conflicts concerning the Canada-United States automotive agreement. It is also obvious that the government cannot be relied upon to come up with solutions, despite the proposals included in this motion. The Minister of Industry, Trade and Commerce (Mr. Gillespie) yesterday refused to review the government's long-term objectives under the auto pact, if indeed they have long-term or even short-term objectives at all. At least to date, they have failed to make any comments in this respect.

What is more important, however, is that this motion will permit the government to continue on this path. The government have proved that they will not or cannot solve the problem. For this reason we feel the motion should have been one of non-confidence. If the motion is an accurate expression of the NDP attitude toward the government's position on this matter I fail to see, and our party fails to see, how they could harbour any confidence in the government whatsoever in this respect. It is unfor-

tunate that the hon. member for Oshawa-Whitby and his NDP caucus did not make this a vote confidence.

• (1620)

An hon. Member: It is forbidden.

Mr. O'Connor: It is not forbidden. It is unfortunate that they have sacrificed one more issue for the survival of this government. It is unfortunate that they did not think to move to censure the Minister of Industry, Trade and Commerce (Mr. Gillespie), since that would have allowed them to remain true to their convictions rather than the government as a whole as they have been for the past three months.

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I should like first to congratulate hon. members of the New Democratic Party on a motion that reads in part as follows:

. . . to lower the prices of automobiles to Canadian consumers and to protect the jobs of Canadian autoworkers.

All sorts of arguments are put forward on this subject, to prove that the auto pact is to the advantage of Canadians or to that of the Americans.

One hears discussion about profits, and unfortunately, each of the countries in turn seems to justify its position with regard to the pact by saying that it has made a profit and that the agreement has been to its advantage.

And so, if both countries have built up surpluses, one wonders what changes can be made, since that would seem to be the real solution to both countries' problems.

However, even if Canada declares a surplus of $5,800,000, and at the same time the United States declares a surplus of $38 million, there is no changing the fact that the auto pact is still no more than a way of promoting American products, whether or not some of them are made in Canada. It still remains that we are working to benefit American companies such as Chrysler, GM, Ford and American Motors, because their Canadian branches are still integral parts of the parent establishments, which are American companies.

I cannot find in the Canada-U.S.A. auto pact or in the current debate—whether it be the arguments put forward by the NDP, the Progressive Conservative party or the past achievements of the Liberal party—not one suggestion as to how to create an essentially Canadian car industry.

In Quebec we have had the experience of a corporation which tried to manufacture a Canadian car. We have had the example of the Manic corporation which went bankrupt for lack of assistance or interest from the provincial or federal governments. In the meantime, we are still trying to negotiate agreements between American and Canadians for manufacturing American cars.

Canadians should not be sold a bill of goods: Canadian cars and parts will be made by subsidiaries of American companies which in most cases market only one model of the American series. Let us take for instance the Biscayne of the General Motors of Canada which is the only American model manufactured in Canada. But what is done to manufacture a typically Canadian vehicle?

I will go even further than that. When it comes to the manufacturing standards of those companies serious problems arise. For instance, it can be seen that the Americans do not care about the Canadian market when they turn out windshield wipers designed to slip under the hood; this may be quite convenient in the United States but not at all in Canada because of our climate.

The United States control both manufacturing and standards so that we have little elbow room and accept that control and those standards, thereby creating problems for ourselves as we do not manufacture a typically Canadian product made expressly for the Canadian climate.

We have discussed and are still discussing those problems without ever really encouraging the creation of a typically Canadian industry. I suppose the Canada-United States auto pact was beneficial to Canada, but we notice that when American companies wished to start production in Canada, it was because they wanted to get cheap labour although Canadians realized every year that through pressure or union militancy we could get salaries comparable with those of the Americans.

But although we manage to achieve near wage partity and a balance in the exchange of automobile parts with the United States, we realize that it is always to the detriment of the creation of a typically Canadian industry.

For instance since 1965, it is true that we gained some advantage from that agreement. As a matter of fact, it is said that the pact created 100,000 new jobs. But if the government in 1965 had promoted the creation of a typically Canadian industry, those 100,000 jobs would have been created just the same, but the industry would have been under Canadian and not American control.

That is what should be done; it is not a matter of protectionist measures, of some anti-American attitude, but of a pro-Canadian attitude in the industrial field. The Canada-United States auto pact is but one example of it.

One realizes that snowmobiles are also involved. The Bombardier Company Limited has laid off 125 employees because 50,000 of its snowmobiles remained unsold. One realizes also that importing those snowmobiles, as the U.S. Trade Department puts it, causes some problem:

Snowmobile imports from Canada, according to the Department, rose from $22 million in 1971 to $33 million last year, whereas snowmobile imports from the U.S. fell from $124 million to $104 million.

There again, comparisons can be made concerning a really beneficial production for Canadians. Of course, the idea is to lessen the cost of automobiles for the Canadian people, but, then again, I do not believe that we may reach that goal through bargaining with the United States or through administrative measures laid down by the federal government.

Therefore, why not subsidize the purchase of those cars or provide assistance to consumers themselves in Canada? What is the purpose of the government trying to enter into agreements with the large corporations? Why not create a compensated discount system applying to products made in Canada. Such a compensated discount system would bring about a solution allowing reduction of

the cost of cars, and the creation of a Canadian auto industry whose production would be protected.

This point is not brought forward in the Canada-United States auto pact as there is no intention of touching upon that point, though it would represent a valuable protectionist solution applying to the jobs and markets in Canada.

There again, it is noted that the United States speak out. In fact,the *Washington Post* states plainly that Canada, on account of those consultations or phony talks, if I may say so, between corporations and the government, we are increasingly importing unemployment from the United States to Canada because the United States want to protect their market, their production. Then, we get involved in their arguments and let ourselves be dragged hither and thither and—I always come back to that—without trying to set up our own automobile industry.

They say:

> . . . many Canadians are afraid that the United States government is determined to intensify the employment rate in American plants, even at the cost of corresponding unemployment in Canadian plants . . .

And that is what we are now facing because the industries involved in the automobile pact we are discussing, from which we are seeking to obtain some benefits are American industries and we have no control over them. The day it does not answer their purpose anymore, it is not paying anymore for them to produce in Canada, they will stop producing. The only way for them to go on producing will be through the direct granting of Canadian subsidies.

I come back again to the following suggestion: why should we not have a production which would be really Canadian in the automotive industry?

These are essentially the remarks I had to make on this problem.

I want to add that we do not seem to realize that a Canada-U.S. agreement on automotive production is not only discriminatory for Canadian production, but also does not seems to take into account European imports. Whereas in 1970, 25 per cent of imported cars come from Europe, today it is perhaps 28 and even 30 per cent. It is understood that we do not incur losses with Europe in this area but this is another valuable argument in favour of the creation of a typically Canadian automotive industry. We go on discussing, investigating and developing various methods which could justify government action. As to Canadians, the only justification they are waiting for is necessarily the establishment of preferential costs for the production made in Canada and the method liable to meet the needs of Canadians is the compensated discount system.

• (1630)

Mr. Speaker, in conclusion I again say to the minister that any protectionist measure which is still attempted under the auto pact is in fact nothing but a mere palliative to the lack of leadership, of decision to create an industry really and typically Canadian as well as plain favoritism towards American companies.

[Mr. Caouette (Charlevoix).]

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for St. John's West (Mr. Carter)—Fisheries—Request for statement on position to be taken by Canada at Law of the Sea Conference; the hon. member for New Westminster (Mr. Leggatt)—Administration of Justice—Killing of policemen—Inquiry as to legislation to restrict further sale and distribution of firearms; the hon. member for Lotbinière (Mr. Fortin)—Manpower—Local Initiatives Program—Request for better information on projects.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAYS S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO DEVELOP AN IMPROVED CANADA-UNITED STATES AUTOMOTIVE AGREEMENT

The House resumed consideration of the motion of Mr. Broadbent:

> That this House deplores the failure of the government to develop beyond the 1965 Canadian-United States Automotive Agreement a policy which would benefit Canadians and which would contribute to resolving Canada-United States conflict in this area to the mutual benefit of both countries; and this House, therefore, urges the government to take certain immediate steps to lower the prices of automobiles to Canadian consumers and to protect the jobs of Canadian auto workers.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I should like to start off by saying that I listened very closely to the comments of the hon. member for Charlevoix (Mr. Caouette) with respect to the automobile industry in Canada, as well as some of his suggestions with respect to how we might go about developing a distinctive Canadian automobile industry in Canada. I noted as well the fact that he spoke about the snowmobile as a peculiarly successful Canadian invention, something which, incidentally—and perhaps not all members are aware of it—enters into the United States duty free under the provisions of the automotive pact.

During the course of my remarks I hope to be able to comment on some of the criticisms and suggestions of the mover of the motion, the hon. member for Oshawa-Whitby (Mr. Broadbent) and of the hon. member for Halton (Mr. O'Connor). But first, I think it might be profitable, because this is an important occasion when we are dealing with the auto pact, to review some of the circumstances which gave birth to the auto pact and to trace its history, and then move into the situation which we are at present considering.

I think it might be worthwhile to remember that in the early 1960's there was considerable concern in Canada about the substantial current account trade deficit with respect to automobiles and with respect to the efficiency of our Canadian automobile industry. Higher costs were associated with short-run assembly and manufacturing operations. There was duty payable on imported parts, and the costs of writing-off tooling and facilities was on a much smaller volume. All of this added to the higher unit cost in Canada. The proliferation of styles, because each automobile manufacturer was tending to produce the full stable of cars on both sides of the border, again added to the unit costs and to prices in Canada. Considering all these factors—the balance of payments factor, the unit cost factor, and the need to develop a new strategy for the automobile industry—the government put together a plan which it put to the United States government. This plan was based on rationalizing the North American market and was designed to provide for the mutual benefit of both countries in the sense of increasing the size of the market for the North American made vehicle, a plan which would provide for a more efficient Canadian manufacturing industry and lower costs to the Canadian consumer.

• (1640)

These particular objectives are reflected in the automotive agreement. I think one can say that without doubt the agreement is one of the most imaginative, and certainly one of the most important trading arrangements ever made between our two countries. The agreement recognized, and I quote:

> The important place that the automotive industry occupies in the industrial economy of the two countries and the interests of industry, labour and consumers in sustaining high levels of efficient production and continued growth in the automotive industry.

It is designed to achieve a substantial expansion in production and employment, and to promote improved competitive efficiency in the automotive industries in both countries. Three fundamental objectives are set out in Article I of the agreement. The first is the creation of a broader market for automotive products within which full benefits of specialization and large scale production can be achieved. The second is the liberalization of the U.S.A. and Canadian automotive trade in respect of trade barriers and other factors tending to impede it, with a view to enabling industries of both countries to participate on a fair and equitable basis in the expanding total markets in both countries. The third is the development of conditions in which market forces may operate effectively to obtain the most economic pattern of investment, production and trade.

The hon. member for Halton challenged me to say what are the long-term objectives of the auto pact. From the point of view of this government they are the same as they were when the agreement was first signed. They are those which I have put forward again just within the last few minutes. They are the expansion of the market for the North American made vehicle, the participation in that expanded market by Canadian producers and employees generally, and thirdly an efficient Canadian manufacturing industry because, and I think this is worth underlining, only through a highly efficient, highly competitive Canadian manufacturing industry in the automotive area are we going to obtain the real assurances that we seek of being able to share in the benefits of the automotive agreement.

May I now turn to the question of how do we stack up in meeting these objectives. What has the government done to meet these objectives? In recognition of the differences in size, financial strength, and the relative development of our industries, special provisions were established to ensure that Canada, in fact as well as in theory, would derive real and reciprocal benefits on a fair and equitable basis. Moreover, it was recognized that it is necessary to take into account the institutional barriers to trade, arising out of the corporate structure of the industry, as well as the formal governmental barriers, if Canadian industries are to be able to participate effectively in the United States market.

Another important feature, and here I quote from the then Minister of Industry's statement to the House on May 5, 1966, was "the acceptance of the principle that Canadian industry is entitled to a reasonable transitional period to facilitate its adaptation to production for the larger international market." Furthermore, the agreement placed the automotive program on an agreed basis, thereby giving companies in both countries reasonable assurance about its permanence and status.

To take advantage of the new market opportunities provided by the program, the government instituted financial assistance to companies to expand and modernize their facilities and to assist workers. I will deal with those particular programs in a moment, but first I would like to review in statistical terms the indication of success for the pact. Some of these figures have already been given by the hon. member for Oshawa-Whitby. He has referred to the quite striking development, the advance in direct employment.

I emphasize that total direct employment in Canada's automotive industry has risen by 41 per cent, from just under 70,000 employees employed directly in automotive plants and by component manufacturers, to just under 100,000 in 1972 which, as I say, is an increase of 41 per cent from 1964 to 1972. This does not include all the indirect employment that has been associated with that type of activity. You can choose your own multiplier, Mr. Speaker. That multiplier may go from one to three, but the fact is that some multiplier of that 28,000 to 30,000 direct employee increase has resulted from the success of the automotive agreement.

I think that we should also emphasize the basic parity, the income factor, in addition to the number of jobs that have resulted from the automotive agreement. I think it is worth underlining that during the period of the agreement from 1964 to 1972 there has been a very significant increase in the wage levels of Canadian employees in these factories, up to a point of basic parity. This does not mean that in every instance Canadian automobile workers are paid the same as United States automobile workers, but the wages are very close. I am told that in some Canadian plants the workers are now being paid more, so that the total income increase for employees has been very much larger than the 41 per cent I indicated a moment ago. On the production side, because of the

rationalization of the industry, there has been a very marked increase, from something like 671,000 vehicles in this country in 1964 to 1.5 million vehicles this past year. And our increase in trade with the United States in automotive products, as a result of the agreement, has been tremendous.

The hon. member for Halton noted our balance of trade. I do not think that we should judge the success of the agreement in terms of the trade balance between our two countries. I think we should look at it in terms of the total increase in trade. When the automotive agreement was started in 1964 the total two-way trade was of the order of about $800 million, made up of something under $100 million of exports from Canada to the United States, and close to $700 million from the United States to Canada. What was it last year? Last year the total trade, two way trade between our two nations, was $9.2 billion an increase of over ten times in that period of eight years.

Mr. Speaker, with respect to the trade balance figures that I alluded to a moment ago, I think that the trade balance, in terms of surplus or deficit between our two nations, will fluctuate from time to time. The important point to underline is that we were in a significant deficit position in 1964, a $600 million deficit position. As a result of the automotive agreement, we have increased our sales and reduced that deficit so that we are now in a very small surplus position on trade account. If we include the invisible items, the non-merchandise items, you would find that Canada is still in deficit on a bilateral basis with the United States.

I think I should also point out that we are in deficit as a nation, in imports over exports, with the rest of the trading world in automobiles. This is one reason that I, for one, am anxious to see the agreement work in Canada so that we can expand the market for the North American made vehicle, which is something that I believe all hon. members would like to see.

Let me now touch on some of the measures to which reference has been made. I mentioned earlier production and employment which have substantially increased in Canada since the agreement was signed. Indeed, the value of production has increased by more than one billion dollars over the minimum production requirement in the agreement—the Canadian value added so-called safeguard. These requirements therefore, because they are one billion dollars over the level prescribed in the agreement, have no real or safeguarding relevance to present levels of production and employment in Canada. That was the point I was trying to make the other day, Mr. Speaker, when I was questioned on this in this House.

• (1650)

The growth in the industry in Canada has been assisted by three programs, as I have mentioned. The first, the adjustment assistance program, was designed to assist Canadian parts manufacturers through this transitional period that I have referred to earlier. To date, it has made 114 loans amounting to approximately $100 million and additional applications are being processed. Second, a transitional financial assistance program for workers was also established to assist in the adjustment process. Only a relatively small number of workers found it necessary to take part in this program because of the relative buoyancy of the automotive market. Third, the government introduced a special remission program on production machinery required by the industry to take full advantage of the expanding opportunities. This program was designed to ensure that vehicle and parts manufacturers obtained machinery and equipment on a competitive basis with the industry in the United States.

At the time of the agreement the then minister of industry, Mr. Drury, stated:

> In line with the attainment of lower costs of production, it is anticipated, as the program develops, that the forces of competition will gradually result in savings to the Canadian consumer in the form of a narrowing differential between the Canadian and United States prices for motor vehicles and components.

I should like now to touch on that important question of prices and I wonder, Mr. Speaker, if you could indicate to me how much time I have left.

Mr. Deputy Speaker: The hon. minister has 30 minutes under the Provisions of the Standing Order which govern him in replying to the hon. member who moved the motion. His time commenced at 21 minutes to five o'clock.

Mr. Gillespie: Thank you, Mr. Speaker. I have another ten minutes, so I shall talk about prices. There has been much discussion regarding car prices in Canada and the differential that exists between the factory price of a vehicle delivered to a Canadian dealer and the factory price of a vehicle delivered to a United States dealer. This, I believe, is the important level at which we should assess the price because this is the level where the differential can be controlled.

Hon. members are aware that there are other levels, particularly the dealer level at which the consumer buys the automobile. I think comparisons are difficult because in Canada we have a federal sales tax of 12 per cent and there is no such sales tax in the United States. Also, whenever the comparison is made the provincial sales tax must be added to the end price and compared with whatever sales tax there might be in the United States. For these reasons, Mr. Speaker, the comparison should be made at the factory level and I believe hon. members would agree with that.

When the automotive agreement was signed, the differential between factory level prices in Canada and the United States was of the order of 17 per cent. Regardless of the fluctuations and the effect of the exchange rate between then and now the differential is of the order of 8.5 per cent to 9 per cent. In other words, the price differential during the course of the agreement has declined by one half between '64 and '72. You can also put it the other way around: Canadian car prices over this period have risen only half as fast as car prices in the United States. This price gap varies from company to company and model to model. What we are talking about here are weighted averages of the whole piece.

The hon. member for Halton read some information into the record which I gather he regards as private or confidential or not accessible to the general public. To me, it seemed to be based on a model to model comparison rather than a weighted average of all models in all parts of the country. But the comparison, for purposes of rating

the differential, has to be on an average across the piece on a company by company basis. Hon. members from the west coast may know that some Canadian automobiles are priced so competitively that they are even less expensive than similar models across the border in the Pacific coast market. Most, however, are more expensive by varying amounts.

Mr. Broadbent: Which are they?

Mr. Gillespie: I would be pleased to give that information to the hon. member after I have finished my speech. I do not want to be accused of promoting a particular model.

The question is whether a differential of 8½ per cent or 9 per cent, on average at the wholesale level, is warranted under a continuation of virtually free trade in vehicles and parts with the United States. Clearly, there has been progress in narrowing this differential since the agreement was signed and to that extent the Canadian consumer has benefitted.

I am, however, not satisfied that the present differential can be justified, and in my discussions with the car manufacturers I have made this point abundantly clear. Following these discussions the major car companies agreed that there would be no increase in the wholesale prices for the 1973 model year above their current levels. It must be remembered, Mr. Speaker, that this has to be seen against the background of rising costs and rising wages in Canada. The hon. member knows that wages and material costs have been going up and prices must be seen against this background.

At the same time that the Canadian automobile companies agreed to this price freeze on the 1973 model year, they had an application before the prices commission of the United States for a 3 per cent increase. If that increase goes forward and is granted during the course of the 1973 model year, it will reduce the price differential by a further one-third. This, Mr. Speaker, would be the largest annual reduction in the price differential since the agreement was signed.

The second commitment that the automobile companies have given to me with respect to price is that in the pricing of their 1974 model year they will pursue the government's intention of further narrowing of the price differential. I expect that there will be a significant reduction in that price differential in the pricing of the 1974 model year, which prices should be announced according to regular practices early in September or the fall. Mr. Speaker, one of the reasons—

• (1700)

Mr. Broadbent: Mr. Speaker, would the minister permit a question?

Mr. Gillespie: Mr. Speaker, I wonder if I might deal with the hon. member's question at the end of my remarks.

Mr. Broadbent: Mr. Speaker, then I wonder if the minister will consider my proposals in the context of his remarks.

Mr. Gillespie: Mr. Speaker, I assure the hon. member that I have not overlooked his interesting suggestions. I will comment on them in my concluding remarks, soon to be made.

I emphasize that not only from the point of view of fairness to the consumer is the lowering of the price differential important; it is important, as well, from the point of view of the security and growth of the pact itself, because the lower the Canadian car price is relative to the price of the foreign imported or foreign made car, the greater will be the market for the North American made vehicle in North America and the greater will be the participation of Canadians in that market. That is why, within days of being appointed Minister of Industry, Trade and Commerce, I moved directly to deal with this question. I talked to the automobile manufacturers. Within a week of my appointment, I took action, and as I said the result of that action was that which I have already announced to the House, namely, the price freeze with respect to the 1973 model year. This will be imposed here regardless of any increase that may be imposed in the United States. There is a further undertaking on the part of the companies with respect to narrowing the price differential in the present and in the 1974 model year.

Some hon. members have alluded to various voices in the United States indicating that the agreement should be changed in some particular. I listened carefully to the hon. member for Oshawa-Whitby and the hon. member for Charlevoix. I wanted to hear their suggestions and hear any guidance they might offer with respect to what changes, if any, might, in their view, be beneficial for this country. I have indicated in my remarks in the House during the question period that we have taken no decision to change the agreement. There has been no change in the agreement. I repeat, we have taken no decision to change it, for one good reason: in our view, the agreement is working to the mutual benefit of both countries and it is working very well.

It may be that we should consider changes in the agreement. It may be that we might be able to contemplate changes which would be to the mutual benefit of both parties to the agreement. I should like to reassure the House about the statement I made on March 1. If there is any change in the provisions of the automotive agreement, it should be to improve them so as to make them more workable. Although I do not foresee any imminent changes in the present agreement, I want to assure the House again that if changes are made, they will be made in accordance with the objectives of that agreement, and with the proviso that they are to the mutual benefit of both countries. That means that they could not be to the disadvantage of Canada and still be acceptable to this government.

In conclusion, Mr. Speaker, I wish to assure the House once more that the effort of this government will be to continue to provide for the future expansion of automobile production and to secure future job opportunities for Canadians in our automotive industry. While I can appreciate to some extent the concern that motivated the bringing of the motion now before us, I suggest that it should be readily apparent to members of all parties that no Canadian government, of whatever stripe, could con-

sent to changes in this agreement that would prejudice the jobs of Canadian workers or the level of production in Canada.

Mr. Broadbent: Mr. Speaker, would the minister permit a question? Now that he has finished reading the script produced by succeeding ministers who preceded him in his portfolio, I wonder if he would be so kind as to deal with the suggestions I made and the specific proposals contained in this motion?

Mr. Gillespie: Mr. Speaker, in my remarks I alluded to the proposals of the hon. member for Oshawa-Whitby. I think they are to be considered as serious proposals. I think they are imaginative. At present, I do not think I can do more than say that I consider them an interesting contribution and a constructive one at this time.

Mr. Orlikow: Mr. Speaker, could I ask the minister a question? Could he explain to the members of the House and to the Canadian public why cars made in Canada, for example at St. Thomas, of which more than 50 per cent are exported to the United States, are sold more cheaply in the United States than in Canada where they are produced?

Mr. Gillespie: Mr. Speaker, the answer, as I suspect the hon. member may already know, is that the Canadian automobile manufacturer, who is selling them to dealers, has decided that that is what he is going to do.

Mr. Orlikow: Mr. Speaker, may I ask a supplementary question. Would the minister tell us whether his department has looked into the question of whether (a) automobile manufacturers are selling their cars for less in the United States and (b) whether they are getting too large a profit on their sales in Canada?

Mr. Gillespie: Mr. Speaker, I do not think they are selling their automobiles at a low enough price in Canada.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, there was a certain Colonel Blimpism to a reply the minister made towards the end of his speech. I am glad my colleagues asked him certain questions, because for the first time we heard direct and explicit replies from the minister.

The logic of some parts of the minister's remarks however bothers me. I cannot understand how a price increase in the United States can be considered as being a great benefit to Canadian automobile purchasers. The minister waxed fairly long on that subject. However, the logic behind his reasoning escapes me completely. Except for the dealers, I doubt whether the majority of people in my province, British Columbia, know or care very much about the Canada-United States Auto Pact. Certainly, you never see any Member of Parliament from British Columbia asking questions—

Mr. Danson: On a point of order, Mr. Speaker; not that it matters very much, but the public address system does not seem to be working and I cannot hear the hon. member.

[Mr. Gillespie.]

The Acting Speaker (Mr. Laniel): The Chair is aware of the difficulty. We are trying to solve it.

An hon. Member: The older members cannot hear very well.

Mr. Knowles (Winnipeg North Centre): The older members were here before we had any public address system.

Mr. Guay (St. Boniface): I can hear the hon. member.

An hon. Member: Speak up.

Mr. Rose: I hope all hon. members opposite are afraid they will miss something.

Mr. Guay (St. Boniface): That is right. We want to hear the hon. member.

Mr. Rose: As I was saying, you hardly ever see a member from British Columbia asking questions about the auto pact. On the other hand, you see members representing constituencies in central Canada jumping up and down during the question period if the word "safeguard" is so much as whispered in the House. What the people of my riding do know, however, is that they pay approximately $300 more for their cars and trucks than do the people living in Seattle, across the border from where I live. I suppose some of the people in my riding can dimly recall the signing of the auto pact in 1965 and remember vaguely that the Canada-U.S. Auto Pact was supposed to do something to make a car sold in Canada cost about the same as that same car sold in the United States, regardless of on which side of the border it was built.

I hope I am being heard by hon. members. Is my microphone working now?

Mr. Guay (St. Boniface): No, but I can hear the hon. member.

Mr. Gillespie: I can hear him.

• (1710)

Mr. Rose: I can hear the hon. member for St. Boniface (Mr. Guay) without the aid of a microphone.

Mr. Guay (St. Boniface): I don't need one.

Mr. Rose: I can hear him directly from St. Boniface.

Mr. Guay (St. Boniface): At least you hear something when I talk.

Mr. Rose: I will not be deflected. I am having trouble enough. It is working now?

Some hon. Members: Hear, hear!

Mr. Rose: What we need is an assurance that the minister has no influence over the public address system. I was talking about the possible lack of interest in British Columbia because the automobile manufacturing business is not part of our provincial scene. It should be part of the British Columbia scene.

If any British Columbian wonders why he is asked to pay $300 more for his car, the usual answer he gets is

some kind of confused mumble-jumble in which the only recognizable word is taxes, Canadian taxes. I know there exists a 12 per cent excise tax on Canadian cars and similar American taxes have been removed, but I do not think we should deal with that today because it is not the central issue in this debate. The auto purchaser in my part of the country is seldom told that he is currently paying to the hilt for his car because our friendly American subsidiaries which build his Canadian automobile are pocketing over $150 million of his hard earned money each year. They are charging him 10 per cent extra because he is a Canadian and his government lets them get away with it. That is what I would like the people of British Columbia to know and the people in the rest of Canada as well.

When I mentioned to some of my B.C. friends that I intended to speak in this debate today, they just smiled and said for all the interest I would create in my riding, I might as well make a speech about wheat. I will leave that for the hon. member for Assiniboia (Mr. Knight). It is assumed that most people do not really care about the end price of a car. All that really interests the average guy is whether he can scrape up the downpayment and hack the carrying charges of $95 a month or so. I am not persuaded, however, that this simplistic notion is accurate. If it were so, why would half the people in British Columbia be buying the offshore imports such as Datsun, Toyota, Volkswagens and Renaults? I think that B.C. people buy these cars because they are cheaper. It is as simple as that. They buy Datsuns, Toyotas, Volkswagens and Renaults in a greater proportion than they buy Gremlins, Vegas and Pintos because offshore imports are cheaper. However, these offshore car manufacturers do not employ a single Canadian worker while American subsidiaries operating in Canada, according to the minister's figures, employ nearly 100,000.

The debate today does not really have anything to do with the car culture of North America. We could say a great deal about the problems of disruption and changes over 50 years of North American automania. We are not going to discuss the land-gobbling freeways, carnage on the highways, the pollution befouled cities or the urban sprawl created by any combination of these things. However, all these in themselves are worthy of serious debate at another time.

We must remind ourselves today in dealing with the motion put forward by the hon. member for Oshawa-Whitby (Mr. Broadbent), and the new suggestions that flow from it, that Canadians consume or are consumed by a certain number of cars per year. Despite the auto pact, these built-in-Canada cars are vastly overpriced. Because of the overpricing, foreign imports are stealing an ever-increasing share of the Canadian market, thus reducing or not expanding job opportunities proportionately for Canadian workers. These concerns are legitimate enough at any time, but in the current unemployment-inflation environment in which we now find ourselves today, to continue blindly along the same old paths is not only unacceptable but intolerable.

In case the proposals of my colleague have not been made clear to the minister, members opposite or any other member who might have tuned in late, let me repeat them. The hon. member for Oshawa-Whitby suggested first, the removal of the 15 per cent duty on North American cars purchased in the United States to, in effect, push the Canadian subsidiaries into lowering their prices to United States levels in order to protect their dealers in Canada. The second point was to maintain the principle of safeguards, but to change their content so that Canadian purchases of North American automobiles anywhere in North America would be counted in the production-consumption figures. The third point was to amend the floor level below which Canadian production could not fall from the base output in 1964 to a new base of 1972 production-consumption.

I shall not attempt to expand on the reasons for these proposals in any great detail because I think the hon. member has ably done that. What I intend to do in the time remaining to me is to examine the verbalized, if not sincere concern for the consumer in this day of consumerism and how the price differential of about $300 is a felony compounded by a spin-off of added costs far greater than the $300 differential.

As an example, I will use an intermediate sized car, the Chevelle Malibu 8, two door, with a 307-v8 engine aboard. The 1973 list price or windshield sticker for this car f.o.b. Oshawa, using rounded figures for clarity, with no attempt at obscurity or obfuscation, is $3,300. On a clean deal, with no trade in, this car would probably be sold to a customer for about $3,000. Again using the ball park figure, its price in Seattle would be roughly $2,700, the dealer mark up being about the same in percentage terms. The $300 price differential is punitive enough, but let us consider what the extra $300 over the American price does in car financing.

Assuming that a customer pays $1,000 down and proposes to finance the remaining $2,000 through GMAC at roughly 16 per cent, the finance charges are approximately $409. The same plan to finance a car $300 less expensive would provide a $150 saving on financing, a considerable saving to anyone. We all know that the poor seldom have $1,000 to put down on a car and, therefore, the financing is usually carried on a larger amount, say $2,500, and over a longer period of time, say 36 months. I have these figures, but I think the figures which are quoted in any speech will show similar dramatic differences. Of course, more affluent Canadians can usually avoid finance companies and seek much lower interest rates through banks or credit unions, but those with poor credit often have no alternative but to go for higher interest rates. The less affluent pay much more for their financing for cars or anything else.

Let us add the cost of insuring the automobile with the $300 larger price. I do not say larger value because value is not always reflected in the price charged. I was reliably informed this morning that the difference in the competitive Ontario insurance market, we anticipate public auto insurance in British Columbia, is $15 per year or $30 over the two year financing period I am using in my example. Auto parts, new fenders and auto glass are similarly going to be 10 per cent higher, but I cannot include these in the extra burden of the $300 overcharge because I have no way to estimate their influence. I do not know whether the car will run into difficulty or whether it will be involved in

an accident. These extra costs nevertheless cannot help but be a burden on the consumer.

Let us add the 24 month package of extra costs associated with car purchasing in Canada under fairly common financing terms. The extra cost to the Canadian car purchaser is $300. The extra financing of the $300 is $150. The extra insurance cost is $30. This adds up to $480. This is the extra penalty against the Canadian car purchaser which I insist is unjust, unreasonable and unacceptable. Perhaps Mr. Speaker, I have made the point that the difference is not just $300, but the financing, the insurance and the cost of parts magnify and distort the real differences which perhaps are hidden. These costs are directed to the Canadian consumer, not to this benefit but for the sole purpose of giving a $150 million bonanza each year to our friendly American subsidiaries.

• (1720)

Before I sit down I should like to touch upon a couple of other points. First, I think in addition to the three proposals articulated earlier by my hon. friend, we should consider the implications of dutyless access to used cars as well as new ones. To avoid the shock which would occur to Canadian retailers who might suffer because western Canadians at least might seek year-old cars in the say, California market, perhaps we could phase in the used car policy gradually over, a five-year period. We should, I repeat, study access to used cars and do our best to mitigate any injury which Canadian dealers might face. I am asking hon. members to consider the implications. That is all I am going to do at the moment. But isn't the point here that lower prices would come to the consumer? If we are interested in the cost of living problem, that is one thing we should consider.

The second point I should like to mention is that, as a British Columbian, I see no reason why all Canadian car plants, except for the one in Halifax, are located in central Canada. Everyone knows that there is a sizeable automobile industry in California and there could be an auto assembly plant in B.C. as well.

Mr. Breau: There is one in the Maritimes.

Mr. Rose: I mentioned the distressed area, from which you emanate.

An hon. Member: "Emanate" is right.

Mr. Rose: In western Canada we are far too dependent on the primary industries, capital intensive ones, and we do not nearly approach a balance of the secondary, labour-intensive industries of which the auto industry is a part. It should be pointed out that White Trucks, for instance, through a DREE grant, I think, located an assembly plant in Kelowna, British Columbia, and similar auto assembly plants, regardless of country of origin would be welcome in British Columbia.

Finally, Mr. Speaker, in pre-auto pact days, a fairly large segment of the population which was interested in such things, looked at the little country of Sweden and said, how can the Swedes produce the Volvo and yet Canada has no truly Canadian car? Should we be manufacturing an all-Canadian car? There was a suggestion that this car should be called the Beaver, or something like that. A lot of people had some gnawing doubts about the Beaver, but I predict that if we do not resolve our present difficulties to the mutual benefit of the two countries involved in this auto pact there will be a hue and cry for reconsideration of the Beaver. An indigenous Canadian car is, perhaps, an unrealistic and presumably unnecessary concept provided we can negotiate in good faith, basing our negotiations—and I like the suggestion of the hon. member for Halton—on a policy in which we can have confidence. I suggest the three proposals of my hon. friend from Oshawa-Whitby might provide a very good basis from which to begin.

The purchase of an automobile is the most important and largest purchase the Canadian family makes. But people don't make it once or twice or three times in a lifetime, like their homes; they make these purchases every three or four years. So, I am urging the minister, and suggesting to him for the sake of nearly every Canadian family, for the sake of the cost of living, for the sake of the spin-off of the differential and the added financial burden because of this spin-off of the added cost he has to face, that the average Canadian consumer of automobiles would be most grateful to the minister if he used one of his great assets, his great persuasive ability. When next he goes, into the negotiations, the minister should go with determination to end this price differential, and the best way to do that in my opinion is get rid of the protective 15 percent tariff. If this were done, the Canadian consumer, not just the Canadian producer, could benefit by applying continentalism to the automobile market in North America.

Mr. Barnett J. Danson (York North): It is always a pleasure to follow the hon. member for Fraser Valley West (Mr. Rose), even if his tale about the Beaver went flat. He always puts us in a somewhat relaxed mood but I would prefer he spoke about wheat. Being an old musician, he knows how to fill in time. That is part of the game.

It is interesting that the hon. member for Oshawa-Whitby (Mr. Broadbent) in his motion should have laid the blame for the auto pact on the Liberal government. Yet here is a pact which he is trying to preserve, and rightly so. I do not really understand why he suggests there should be blame. Of course, there should be a great deal of credit, and a great deal of credit goes to men like the Minister of Industry, Trade and Commerce (Mr. Gillespie) who is with us here, now.

Some hon. Members: Hear, hear!

Mr. Danson: There is nobody in this House who consistently, in or out of politics, has taken a firmer position for Canada. He has been a credit to Canada. He knows how to deal toughly, also fairly, and has always consistently sought to do those things which would be best for this country economically, culturally and even spiritually. I say this without being facetious. I remember one of his early speeches in the House of Commons when he came here as a new member. He spoke about maintaining and preserving the spirit of Canada, the culture of Canada, the whole flavour of our Canadian mosaic. So no one else could better bargain on our behalf. He will do it seriously, he will do it toughly, he will do it practically and he will do

it fairly. Being fair is half the battle. He, like myself, came here from the private sector of business and there is nothing that works in the long run if it is not fair and to the advantage of both parties involved. Political posturing is unproductive. Showing how tough we can be may get us shorter term gains but over-toughness or unfairness or unreasonableness or stupidity is long remembered. We could win battles and we could lose wars.

What are our objectives under the automotive trade agreement? I look back on those years. I remember them well. In 1964, when this pact was negotiated, the Canadian car market accounted for 7.5 per cent of the North American market and we only produced some 4 per cent. We ran a $600 million deficit annually. There were two general objectives. One was to correct this imbalance and the other was to correct the price differential. The latter has yet to be achieved. The differential at that time was some 17 per cent, if I recall correctly and today it is something like 8.5 per cent; it is coming down. The minister has fought hard for this since the day he took over his present portfolio. I think we all stand firmly behind him.

• (1730)

The hon. member for Oshawa-Whitby and the hon. member for Fraser Valley West, on the suggestion regarding allowing United States vehicles into Canada duty free, made a very helpful and interesting contribution, one that I looked at with interest and which I discussed with the Americans in the last Canada-U.S. interparliamentary group meeting. However, I hope it does not come to using blackmail against Canadian automobile manufacturers. I think that if Canadian manufacturers and parent companies are made aware that we are prepared to be tough and that any measures put through the House by the minister to make certain that prices are brought down to a more reasonable level will be backed not only by members on this side but, I am certain, by members on the other side of the House, I am sure we shall achieve our objective.

After all these years we now have roughly $9 billion worth of trade in automotive products. I believe the minister said this was split about 50-50 each way. How close it is to 50 is sometimes a difficult matter for us to determine since our statistics are different. We have the vice-president of General Motors in the States talking on February 28 about a surplus of $100 million; then on March 5 the *Globe and Mail* speaks of a $35 million surplus, both of these figures in favour of the United States; then the next day the Canadian Press reports a $38 million surplus.

As far as Statistics Canada is concerned, they have three sets of figures: firstly, a $100 million deficit in favour of the United States; then a $41 million deficit; and finally there is a $5.8 million surplus in Canada's favour. Surely there is something wrong here that needs to be corrected. When we are talking about a subject as massive and important as the auto pact we ought to have our arithmetic right.

I suggest that an important part of any renegotiation with the United States would be the development of a statistical centre so that we would be able to compare apples with apples. If we could devise some such system of reporting and maintaining statistics in a computerized fashion, where we would both have the same figures, then even if we differed at least we would know why we differed. Certainly that is not the case now.

What has happened during the period between 1964 and today? We produced 671,018 vehicles in Canada in 1964. By 1972, the latest figures I have, we were producing 1,472,547 vehicles, an increase of 120 per cent. The employment statistics are rather interesting. My figures only go to 1971, but in 1964 some 69,000 people were employed in the automotive industry. By 1971 this number had risen to 91,900, an increase of 32 per cent. I think the most recent figure is 97,000 for 1972, but I am a little behind in my research here. The point is that we are talking of an increase in employment in the 32 to 35 per cent range, and an increase in production of 120 per cent.

We would like to know what accounts for this. It may be greater Canadian productivity. I am sure part of it is that we have become more efficient. How much of it is due to economies of scale? In my personal dealings with the automotive industry I have seen plants which were on short runs bringing in automotive parts from the United States at high cost or from other Canadian plants at uneconomic cost. These plants were working below optimum efficiency. As hon. members know, optimum efficiency is one of the objectives of the automotive trade agreement. How much is lack of labour intensity? How much is due to sophisticated methods that require labour to be siphoned off, with an equivalent increase in the U.S. labour market?

These are the kind of matters we must look at, Mr. Speaker. I hope it is all a question of increased efficiency, economies of scale and better Canadian productivity. I think we should look at the mix of the figures of 120 per cent increased productivity and 32 to 35 per cent increased employment. In any event, it demonstrates through the great eloquence of statistics that the agreement is not stealing jobs from American workers, certainly not in proportion to the benefit that each country derives from the automotive agreement.

We talk of safegurards in the agreement and it has almost become a bad word to use. It is a sort of four-letter word in this context. The word "transitional" has also become a little distorted. Hon. members will recall that the initial safeguards were a dollar figure of $780 million in Canadian value added, a figure passed long ago and which is now up to $2 billion. The only safeguard here is the health of the industry and the achievement of our objectives. These safeguards were minimums, and minimums must still apply. But the word itself has become symbolic and we are hung up about it. It is highly sensitive, politically, in both countries. The real safeguard, however, must be that of balanced production, of equivalent production for equivalent markets in both countries.

When we come to negotiate with our friends to the south, we may get into difficulty because they will tell us that this year we have had a surplus. For the first six or seven years we had a deficit; then for two years we had a surplus, and we might have another this year. Surely to goodness they ought to realize that in a scheme of this magnitude fluctuations must take place which can distort very considerably the picture in a market as small as Canada's, even more than is the case in the United States.

For example, there was the market decision taken by Ford to produce a small, compact car called the Maverick, built at Talbotville, near St. Thomas, Ontario. Because of that market decision, a production decision followed. Due to the fact that the plant in Canada was on stream, producing well and accepted that market decision, we made tremendous sales through that plant and thus a distortion in that year was created. I remember speaking to our American counterparts about this matter when we were discussing this agreement in Ottawa in 1970.

Even in the sale of snowmobiles distortions arise. If you lumped the sales of snowmobiles together and made them a separate item, you would find that the exports of snowmobiles in 1971 amounted to the total surplus in Canada's favour. In 1971, exports of snowmobiles amounted to $138.9 million. But what happened this year? Sales are down to $116.1 million. What has happened is that the marketing pipeline for snowmobiles has been filled. People have a first and a second snowmobile now, so are not buying them so quickly.

In addition to this, due to the success of the Bombardier snowmobile, built at Valcourt in Quebec, which really gave these sales impetus, United States manufacturers followed suit and now have their own snowmobile industry which is creating competition for Canadian snowmobiles. They exported snowmobiles to Canada in 1971 to the tune of $33.9 million, and in 1972 to the amount of $52.2 million. So, again, distortions are appearing. I think it is terribly unfair of good trading partners to take a one or two year period out of context. That is extremely important.

There have been other benefits to United States industry, the United States economy and the U.S. government. I speak of the balance of payments picture, to which the minister referred. From my own private experience in the machinery business I know one plant in Richmond, Indiana, which Senator Hartke represents, from which we imported several million dollars worth of machinery for the production of automotive parts. A lot of these machines went to the General Motors plant in Oshawa which is in the constituency of the hon. member for Oshawa-Whitby.

There are also management fees which go back to the United States. Not all of them are subject to withholding tax, either. I know of one plant that paid management fees and head office administration expenses in excess of $50,000 a month, and this plant is not a huge one. These were administrative charges paid to head office. So there are also some great benefits our United States friends receive which are not all on the table.

• (1740)

Then we have a man like Senator Hartke from Indiana who made the statement he did on television last week. This is shocking. He must know that we have effective parity of wages with the UAW in equivalent operations in Canada and the United States, and that cars do in fact come into Canada today duty free from the United States. He also said that we are opening up doors and letting foreign imports flood us. We have a 12 per cent duty in comparison to their 3 per cent duty; this is hardly opening the door in comparison with what they are doing.

[Mr. Danson.]

I think it is important that we make these points, because Senator Hartke is a parliamentarian as are we. From April 4 to April 8 a number of us will be in Washington with the Canada-United States parliamentary group. I believe we must make these points very clearly and watch the little distortions in regional areas such as a plant in Anderson, Indiana, or Evansville, Indiana being closed down or because a huge facility is being built in Saline, Michigan, which creates immense employment there.

There are distortions. There was the sad situation in respect of Philips of Canada which was supplying, I believe, a third of all the automotive radios for Chrysler. Then Chrysler decided to consolidate with Motorola, and Philips immediately had an immense lay-off. Parliamentarians in both the United States and Canada will be terribly sensitive about such things happening in their constituencies. Therefore, I think we must sit down and look at this matter in total. I am suggesting that we have an independent committee to look at this situation, see what the distortions are and bring them to light. Perhaps the data centre could be associated with it.

We have the International Joint Commission which deals with waterways. Maybe we could have an AJC, an automotive joint committee to help monitor these situations so that they are not distorted and so we can maintain harmony in this agreement. Such a committee could be comprised of labour and management as well as government representatives. I would say it should have monitoring powers. I do not think it should have executive powers. However, this would be an important element so that we would all be comparing the same things and would see our problems in proper perspective.

I believe two hon. members referred to the idea of building our own type of car in Canada. This raises a very important point about the automotive trade agreement. I have always felt that our great weakness under this agreement is the fact that we did not have the leverage of one domestically-owned automotive company. If we did, we could say to the United States that if it did not make a fair deal we would make our own automobiles and put up tariff barriers. We do not have such a company and this is not the way we operate.

We made this agreement. We said we would give it a chance. We have done so and it has worked out well. However, just because it is working well for both sides now does not mean that we want them breaking it up. We have other options, but we need leverage. One option is to build our own cars. That is a possibility. It is not beyond our technical or productive capacity. I think it would be difficult and it would take a long time. I would hope Canadians would back us up, but they do not always do that: if the car was not as good as a competitive one, they would not buy it. However, this is an option we might think about.

The other option is perhaps a joint venture with one of the foreign automotive manufacturers. This is done in other countries. Fiat and Volvo have joint ventures in other parts of the world. This might be a possibility for Canada. A model might be designed in Canada for the Canadian and American market of the type, size and style which is acceptable here and for which there is a fair market. Another option to consider is that perhaps we

could buy a position in one of the United States major companies.

When I heard last night that this debate was coming on, I did a little calculating. In our foreign exchange reserves we have $4 billion to $7 billion. I believe officially it is $4.5 billion, U.S. As I understand the balance of payments situation, we can get by with $1 billion to $1½ billion. Let us even say it is $2½ billion—we need to keep our float orderly—and that officially we have $4.5 billion. That still leaves $2 billion. These $2 billion could be invested in the United States. The Minister of Finance could direct the Canada Development Corporation or another body to invest this money. It would still be an asset so far as the balance of payments was concerned and a loan to the CDC. We could then purchase a leverage position in a United States company.

I have just received a report from my friendly broker. Let us see what $2 billion would buy in terms of an American automobile company. General Motors has 287,-604,280 shares outstanding with a price on today's market of $73 7/8 per share, for a total value of $21,245,328,163. An amount of $2 billion would buy almost 10 per cent of that. If we had a little more, we could buy 20 per cent. One could buy 25 per cent, at today's market price, for $5.34 billion.

Chrysler has 52,489,823 shares outstanding at $34½ on today's market, for a total value of $1,811,243,893. We could buy the whole thing. We could go out after recessing for dinner to-night and buy it. I am not sure about the figures in respect of Chrysler because I see their assets are almost $5 billion and the shareholders' equity is $2.268 billion. However, it does seem to me that this is one type of leverage. The Ford situation is quite different because it is only worth about $7 billion. Most of that is controlled by the Ford Foundation and the Ford family. I do not think they would be willing to give up control to those of us who are here tonight.

Before sitting down I should like to say I think the following points are important. There must be co-ordination of our monitoring of this situation, as well as articulation and re-articulation of the objectives of both countries. We must reach the achievement of mutual objectives, a consultative process, a constant review of statistics including balance of payments, an arbitration function on specific short-range distortions, monitoring of the program and a report to both governments. Only in a spirit of mutual consideration for self-interest on both sides can we maintain harmony and make progress in respect of a very worth-while agreement so that both countries may benefit from it in the years ahead.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I shall not take long. I may complete my remarks by six o'clock; at least, I shall try my best. I wondered, as did many hon. members, what would be the subject of debate to be put forth by the New Democratic Party on its allotted opposition day. They have agreed on so many points with the government and voted with them so many times that they were indeed hard pressed to find a theme for today's debate. With their well known stand on accelerated write-offs and corporate tax cuts, one would have thought they would have chosen that theme to retread the rip-off. After, I am sure, a very diligent search they have chosen to spend their day on the auto pack.

It is well known that the automotive agreement was whipped together in considerable haste in 1965 and was written in vague and ambiguous language. The temper of the times was different then: we had a serious trade deficit with the United States and the automotive deficit was the largest portion of our over-all trade deficit. No one can deny the auto pack has worked well and has produced an over-all trade surplus in the automotive section of our trading account with the United States.

• (1750)

It is eight years or so since the agreement was signed, and we have been reappraising its effects. We have considerable difficulty in securing information on the auto pact negotiations. I think it was rather facetious of the minister to look for suggestions from this side of the House, since we are not privy to the negotiations and the points on which they are negotiating. However, on a matter as delicate as this one, I must say that I agree with the minister that it would not be wise to negotiate in public. We have, I believe, a group of highly skilled negotiators in the Department of Industry, Trade and Commerce who we understand keep in close touch with their U.S. counterparts.

When all the formulas are digested, the ratios and percentages calculated, we come back to two main points. The first is jobs and job security, and the second is where the philosophy of the auto pact fits into our over-all trade objectives on a long-term basis. Certainly it is understood that until we have an amicable settlement of the auto pact we cannot explore in any detail our over-all trade relations with the United States. In the balance is the future of secondary industry in Canada.

While we would like to develop secondary markets in other parts of the world for our manufactured goods, one would have to be blind to not realize that in the immediate future our trade with the United States is the keystone in our industrial development. The markets are there and we must find a way to keep the door open to Canadian products. So in our view the auto pact is vital to our future development as an industrialized nation and it is also the key to the development of secondary industry in Canada.

We are concerned about jobs and job security. Any move to lessen the number of jobs in Canada at this time would, of course, be disastrous. I am sure our negotiators would have agreed upon an acceptable package if in fact the level of unemployment in Canada had been much lower than it is. I believe it would be fair to say that the single most important factor in the auto pact discussions has been the government's preoccupation with inflation since 1968 and their acceptance of a high level of unemployment. The problem is not really an arithmetical one of ratios, percentages or even balance of trade. The real problem is that some adjustments have to be made, and while we have a high level of unemployment we cannot tolerate any change in the terms of the auto pact which would aggravate that position.

It is significant, I believe, to note at this point that the policies put forth by the Leader of the Opposition (Mr.

Stanfield) would in effect allow us to adjust more readily to changes in unemployment levels due to auto pact negotiations than does the cautious and ad hoc economic patchwork approach of this government. Our party's policy of running the economy at full throttle to take a large bite out of the unemployment and simultaneously impose temporary price, wage and profit controls would allow us to negotiate with much more confidence than does the economic and fiscal policy of the present government.

The hon. member for Halton (Mr. O'Connor) has detailed the minister's lack of knowledge of the auto pact, as recorded in *Hansard*. Hon. members will also note the numerous references to government-to-government negotiations. They will note the number of times the hon. member for Prince Edward-Hastings (Mr. Hees) has asked about minister-to-minister negotiations. It is evident the minister is not equipped to negotiate the auto pact agreement.

There is no one on the government side with enough political clout to negotiate with people of the calibre of John Connally. The right hon. Prime Minister (Mr. Trudeau) made his pilgrimage to Washington some months ago and announced a "fantastic breakthrough" in negotiations with the United States. We have not learned to this day the details of this breakthrough, but we do know that a short time later surcharges were imposed and a protectionist attitude was evident in the U.S.A. However, nowhere did we see any evidence of the fantastic breakthrough or of any special consideration for our trading position with the U.S.

There were suggestions in the Washington press recently that the U.S. position and attitude toward Canada is hardening due to the continuous critical attitude of the government toward the United States involvement in the Viet Nam war. The wisdom of the well orchestrated resolution on this grievous war during the throne speech may well haunt the trade negotiation tables for months to come.

At a time when the world is divided into rival trading blocs, the wisdom, or perhaps the lack of wisdom, on the part of the government must be questioned. At a time when we have a high level of unemployment and when the creation of new jobs and industries must be the main immediate thrust of the economic policy, we find ourselves in a serious trade negotiation with our largest customer—and we are not talking at the ministerial level. It shows how completely bankrupt this government is in the field of economic policy and planning.

We are not in a position at this time to tolerate the loss of jobs due to renegotiation of the auto pact's terms. The danger we face is twofold. The government lacks any long-term economic plan and therefore it is difficult to point to a time or period when we will be able to negotiate the auto pact so that adjustments in employment could be tolerated. We also must face up to the facts of life of secondary industry in Canada. The development of this sector of our economy must be pushed with all possible speed to aid in lowering high-level unemployment in Canada. While the trade irritants remain between our two nations, we will be hard pressed to find the additional markets we will require.

[Mr. Kempling.]

It is evident that we are facing very serious negotiations in the months ahead. I believe that our negotiators are knowledgeable persons who are capable of handling these matters, and are dedicated to their task of protecting Canada's position. It is unfortunate that our negotiators cannot bargain from the strength of an economic policy that is expansionist and designed to cope with the economic problems that face us. With such policies, they could feel reasonably assured that we could adjust to any disruption caused by changes in the terms of the auto pact and take up any unemployment slack elsewhere in our economy. In the long run, the big losers are our secondary industries, not only those presently operating who would expand but the new ones we so desperately need to employ our ever expanding labour force.

There is no doubt that we face hard times ahead in our trade negotiations with the United States. I am not concerned about the negotiations themselves; I am concerned about those at the cabinet level charged with responsibility to direct and carry out this delicate task. In my view, they are leading from weakness as a government lacking in sound economic programs, as they have so amply demonstrated over the past four years.

Let me say in closing that I can only wish the negotiators well. The government has indeed failed to develop a policy that would benefit Canadians and resolve the conflict concerning the Canada-U.S. automotive agreement, as stated in the motion of the hon. member for Oshawa-Whitby (Mr. Broadbent). This makes the task of the negotiators extremely difficult. If the government is not capable of preparing economic programs that will allow us to negotiate from strength, then they should move over and let those on this side of the House, who have a clear picture of what is required, get on with the job.

Some hon. Members: Hear, hear!

Mr. Speaker: It being six o'clock, I do now leave the chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, as a representative of an automotive community I am pleased to have the opportunity to participate in this debate on the Canada-U.S. auto pact. Windsor accounts for approximately 25 per cent of the total Canadian output of automotive products and has benefited more than any other Canadian centre from the auto pact. Production of motor vehicles increased in Windsor by 112 per cent from 1964 to 1971, as opposed to 105 per cent for the whole country, and in the same period employment in the "Big Three" in Windsor jumped by 41 per cent, as opposed to 33 per cent for the whole country including Windsor.

Since Windsor has much to lose from any unfavourable change in the auto pact, my colleagues the Minister of Agriculture (Mr. Whelan), the Minister of Consumer and

Corporate Affairs (Mr. Gray) and I have been vigilant in our concern about the future of the pact. Were it not for their cabinet responsibilities I know that they, too, would be speaking in this debate.

Like every other bargain, the pact has its advantages and its disadvantages. To assess its value on an over-all basis we need some kind of balance sheet. Let us first look at it from the viewpoint of employment, Mr. Speaker. Employment in Canada in the automotive industry rose from 68,400 in November, 1964, through 81,400 in November, 1970, to 91,600 in November 1971, to 97,100 in November, 1972. This is an increase of 28,700, or close to 30,000 in the eight-year span from 1964 to 1972.

As the Minister of Industry, Trade and Commerce (Mr. Gillespie) mentioned this afternoon, there is a multiplier effect for these figures. Whether you take the multiplier as one, two or three, as he pointed out the number of additional jobs created in our country by this great advance under the auto pact is considerable indeed. Incidentally, Mr. Speaker, employment under the pact, is about equally divided between those involved in the production of parts and accessories, on the one hand, and those involved in assembly on the other hand.

Looking at the same balance sheet from the point of view of trade, we find that in 1964 Canada had a deficit of $602 million with the United States. In 1971 there was a $197 million surplus in our favour; and in 1972, if this is the final figure, it was $5.8 million in our favour. So, Mr. Speaker, we can see that our annual trade under the auto pact with the United States is now roughly in balance. But this of course means that there has been a spectacular gain on Canada's part. We are about $1 billion ahead in vehicle assembly and about $1 billion behind in parts, so that together we come out roughly even across the whole spectrum.

Another way of looking at our progress under the auto pact is this. It used to be said that Canadians bought about 7.5 per cent of the total North American auto market but produced only about 4 per cent. Actually, these figures were totally misleading because the former included profits and the latter did not. For this reason these figures are not used any more. The accurate way of looking at it is by considering our trade balance. We now produce approximately what we consume in the auto market.

Looking at the situation from the point of view of the so-called safeguards, we are spectacularly ahead of where we were in 1964. With regard to the first safeguard concerning vehicle production, the ratio of vehicles produced in Canada to vehicles sold in Canada was in the area of 90 per cent to 100 per cent in 1964, and in 1972 it had climbed to the area of 130 per cent to 140 per cent. With respect to the Canadian value added safeguard, we are about $1 billion ahead of where we were in 1964.

Turning, in our balance sheet, to the question of prices we find a more marginal advantage. As the minister pointed out this afternoon, there has been progress in narrowing the price différential; it has decreased by about one half since 1964. This means that Canadian automotive prices have risen only about half as fast as those in the United States.

There are also certain disadvantages as there would be in any agreement. Among the disadvantages under the auto pact are the control of purchasing in the United States, except for General Motors in Oshawa, and the fact that there is very little design or engineering done in Canada. So that we have a gain in the assembly of automobiles rather than in parts, and we have gained many unskilled jobs but have lost some skilled employment.

• (2010)

In summary, I should like to see the marginal advance with respect to prices increased, and the disadvantages reversed, in any renegotiation, but in my view and that of my colleagues, we have on balance gained very substantially under the pact. The question with regard to the renegotiation of the pact is that of where our priorities are. Canada's original objectives with respect to the auto pact were an increase in production, efficiency and employment in the Canadian automotive industry and a better break for the Canadian consumer. My first priority is Canadian jobs, protection of our gains and the continuance of our advance with respect to jobs for Canadians in the automotive industry. I would put in a lower place the reducing of prices for Canadian consumers. Here I detect a certain waffling, if I may use that word, in the resolution as phrased. If I may draw the attention of the House to this, the hon. member for Oshawa-Whitby (Mr. Broadbent) moved:

> That this House deplores the failure of the government to develop beyond the 1965 Canada-United States automotive agreement a policy which would benefit Canadians and which would contribute to resolving Canada-United States conflict in this area to the mutual benefit of both countries; and this House, therefore, urges the government to take certain immediate steps to lower the prices of automobiles to Canadian consumers and to protect the jobs of Canadian autoworkers.

This resolution apparently accords equal priority to lowering prices and to protecting the jobs of Canadians. I do not think that this is a tenable position, Mr. Speaker, and I think it is crucial that we have our priorities straight before we talk, as did the hon. member for Oshawa-Whitby and his colleagues, about renegotiating the pact with the United States.

The problem with the position of the NDP is even more fundamental when we consider the proposals which the hon. member for Oshawa-Whitby and the hon. member for Fraser Valley West (Mr. Rose) made this afternoon. The auto pact is a free trade pact on the United States side, but it is not on the Canadian side. On our side it is, rather, a duty-remission plan. I should like to direct your attention, Mr. Speaker, to the words of the pact itself. Article I reads:

> The governments of Canada and the United States, pursuant to the above principles, shall seek the early achievement of the following objectives:
>
> (a) The creation of a broader market for automotive products within which the full benefits of specialization and large-scale production can be achieved;
>
> (b) The liberalization of Canadian and United States automotive trade in respect of tariff barriers and other factors tending to impede it, with a view to enabling the industries of both countries to participate on a fair and equitable basis in the expanding total market of the two countries;

(c) The development of conditions in which market forces may operate effectively to attain the most economic pattern of investment, production and trade.

I believe that the most relevant of these objectives for the present discussion is (b) which is stated to be, most particularly:

The liberalization of Canadian and United States automotive trade in respect of tariff barriers—

But we have to advert immediately to the qualification which follows the initial statement of the principle, which would otherwise suggest a free trade position. But the clause goes on to point out:

—with a view to enabling the industries of both countries to participate on a fair and equitable basis in the expanding total market of the two countries;

It is my contention, Mr. Speaker, that a fair and equitable basis for Canadian participation and for the participation of Canadian industry in the automotive market does not mean free trade. It may always be necessary—not just for a transitional period—if there is to be participation by Canadian industries on a fair and equitable basis, there should be limitation on the free trade principle on our side. In taking such a position, we should not be contravening the auto pact; we should rather be following it because we should be conforming to the objective of liberalization of trade on the conditions imposed by the agreement itself.

There are under the pact two so-called safeguards, but one of the other protections which exists on our side is a tariff according to which recognized Canadian manufacturers are allowed to import duty free into Canada provided certain conditions are observed. The hon. member for Oshawa-Whitby agrees that we should not attempt to reach complete free trade with the United States, but he proposes the abandonment of the duty-remission plan. On the one hand, he says let us retain the production safeguard and the Canadian added value safeguard although both are admittedly inoperative because our industry has done extremely well under the pact. On the other hand, he argues that we should abandon the one protection that is operative. But, if we remove the duty, we remove the duty-remission feature with it. We cannot very well retain the duty protection for ensuring Canadian objectives if there is no duty there.

I realize that in order to lower car prices in Canada the hon. member has proposed removing the 15 per cent Canadian duty only for individuals who wish to purchase cars in the United States and not necessarily, he might argue, for automotive companies. That would be as impossible in practice as it is simple in theory. Companies can hardly be denied what is legitimate for individuals—importing cars from the United States without duty and without limitation. If they were, they could retaliate by refraining from further investment in Canada. Worse still, we would be playing into the hands of the American government, whose principal policy objective this removal of duty has been.

This was quite plainly stated by Mr. Philip Tresize when he was in Canada in October. This gentleman was, until he resigned, one of the leading American officials of the United States concerned with the auto pact. Speaking on the pact in Toronto, he publicly advocated not only scrapping the two so-called safeguards, but also the removal of the tariff arrangement that is presently in effect.

An hon. Member: Just another sell-out.

Mr. MacGuigan: The sell-out is what I am talking about. It is what you are proposing. Although the hon. member for Oshawa-Whitby did not say so clearly, what he probably had in mind was not unilateral Canadian action to cut out the tariff, but a new auto pact in which we would give up the tariff in return for new safeguards at the 1972 level of production rather than at the 1964 level. If this is his proposal it is a major policy proposal on behalf of the NDP calling for renegotiation of the auto pact. Such a proposal obviously needs to be thoroughly worked through by experts before a definitive answer can be given.

However, my initial reaction to it is twofold. First, if it were to have any further advantage for Canada it is unrealistic to think that the United States would agree. The United States' desire to renegotiate the pact now is based on the feeling that it is already too favourable to Canada. It has been described by one United States senator as foreign aid to Canada. Secondly, it would seem to me to have a short-term advantage for Canada, but long-term disadvantages. In the short run, the 1972 base would obviously be advantageous, given a slight recession in the immediately following years. In a few years, however, it would become inoperative, just as the 1964 figures have become inoperative, by reason of the progress of our industry. Then we would have nothing left to bargain with in future because we would have given up our main bargaining tool, the tariff, in 1973.

My feeling that the NDP proposal is working in the direction of free trade is strengthened by the remarks the hon. member for Fraser Valley West made subsequent to those of the hon. member for Oshawa-Whitby in which I believe he was supporting free trade in the used car market. I would not want to be unduly harsh on the proposal of the hon. member for Oshawa-Whitby. I appreciate the thought he has given to it and the fact that he has put it forward in good faith, but I wish he had put it forward more unambiguously and had faced the consequences more squarely. Still it is a proposal to which serious thought must be given by the government. However, I believe it is to some extent the product of a mentality which is trying at the same time to please everybody, in this case both workers and consumers, with more jobs and lower prices. In such an equation I know on which side I belong. I stand with the automotive workers and their jobs. I will continue to press the government for policies which will maintain and increase employment in the automotive industry in Canada. I hope other hon. members will be equally forthright in facing the choices that have to be made on this issue.

• (2020)

Mr. Joe Hueglin (Niagara Falls): Mr. Speaker, it may seem strange that a member representing Niagara Falls should speak in this debate. However, although the peninsula is noted more for its tourism and agriculture than for its involvement in this particular industry, the workers in the auto industry form a large part of our total labour

force. In Thorold there is the Hayes-Dana plant, in Niagara Falls there is the Ford Glass plant, and in St. Catharines there are GM subsidiaries known as MacKinnon's and Thompson Products.

Without doubt, all these industries have benefited from this pact. More recently, however, 120 jobs have been lost to the area following the transfer of production of the Maverick brake-drum to the United States. The labour force at MacKinnon's has been reduced to around the 6,400 mark, having been at 7,200 in 1966. I was speaking today to the head of the union at MacKinnon's, who is greatly concerned about these movements in production. What has happened will affect the rest of the workers who live in the peninsula, particularly those who use Niagara Falls, my riding, as a dormitory area.

One year ago last December, when Mr. Pepin went south and when the Prime Minister (Mr. Trudeau) also went south at about the time my party's annual meeting was being held in Ottawa, we heard that all was well with the auto pact. It now appears that all was not well. Despite what the minister has said, I suggest we have reached the point of stalemate. A new beginning must be made. New initiatives must be undertaken because, as the last speaker suggested, Senator Hartke has been saying that the automotive agreement was granted as a boon from the American government. He said that the pact is foreign aid.

Although I do not read as many newspapers as I should like to read, I have not heard statements advanced on this question by the minister. I suggest that we must review the whole situation and come to some commonly accepted agreement as to figures that ought to be used. The American government uses one set of figures and we use another. We must redefine what each is to obtain from this automotive pact now and in the future.

I submit that this pact ought to bring about stability in the area of automotive production. That is important. In addition, not only the governments are involved in this area. We must be certain for whom governments speak. If they speak for the companies, I submit they should also speak on behalf of the workers and for the consumers in our communities. It is in the interest of the governments on both sides of the border to argue on behalf of their respective citizens.

Certainly, in my estimation, the companies are placed in a most difficult position. The reason is that the automobile manufacturers are international companies and subject to pressures from both governments. The automobile manufacturing companies are probably more affected by pressure from the U.S. government than by pressure from the Canadian government. Therefore, one is led to wonder whether the drop in Canada's trade position has been the result of the play of "free market forces" or the result of company reaction to United States government pressures of both the stick and carrot variety, that is, of pressures to move successful production lines southward, as happened for example in the case of the Ste. Therese plant in which production of the successful Pontiac model was shipped south. The less successful Vega model was produced in place of that model, the result being that the work force of some 2,300 has been reduced to 1,100. One can imagine the impact of that reduction on the community. Or one can mention pressures being exerted under the DISC program which makes it more profitable for a company to produce cars in the United States than in Canada.

The companies are in a difficult position. It may well be that to guarantee long-range Canadian growth the Canadian government, in view of the experience we have obtained with this industry, must for the sake of the workers and consumers of this country give the companies what may be termed a positive arguing point; that is, those companies must be able to say to the United States government that they have entered into contractual relationships with the Canadian government which they must honour. They must be able to say this to the American government.

Certainly experience in free trade, especially in the farm machinery industry, has clearly shown that new production facilities do not develop in Canada but develop in the United States. This experience certainly goes back to 1949. For that reason it is my opinion that in no circumstances can we accept a completely uncontrolled situation. There must be guarantees somewhere along the line. Equality of production must be guaranteed for our workers and consumers. The Canadian subsidiaries of American automotive companies cannot be placed in the position of having to stand alone against United States government pressure.

The affected workers, their families and the communities in which they live and of which they form the economic base are very much affected by the pact. Although the automative workers, as workers in any industry, must accept the vagaries of the market it is unreasonable to expect them to be subjected to pressures which can quickly disrupt the life of an entire community. Once again I refer to the example of Ste. Therese. There a whole community was built around a certain automotive producing facility. There, after a certain number of jobs had been built up, the labour force was suddenly reduced. This could also happen in Talbotville or our own area.

Stability in the industry must be achieved so far as possible. Only new initiatives, only a review from the bottom up can achieve this. Canadian workers recognize, I believe, that although solidarity with their American brothers may be a desirable theme, certain of their American brothers put their own jobs first and cannot be relied on to protect Canadian workers' interests.

Mr. Alexander: I hope the minister is listening.

Mr. Hueglin: Here I am referring to the support given to the Hartke-Burke bill by certain elements in the American labour force. Indeed, Mr. Speaker, only the Canadian government can protect our workers, in conjunction with the workers themselves. It is on our government that our workers must rely. The auto pact has been instrumental in the building of new communities and has increased the prosperity of older ones. The interests of those communities must be protected. For that reason stability must be introduced.

Before leaving the subject of workers may I say that it is my understanding, on the basis of many sources of information, that the Canadian worker has certainly done his share in making this pact successful. In MacKinnon's plant in St. Catharines, and in other plants, the quality of

production has been higher than in corresponding parent plants in the United States. There has been less loss of time for various causes. There has been less pilfering and less absenteeism due to alcohol or drug use. So our Canadian workers are every bit as good as American workers, if not better. Actually, our productivity has reached the point at which possible disparities due to our northern clime can be ignored. Market forces, along with increased productivity, have made our production facilities in Canada the equal of United States facilities.

If Canadian production is competitive with that in the United States the consumer may well ask, why are automobiles, both cars and trucks, more expensive in Canada and why has the differential in price, which had been dropping, risen recently? There must be three reasons for this differential: natural forces such as weather and the smaller number of units being serviced, government tax structures or company pricing policies. To my mind those are the only possibilities we ought to consider. I suggest that they must be clearly identified in the public mind so that people may either accept the need for the differential, if it is the result of natural forces, or bring pressure to bear on their government if it is not.

• (2030)

Canadians have always paid a price for being Canadian. We have accepted this in all generations to this point and I believe we will now. But that price must be fairly put before Canadians and these costs must be legitimate. The governments of the two countries must recognize that this auto pact has been of benefit to both countries. It has been somewhat less so than anticipated because of the high rate of imported cars being sold in Canada. Here, again, a clear and comprehensive study starting from square one must be undertaken to clearly point out how this hurts us, if it does, and what alternative actions exist.

In summation, it is in the interests of all concerned, governments, producers, workers, communities and consumers, to have a clear picture of what has been a mutually beneficial relationship. It is in the interests of all to redefine the aims and arrive at stable patterns in so far as this can be done.

That a thorough review is necessary can be proven, not only by the lack of any movement for a long period but by the inane ravings of Senator Hartke that this pact came about as a form of foreign aid, when in fact it came about as the result of pressures to build Canadian industry, initiated by the Conservative government in the early sixties—

Some hon. Members: Oh, oh!

Mr. Hueglin: —pressures to which the Americans responded, finally, in a positive manner. The waters have been muddied so much now that a thorough review is necessary so that the positive interests of both countries can be identified and protected and, not least of all, so that stability in the many communities dependent on this industry can be strengthened.

Some hon. Members: Hear, hear!

[Mr. Hueglin.]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when the hon. member for Windsor-Walkerville (Mr. MacGuigan) spoke a few minutes ago he criticized the hon. member for Oshawa-Whitby (Mr. Broadbent) for bringing forward this proposal today. The hon. member for Windsor-Walkerville suggested that he was speaking for the auto workers and, by obvious implication, suggested that the hon. member for Oshawa-Whitby was opposed to the interests of the auto workers. I listened to the hon. member for Windsor-Walkerville: it was obvious that he was not speaking in the interest of the auto workers of Canada but in the interest of the "Big Three" auto makers who are making exorbitant profits at the expense of Canadian consumers.

I wish to say a word to the hon. member for Niagara Falls (Mr. Hueglin). When he talks about American labour not being interested in the welfare of the Canadian worker, he ought to look at the record. It is clear. The United Autoworkers Union, which represents automobile workers in both Canada and the United States, has spoken out as vigorously in the United States against the proposed Burke-Hartke bill as the Canadian section of that union.

When we were discussing the auto pact in 1966, a number of reasons were put forward by the government for proposing this pact. It was said that if we entered into this agreement with the United States it would increase employment. That, of course, has happened. We were told that it would cut down on the deficit in the trade balance between Canada and the United States. While that has happened, the hon. member for Windsor-Walkerville was very careful how he quoted those figures. He skated over the record of the past year. The trade surplus in our favour which was apparent in the early seventies virtually disappeared last year. Instead of a trade surplus this year and next, we will probably again have a trade deficit with the United States.

There is a third important point which the hon. member for Windsor-Walkerville does not understand. Until the hon. member and the government understand this point the Liberal party will not win seats outside the golden triangle in Ontario. We were told that the auto pact would result in a price reduction for Canadian consumers. I wish to quote from two editorials which appeared in 1965 in newspapers which support the Liberal government. They were discussing the auto pact. I do this to show the minister and the hon. member for Windsor-Walkerville what the people outside of Windsor expect from the auto pact. I quote from the Vancouver *Sun*, which as far as I know has always supported the Liberal party, of April 14, 1965:

> Among other things, Mr. Walter Gordon's forthcoming budget will have to defend the Canadian-American free trade deal in automotive products.
>
> It can be easily defended if it means that automobile prices will soon fall. If they don't, the deal is quite indefensible.

The Winnipeg *Free Press*, a newspaper in my city—and there is no more partisan supporter of Liberal government in Canada—when discussing the auto pact wrote on April 17, 1965:

> A much larger question now faces the Canadian government as a result of the free trade deal. It is whether this ostensibly constructive agreement will do any good for the Canadian consumer

or whether it will benefit only a few rich automobile manufacturers.

The *Free Press* asked the question. The answer is now very clear. We are in fact subsidizing and benefiting the large automobile manufacturers.

Some hon. Members: Hear, hear!

Mr. Orlikow: To my knowledge, there is no department of government in Ottawa which has more high-priced, supposed expert civil servants than the Department of Industry, Trade and Commerce. To try to find out from that department whether it has made any studies with regard to the relative cost of producing cars in Canada compared to the cost of producing cars in the United States, or the relative profits of Canadian automobile companies compared to the profits of their United States parent corporations, is an impossibility. The minister will not tell Members of Parliament and the public whether such studies have been made. They certainly ought to have been made. If they have, their results are being hidden. If not, the minister and the government should be condemned, because that would be a dereliction of duty. If studies have been made, the results must be so bad that the government is afraid to let the Canadian people know the facts.

Fortunately, there are people in Canada who are not civil servants. There are some journalists. I suggest to the minister that in all likelihood their salaries are substantially less than the salaries of the officials in his department who should be making this kind of study.

• (2040)

I do not have time to put on record all the facts in the articles written by Mr. Thomas Claridge and Mr. John Rolfe in March and April of 1972, but let me summarize as briefly as I can some of the statements contained in these articles. I quote, for example, from the article of April 20, 1972, by Mr. Claridge:

> The typical Canadian new car buyer is paying an extra $300 for a North American built automobile because of a manufacturers' pricing policy now under investigation by the federal government.
>
> Under the policies being followed by all four Canadian car manufacturers, Canadian car dealers are being charged about 10 per cent more than U.S. dealers for cars built in Canada.

They made an investigation, and they sure as hell gave the results. The old excuses, the old rationalization given for higher prices in Canada disappears. The old rationalization was that the production runs in Canada were so much shorter that we could not turn out cars here as cheaply as in the United States.

As I have said, I do not have time to put forward all the facts that Mr. Claridge and Mr. Rolfe have embodied in these articles; but we find that cars built in Canadian plants in Ontario, cars built in St. Thomas, are being exported to the United States and sold for $250 to $300 less in Buffalo than in Toronto.

Some hon. Members: Shame.

Mr. Orlikow: I repeat the question I put to the minister this afternoon. Does he believe that cars produced in Canada are being sold in the United States at a loss? If the manufacturers can sell a Torino, or a Chevelle or an American Motors car in Buffalo or in upstate New York for $300 less than they can in Hamilton or Toronto, and they are not losing money, there is only one conclusion you can draw. This is the conclusion the writers in the *Globe and Mail* have come to. It is that Canadian consumers are being overcharged between $250 and $300 per car.

The writers I have named analysed the profit per unit made by automobile companies in Canada compared with the profit per unit made by the same companies in the United States. What did they find? They found that for the last year for which figures are available the per unit profit in Canada was between $225 to $250 more than it was in the United States.

Who was making that possible? The Canadian consumer. He was paying in two ways. He was paying up to $300 more for the car, and he was also paying in another way. Before the auto pact was concluded, the Canadian government was getting, in the form of excise duties on cars and car parts imported into Canada from the United States, in the neighbourhood of $50 million. The Canadian taxpayer does not get the benefit of that $50 million any more. Thanks to the generosity of the Liberal government, it goes to increase the profits of General Motors, Chrysler, Ford and American Motors. This is the government which represent the ordinary taxpayers of this country.

The record as to what has happened is clear. We have not just criticized the government because the Canadian consumer is paying more; we have outlined a method by which the Canadian consumer would benefit from lower car prices. What my hon. friend from Oshawa-Whitby has proposed is that we give to the individual Canadian consumer the same right as we have given to the "Big Three" automobile companies. We permit them to manufacture cars in the United States and bring them into Canada without paying excise duty of 15 per cent.

The fact is that the Canadian subsidiaries of these multinational automobile corporations have been overcharging Canadian consumers. They have been making exorbitant profits. We are saying that if the Canadian consumer can go to the United States and purchase a car without paying the duty, the Canadian subsidiaries of the big automobile companies should be obliged to reduce the price they charge the Canadian consumer by the amount they overcharge, which is demonstrated to be between $250 and $300 per car.

The hon. member for Windsor-Walkerville has trotted out the bogey that if you do that, United States manufacturers will simply cut out production in Canada. I suggest that no corporation, having invested billions of dollars in plant and equipment in this country, will stop production. They want a return on their investment and they are entitled to a legitimate return. We are objecting to the exorbitant profits they are making.

There is, I realize, a problem. We have the nonsense of Senator Hartke to deal with, and the protectionist sentiment which is growing in the United States. So what my hon. friend suggests is that we protect the Canadian auto industry by renegotiating the automobile agreement in such a way that Canadian production and the Canadian value added requirement would be dependent, not upon production in Canada, not upon the consumption of cars

built in Canada but on the consumption by Canadians of cars purchased anywhere in North America. If this were done and the minimum production floor were based on 1972 rather than 1965 levels, we could reduce the price of cars to Canadian consumers and protect the jobs of Canadian workers.

• (2050)

I do not believe the United States government would object too strenuously to this kind of negotiation, because it is not that government which would be hurt; it is, rather, the Canadian subsidiaries of the United States corporations—and I do not think that even President Nixon worries too much about them.

There is one more thing which this proposal would do. According to statistics given us by the minister's department, somewhere between 20 and 25 per cent of all new cars purchased in Canada are imported from countries such as Japan, Sweden, Germany and Italy. That is almost twice as high as the percentage of new cars this country imports from the United States. I suggest the reason for this disparity is the exorbitant and excessive price charged the Canadian consumer for these new cars. I suggest that if we forced these companies to cut back on the price, Canadian consumers would in increasing numbers buy Canadian-built cars. I suggest this would be good for the companies, good for the consumers and good for Canadian automotive workers.

The hon. member for Windsor-Walkerville said one correct thing when he suggested that this proposal was worthy of study. I suggest to the minister that he give it a great deal more study than the non-studies we have had from him up to now.

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I want to make a few brief comments about the motion before the House. In listening to the hon. member for Oshawa-Whitby (Mr. Broadbent) it was interesting to note his support for the auto pact and his recognition of the benefits it has brought Canada and the United States as well. This was a pleasant contrast to the scepticism and doubt about the auto pact which characterized NDP remarks about it in this House in 1965, after the Liberal government had taken the initiative to negotiate the pact with the United States and announce it earlier that year. Now even the NDP has been forced to admit that on balance the pact has worked well for Canadians generally and for cities like my own city of Windsor particularly.

The hon. member for Windsor-Walkerville has put on the record some of the good results in terms of production and jobs the auto pact has brought to the Windsor area. We have had information provided by the distinguished predecessor to the Minister of Industry, Trade and Commerce. We learned that from 1964 to 1971 there were 20 new automotive parts manufacturing plants established in the Windsor area and almost 50 expansions of existing plants, which created some 5,000 new jobs.

An hon. Member: What about your constituency?

Mr. Gray: The hon. member for Winnipeg North (Mr. Orlikow) seems unhappy about all these changes and improvements as a result of the auto pact, which he seems to question now as he did back in 1965. He spoke again about duties not collected, forgetting that new investments over the years since 1965 on the part of automobile companies and parts plants have far exceeded any possible amount of duties not collected.

[Mr. Orlikow.]

I might say, as one of the Members of Parliament for the Windsor area like my colleague the hon. member for Windsor-Walkerville, and as a member of the government that it has been and continues to be my aim to work for the protection and advancement of the interests of the workers in my community and their families, and the workers and their families in similar communities across this country. This is the aim of the government as well.

As the Minister of Industry, Trade and Commerce (Mr. Gillespie) has pointed out, it is also the aim of the government to work continuously to bring Canadian automobile prices closer to automobile prices in the United States. And as he has said, there has been progress in this area. I am encouraging and supporting the efforts of the minister to bring about further progress in getting prices of cars to Canadians much closer to those of the United States.

The Minister of Industry, Trade and Commerce has confirmed the position of the government not to agree to changes in the pact adverse to the interests of Canadian workers and in fact to strive for improvements in it in the interests of auto workers and all Canadians. In connection with the auto industry, therefore, the government has been working continuously to protect and advance the interests of Canadians generally as workers and as consumers. I therefore ask this House to give the government its support in these efforts.

Mr. Broadbent: Mr. Speaker, before the minister sits down I wonder whether he would care to comment on the specific proposals before the House? Some hon. members of his party have expressed interest and agreement in them, and others have raised questions. I would be very interested to hear what the minister has to say.

Mr. Gray: Mr. Speaker, I think the proposals the hon. member for Oshawa-Whitby has brought forward are worthy of consideration. I am very glad to see his support, unlike some of the people in his party, for the efforts of Liberal governments working in the interest of auto workers and Canadians generally, whether they be workers or consumers, to improve the automobile industry in this country.

Mr. Derek Blackburn (Brant): Mr. Speaker, we have heard a lot of speeches today about the auto pact agreement which goes back to 1965. We have heard those who spoke for it, those who spoke against it and those who are waffling in between. If we listened intently to speakers on the government side we would be under the impression that this was the greatest thing that ever happened to Canada. The important thing is that this is one of the most vital manufacturing industries in this country, which produces a tremendous number of jobs. If the safeguards are taken out of the agreement as far as production levels are concerned, this industry will suffer terribly and we will be forced to go back and hammer at the minister responsible for the Unemployment Insurance Commission.

Because we have heard a lot of speeches this afternoon and this evening, I do not intend to prolong this debate. I will not speak at length on this motion as many hon. members from all parties have done so already. I do wish to speak about one or two related issues which I feel are of prime importance to Canada as a whole and to consumers and auto workers in particular.

It seems to me that in general economic and industrial matters we in Canada are always taking a back seat to our United States neighbours, and perhaps I should say our United States entrepreneurs to the south. Whenever there is a crisis in trade or monetary matters, it is we who go cap in hand to Washington to come to some agreement in these areas. I certainly hope the Minister of Inudstry, Trade and Commerce (Mr. Gillespie) will not bow to United States pressure over the automotive agreement signed in 1965. If he does, Canadian consumers of automobiles, and auto workers in Canada will suffer. As I said earlier, if this does happen many more workers will be added to the unemployment insurance rolls.

It appears to me that if the so-called safeguards in the auto pact are abolished, Canadians will continue to pay from $200 to $300 more for a car purchased in Canada than our United States friends pay for the same type of car when it crosses the border and is sold in the United States. I find this situation deplorable. I do not know why this government in the past eight years could not have renegotiated the agreement and avoided that kind of travesty.

• (2100)

When one considers that an academic study carried out last year revealed that the four major automotive companies, Ford Motor Company, Chrysler, General Motors and American Motors charged their dealers in Canada about $250 more for a standard, identical car produced in Canada than is charged in the United States, one wonders what advantages accrue to the Canadian consumer or the Canadian car buyer even with the present safeguards. This is totally unfair and I suggest many people in Canada are becoming completely fed up with the unfair situation. I should like to ask a simple question: Why does the federal government allow this travesty to exist when involved are the same parts, the same materials and the same or even slightly lower wages in Canada? Even with this situation, we in Canada pay substantially more under this supposedly free trade agreement. I mentioned a short while ago the $100 tax credit. If a person purchases a small American car made in this country, the extra money he would pay would wipe out that $100 tax credit which is mentioned in the budget.

If I might refer to the remarks made earlier today made by the hon. member for Oshawa-Whitby (Mr. Broadbent), he said there is no economic justification for this pricing policy. In point of fact it is sheer corporate profiteering at the expense of the Canadian public. Several years ago a one-man royal commission on the automotive industry said that it would be disastrous for Canada not to have safeguards in the automotive trade agreement with the United States. When we deal with such large job-creating industries as General Motors, Ford, Chrysler and American Motors which are almost 100 per cent American owned, there would be no guarantee that Canada would get her share of future growth in the automotive industry or that current production levels would be maintained; hence the production safeguard principle in the pact.

When looking at the excessive profits reaped by just one of these oligopoly-controlled industries, Ford, one finds that the unit profit of that industry in Canada was $222 higher than the per unit profit of the American parent. The other companies would be similar, in my opinion. The per unit profit for Ford of Canada increased in each of the four most recent years for which figures are available: in 1968 it was $117; in 1969 it was $164; in 1970 it was $153; in 1971 it was $228. The figures are obviously approximately the same for Chrysler and General Motors.

On the other hand, the duty remissions which the companies got from the Canadian taxpayer as a result of the pact were as follows: Ford, $176,614,083; American Motors, $3,135,075; Chrysler, $1,992,602; General Motors, $1,388,150. I am wondering whether any of these corporations are on the list of 95 corporations from which the Liberal Party receives its political slush funds, and the Tories too; let us not forget them.

Let us look at the situation in Talbotville where Ford of Canada has been manufacturing for some years a small compact car, I believe called the Pinto. The men who produce this automobile in Canada have to pay $200 to $300 more than the same car manufactured in Canada sells for in Detroit; and that car has to be transported some 125 miles from the production plant in Talbotville to the car lot in Detroit. Is this economic justice? The Liberals have allowed this situation to exist year after year. I have yet to find a reasonable explanation for this anomaly and for this travesty.

The budget gave taxpayers a $100 tax credit and all the people of Canada thought it was great. We thought it was good, too, considering the fact that we had finally convinced the Liberal government that tax credits were far superior to regressive basic tax reductions. But those who purchase a Pinto in Canada lose that tax credit and more because of the present ridiculous pricing of Canadian-built cars vis-à-vis the United States.

This may be the right time to begin producing an all-Canadian car, not just for nationalistic reasons—indeed, I hope not—but a family car designed and engineered in Canada and built by Canadian workers. When I refer to workers I am not referring merely to those who work on the assembly line; I am referring also to the designers of cars, the engineers and the technical people involved. Must we continue to be the child of our great United States "big daddy"? If Sweden, approximately one-third the size of Canada, can do it and become world renowned for so doing—not only for building cars but for building engines, including marine engines—what is the matter with us?

Mr. Basford: Mr. Speaker, I wonder whether the hon. member would permit a question? The hon. member is castigating Canadians for not being innovative in this area. I wonder whether he is familiar with the urban car developed by the engineers at the University of British Columbia, in Vancouver, a car which in terms of performance could set the pattern in North America in respect of

what a modern urban vehicle should be? This is what we in British Columbia are doing, Mr. Speaker.

Mr. Blackburn: I will reply to that, Mr. Speaker. I was not aware of the particular automobile. However, I do not see it on the streets of my city of Brampton, I do not see it on Bloor Street in Toronto and I do not see it in Winnipeg. Where is it? Is it in a museum? Why has it not been produced?

Mr. Basford: When the west takes over, you will see it.

Mr. Blackburn: We are still waiting. I would like to know when that car was first invented. Was it five years ago, ten years ago or two years ago? That is a great question. Mr. Speaker, the minister is asking us to accept nothing, because it is in a museum right now. Our own entrepreneurs and engineering people apparently cannot find the ingenuity and the money in order to go ahead and produce that car.

I would also like to comment on the extra cost that Canadians face when buying an automobile in the west. Why should westerners pay more—simply because they are Canadians living farther away from the automobile manufacturers in central Canada? Cannot we adjust freight rates to accommodate our fellow citizens who happen to live in the west or in the Maritimes? What is wrong with the proposal to set up different freight rates?

• (2110)

Another concern of mine relates to the farm implement industry. This concern is very close to me because my home town of Brantford is a major manufacturer of farm implements. If the safeguards in the auto pact go down the drain, will the U.S.-Canada agreement on the manufacturing of farm implements follow? It may not follow overnight but it may follow within five or ten years. If the auto pact safeguards are eliminated under U.S. pressure, will the old agreement regarding the farm implement manufacturing industry be next? I believe that this would have very grave implications for the employees of White-Cockshutt and Massey Ferguson industries in Brantford, the latter being a Canadian-owned corporation. In fact, it would turn Brantford into a ghost-town.

May I say in conclusion that I feel that at present we are ready to sell out to the United States certain safeguards in the auto pact, which will eventually have a detrimental effect both on our consumers and our auto workers. I sincerely hope that the government will keep Canada in mind as the negotiations continue. It seems to me that in all fields of manufacturing, particularly so far as natural resources are concerned, we are constantly selling out to the much more powerful nation to the south. A good time to stop this is right now when the auto pact safeguards are up for grabs—for American grabs!

Let us not become angry and irritated, or in fact irrational. Let us all begin to think in terms of economic and monetary justice in an objective, mature and realistic manner. We do not hate the Americans, but we will be damned if we will continue to live every day under this threat of American domination when I am convinced that we have the manpower, the ingenuity and the will in this country, and indeed we have the capital, to go ahead and make something for ourselves in this world, not in a chauvinistic way but in a creative and competitive way. This is what we need, and we have not been getting it from this government for the past ten years.

Mr. A. D. Hales (Wellington): Mr. Speaker, I am very happy to be taking part in this debate on the supply motion introduced by the hon. member for Oshawa-Whitby (Mr. Broadbent) and his party. However, I am at a loss to understand, in the knowledge that we could vote for such a motion, why the hon. member did not introduce it as a non-confidence motion. Let him not say that he could not do it because of the rules, because the rules do not prohibit his party from introducing a non-confidence motion if they wish. Their House leader had only to make arrangements with the other House leaders that they be granted one confidence vote; they would have had to give 24 hours written notice, after which they could have presented a non-confidence motion here today. However, they did not see fit to do that. They continue to talk and condemn the government but they do not speak in accordance with the way in which they vote.

However, we have had a good discussion here tonight on the Canada-U.S. auto pact. I think it is one of the best opportunities we have had to discuss this important subject matter. Everybody seems to be pretty well in accord regarding the Canada-U.S. auto pact, not necessarily so far as all its features are concerned, but in agreement with most of them. But if it is so good, may I remind the House that it was the late Mr. Nowlan, then minister of national revenue, who realized the seriousness of the situation in the car industry in Canada and the great imbalance of trade which we had at that time. Therefore he appointed a one-man commission composed of Professor Blake. Those were the days when we did not hear about white papers, task forces and all those things which we hear about so much today.

Professor Blake of the University of Toronto conceived a very interesting idea which he presented to the manufacturers of auto parts in Canada, that the duty on every car engine that was imported to Canada, assembled and then exported be remitted. This plan proved to be very successful. Then the Liberal party came to power and we had what we called the "Drury Mach I" version of the auto pact. This Mach I version was simply an extension of the Blake formula. It was very successful until one of the companies manufacturing radiators in the United States objected and took their case to the U.S. Supreme Court. Rather than lose the case, Canada withdrew and sat down to negotiate the Canada-U.S. auto pact. That is, in brief, the history of this pact.

When I say we have had a good discussion of this matter today, I must point out that we certainly did not have an opportunity to discuss the subject when the Canada-U.S. auto pact was first introduced by order in council. The late Mr. Pearson and some officials of the Department of Industry, Trade and Commerce flew to President Johnson's ranch, and after being wined and dined they signed the treaty. I suppose they were first told that it was a good thing for the "Big Three" car manufacturers. So the treaty was signed and brought back to Canada but we, the elected representatives of the Canadian people, never had an opportunity to debate the treaty.

It is interesting to refer to history once in a while when you speak of such things as treaties. I was interested to learn that Mr. Mackenzie King, in June of 1926, had the following to say:

—before His Majesty's Canadian ministers advise ratification of a treaty or convention affecting Canada, or signify acceptance of any treaty, convention or agreement involving military or economic sanctions, the approval of the parliament of Canada should be secured.

My, how things have changed since the present government has taken over! On April 12, 1928, in the course of a debate on the international sanitary convention, the same right hon. gentleman said this:

I submit that the day has passed when any government or executive should feel that they should take it upon themselves without the approval of parliament, to commit a country to obligations involving any considerable financial outlays or active undertakings. In all cases where obligations of such a character are being assumed internationally, parliament itself should be assured of having the full right of approving what is done before binding commitments are made. I would not confine parliamentary approval only to those matters which involve military sanctions and the like. I feel parliamentary approval should apply where there are involved matters of large expenditure or political considerations of a far-reaching character.

• (2120)

Those were the words the late Mackenzie King used. I hope you will pardon me if I wander a little off this subject, Mr. Speaker, but recently the government decided that a peace corps should go to Viet Nam. That was a treaty or arrangement—I don't know which—that was never discussed in this House. But after our troops were sent over there the government invited us to go along and see how things were making out. I repeat that we never had a chance to discuss it. My, how things have changed! Is that how the Canada-U.S. auto pact was brought about?

The auto pact has had a stormy passage. It has had its ups and downs, its arounds and abouts. It has had its good points and its bad points. It has been called a free trade treaty. I ask, free trade for whom? It is free trade for the car manufacturers, but not for Canadian citizens who subsidize the program. They are not getting the benefit of the free trade operations. It is certainly free trade when an American can come over to Canada, buy a car here and take it back duty free. But no American would be foolish enough to do that because he would have to pay more for his car here than he would pay in the United States. But if Canadians go to the United States and buy cars there, they have to pay 15 per cent duty when they bring those cars back to Canada.

The auto treaty will never be successful until there is at least parity of price between what the Canadian has to pay for a car manufactured in Canada and what the American has to pay for the same type of car when he buys it in Detroit. Why should we have to pay $300 or $400 more for a car made here in our own backyard when, after transporting it 300 miles across the border, Americans can buy it there for $300 less?

When this car treaty was introduced, Canadians agreed to cut tariffs by $50 million a year. Each and every year the car treaty has been in effect we have forgone that $50 million in tariffs. On top of that we give the car manufacturers a considerable remission in duties. I am not going to belabour the House with all the details, but $80 million was given to one car manufacturer. This was brought to the attention of the House by the Auditor General. When the public accounts committee looked into the matter it uncovered a lot of interesting information, part of which has not been reported back to the House even to this day. The Auditor General said on that occasion that he does not audit the books of Canada except according to the legislation laid down by parliament. He does not audit those books according to notes, memoranda or letters written by people in high places.

This was the method by which the car manufacturers obtained their remission of duty. A letter was written by one of the companies and it was responded to by the then minister of industry. The government should have amended the treaty in such a way that the Auditor General could look on the transaction as straightforward, but there was an oversight on the part of the government. The pact was not amended and those remissions of millions of dollars were still given to the car manufacturers.

Along with that little bonanza, plus the $50 million tariff cut, there is now the DISC program. On March 17, 1972, the then minister of industry, trade and commerce was asked if the American car manufacturers were using the DISC program and he advised this House that they were not. But a week later he advised the House that he had misinformed it and that the American car manufacturers were using the DISC program. No apology was forthcoming from either the car manufacturers or the minister. The DISC program gives American car manufacturers a tremendous advantage. I maintain that they have no right to use it when they still operate under the Canada-U.S. car pact. Now they are getting things both ways, using DISC and the auto pact. To the best of my knowledge, they are still using DISC. I would like the minister to correct me if that is not the case.

But despite the advantages and the subsidies which the car manufacturers are getting, Canadians still have to pay more for a car made in Canada than Americans pay for the same car in their country. You cannot blame the Canadian people for being annoyed at this. People talk about the great advantages of the car pact. I realize that we have corrected our imbalance in trade, in dollars and cents, but when we ask whether we have improved our trade balance so far as manpower is concerned, a big question mark remains.

Everybody realizes that the major components of cars, such as differentials, transmissions and carburetors—those parts which require a lot of man-hours to manufacture—are made in the United States, brought into Canada duty free and here assembled in cars. We are nothing more than a bunch of "puter-oners" of nuts and bolts. This is a disgraceful situation. We are entitled to a higher ranking in the technological field than that of "puter-oner" of nuts and bolts. We should be making these parts in Canada.

The latest figures I have show that from January to June, 1971, we imported $1,208,540,000 worth of automotive parts from the United States and we exported automotive part to the United States worth only $660,385,-000. In other words, we import about 200 times more value

in parts than we export. That proves beyond a shadow of doubt that we are importing the major components of cars and that we are purely and simply assembly-line operators. I am sure this situation can be remedied.

• (2130)

I see that my time is almost up, Mr. Speaker. There are other matters I should have liked to have gone into, but I will simply say that I hope the minister will not weaken one bit on the stand he takes with his American counterparts when negotiating this treaty. Goodness knows, it is two years overdue now: it was a five-year pact, due to be renegotiated in 1970. The minister must be firm in these deliberations; he must not give an inch on the safety factors involved nor the Canadian content. I know we are well over the market now, but the time will come when we will not have the great surplus we have had in the past, and those safety features must be retained. When it comes to trade, I hope the minister remembers that we are the proud possessors of a great wealth of natural resources and that he has one of the best bargaining clubs held by any Canadian minister.

[*Translation*]

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the government welcomes the motion before the House, for it gives us the opportunity to talk about the auto pact and to tell the House and the general public how this agreement, which was proposed by a Liberal government, has been to the advantage of Canadians and how we expect it to continue being so.

Although the motion itself is somewhat lacking in coherence, the subject is definitely welcome.

The hon. member for Charlevoix (Mr. Caouette) spoke this afternoon about the problem of the snowmobile industry. It is clear that the industry is experiencing growing pains at the moment, but I think that was to be expected because there is less consumer demand, for several reasons. The sport has spread tremendously, for one thing, and also people are now worried about the ecology and about the environment in general, which means that the industry is going to have difficulties, not too serious ones I hope, and will have to adapt to the change in consumer attitudes.

However I should like to remind the hon. member for Charlevoix that there is a considerable export surplus of Canadian snowmobiles, amounting to over $50 million in 1972.

It is true that, as some hon. members have said recently, snowmobile imports have risen, but exports have also risen. The main reason for the rise in imports is consumer preferences.

[*English*]

Mr. Speaker, as I said a while ago, it is nice to speak on this motion and to see that all parties in the House agree that it was a good agreement that Canada entered into in 1965. It is also nice to see that once again the Liberal party at that time fulfilled its role as the party of the sixties.

An hon. Member: That is what you are—the party of the sixties.

[Mr. Hales.]

Mr. Baker: The 1860s.

Mr. Breau: It is nice to remind hon. members that the Liberal Party brought this agreement about and is still very proud of it. I am glad that members on all sides of the House agree with the agreement.

Mr. Speaker, the Liberal party was the party of the sixties for the automobile industry and from the point of view of industrial policy for Canada and good social policies. All that we discuss in this House lately is reaction to what the Liberals have done in the past and what they are doing now. Once again, we have political parties not coming out with new programs but just responding or reacting to what the Liberals do. This is very significant in Canadian politics—in the sixties as in the seventies—because when we speak about social policy, industrial policy, all the other political parties have to do is react or respond to what we propose. We are very happy to be in that role because we believe it is the real role of the political party.

Some hon. members have tried to make the case that the auto pact was not a success or should have been more of a success because there is a price differential between cars bought in the United States and cars bought in Canada. Some members of the Conservative party have brought up that point, as have members of the NDP. The response to them would not be the same—

An hon. Member: After all, they are your friends.

Mr. Breau: No. the Conservative party, with the influence of the same people on the front bench, happened to be in power from 1958 to 1962 and they were kicked out in 1963. Mr. Speaker, when the Tories were in power the price differential was not of the order of $200; it was of the order of $500 or $600!

Some hon. Members: Hear, hear!

Mr. Breau: Now I come to the other response that the new members of the Conservative party also make because they come out with the price differential at the retail level. That is pretty smart, Mr. Speaker, but it is a distortion. The hon. member for Wellington (Mr. Hales) spoke about the retail level when he talked about a Canadian buying a car from a dealer. Then the hon. member for Fraser Valley West (Mr. Rose) tried to make a case about consumers on the west coast. He did not speak about the factory level; he spoke about wholesalers.

He went even further in trying to distort the facts or confuse the issue and brought in the fact that Canadian consumers have to pay higher interest rates for financing. I suggest to him that he should have a little discussion with the premier of his province who is responsible for this. Interest rates and insurance costs in this country are provincial responsibilities and a lot of the provincial governments are of the same political colour as the parties opposite. Therefore I suggest he should make that argument to them.

Mr. Broadbent: A question of privilege, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Oshawa-Whitby (Mr. Broadbent) has a question of privilege.

Mr. Broadbent: Mr. Speaker, I am sure the hon. member for Gloucester (Mr. Breau) would not willingly misinterpret the points made by the hon. member for Fraser Valley West (Mr. Rose), who was not talking about the general problem of interest rates but was saying that low-income Canadians who had to pay excessive amounts for cars because of this government's policy were forced to do so because of the high interest rates.

Mr. Deputy Speaker: Order, please. It seems that this occurs quite frequently; hon. members use alleged questions of privilege and alleged points of order to deal with what is substantially a question of debate. The hon. parliamentary secretary to the Minister of Industry, Trade and Commerce (Mr. Breau).

Mr. Breau: If the hon. member had been patient, Mr. Speaker, I was going to come to that question. We admit that there is a price differential at the factory level.

An hon. Member: That is what he is talking about.

• (2140)

Mr. Breau: No. The hon. member for Fraser Valley West (Mr. Rose) and the hon. member for Oshawa-Whitby should check the record. The hon. member for Fraser Valley West asked why the Canadian consumer had to pay so much at the dealer level—

Mr. Broadbent: He was referring to the price differential the consumer has to pay.

Mr. Breau: —for a Canadian-produced automobile. Then he said that over and above the price differential which the Canadian consumer must pay for the car, he must pay another differential in finance charges and insurance. That, I submit, was distorting this debate. He was confusing the issue since many of the areas he mentioned are matters of provincial and not federal responsibility. The dealer's price has nothing to do with the price at the factory level. The hon. member for Oshawa-Whitby suggested that if the federal government has responsibility for pricing, it is for pricing at the factory level—

An hon. Member: Why do you say that?

Mr. Breau: —because the price at the factory level is a matter of federal responsibility. The hon. member for Brant (Mr. Blackburn) talked about the poor Canadian consumer having to pay so much for a car. Yet not one member of his party, so far as I can recall, even mentioned the 12 per cent federal sales tax.

Mr. Orlikow: We talked about that.

Mr. Breau: No, Mr. Speaker, I submit that not one member of the NDP mentioned that this afternoon; and not one member of the Conservative party mentioned it.

Mr. Blenkarn: I think they did.

An hon. Member: Why don't you check the record?

Mr. Breau: We will check the record.

An hon. Member: You were talking about the manufacturer's price.

Mr. Breau: Mr. Speaker, the price at the factory level does not include federal sales tax. I will speak about the price differential that existed between 1964 and 1972.

An hon. Member: Well, get on with it.

Mr. Breau: There was a big difference. We should not try to confuse and distort the facts—

Mr. Broadbent: That is what you are doing.

Mr. Breau: —by talking about the price of cars and—

Mr. Deputy Speaker: Order, please. I have heard what the parliamentary secretary has said so far, but I think I would be somewhat lucky if I had heard all his words spoken recently. I ask hon. members of the House not to respond to everything that the hon. gentleman says.

Mr. Breau: Mr. Speaker, I am happy that hon. members are listening. Sometimes it becomes monotonous when hon. members will not listen.

Mr. Orlikow: We are listening right now.

Mr. Breau: I am very glad.

Mr. Broadbent: Please stick to facts.

Mr. Breau: The fact is that there is a gap at the factory level—

Some hon. Members: Hear, hear!

Mr. Breau: There is a difference of 8.5 per cent. I emphasize, it is not at the retail level; it is at the factory level.

Mr. Orlikow: We said that.

Mr. Breau: All right; but the hon. member should make sure that the next time he speaks about the price of cars he mentions that this differential exists at the factory level.

Mr. Blenkarn: So what are you going to do about it?

Mr. Breau: In 1964, when the hon. member's friends were in power, the price differential at the factory level was 17 per cent. That is what it was just before 1964. The Liberal party came to power in 1963 and within a few months it said, "We must do something about this problem." We did something, Mr. Speaker, because now the price gap has shrunk from 17 per cent to 8.5 per cent.

Mr. Broadbent: That is fine, but remember the gap is still 8.5 per cent.

Mr. Breau: And the gap will shrink even more.

Mr. Orlikow: Not under this minister.

Mr. Breau: The Minister of Industry, Trade and Commerce (Mr. Gillespie), immediately after being sworn in said he would deal with this problem.

Mr. Orlikow: And what did he do?

Mr. Breau: Within weeks of his appointment he obtained a public commitment—

An hon. Member: Don't blush when you say that.

Mr. Breau: —from the automobile manufacturers that they would not increase the price, for economic reasons. That commitment did not include extra money that would be charged for emission controls, anti-pollution devices and safety devices. It covered economic reasons.

Mr. Orlikow: That is why you pay more than $200 more for a car in Canada.

Mr. Breau: The hon. member does not support emission controls and anti-pollution devices?

Mr. Orlikow: Yes.

Mr. Breau: Well, you people should make up your minds; either you agree with these devices or you do not. Even though they have asked in their testimony given before the United States prices commission for a 3 per cent increase, the automobile manufacturers gave a public commitment in this country not to increase the price of 1973 models in Canada. They gave this commitment even though they wanted to increase the price of 1973 models by 3 per cent.

An hon. Member: The companies have lied before and they may continue to lie.

Mr. Breau: One can assume that if they had wanted to increase the price by only 3 per cent the price differential would have shrunk. If they can increase the price on one side of the border by 3 per cent, it means that the price differential here has shrunk by 3 per cent.

The other commitment the automobile manufacturers gave to the Minister of Industry, Trade and Commerce was that in subsequent years they would take into consideration the intention of this government to reduce the price differential. In other words, they have given a commitment that they will work toward shrinking the price differential between United States and Canadian cars. So, Mr. Speaker, that famous price gap has been reduced from 17 per cent to 8.5 per cent and because of the actions of the Minister of Industry, Trade and Commerce the price spread will be reduced further. The Minister of Industry, Trade and Commerce obtained those commitments immediately after his appointment. I think it is important to remember that.

Mr. Broadbent: Don't blush.

Mr. Breau: I notice that the members of the Conservative party did not have much to say in this debate.

Some hon. Members: Oh, oh!

Mr. Breau: The hon. member for Halton-Wentworth (Mr. Kempling) said that the government employs skilled negotiators but that the Tories should be in power. Let us remember that when they were in power before 1964 the gap was 17 per cent. All the Conservatives did in this debate was compliment the Liberal Party for the good auto pact and for having such skilled negotiators. I was happy to hear Conservative members say that. Some said that the pact is of vital importance to our secondary manufacturing industries. We agree, and we are happy that they agree with us.

I now come to the proposal made by the hon. member for Oshawa-Whitby. I find it interesting. If I understood him correctly, he is all for abandoning the safeguard provisions of 1964. As I understand it, he proposed other safeguards. Jean-Luc Pepin said for two or three years, as others have said, that they are not important and they were not a significant factor in the negotiations. It is clear that the hon. member for Oshawa-Whitby retracted the comments he made in the last two or three years. He suggested that the safeguards are not good any more and that we need new safeguards.

Mr. Broadbent: On a point of order, Mr. Speaker, I think I am on solid ground in saying that the hon. member is attributing words to me that I did not utter. The point I made was not that we should abandon the 1964 safeguards; it was, and I hope the hon. member was listening, that instead of abandoning them we should raise the level of safeguards from the 1964 level to one applicable in 1973. Even for a Liberal member that should be reasonably easy to grasp.

Mr. Breau: The hon. member should have made that clear in his speech, because that is not what I understood him to say. I contend that the hon. member is no longer saying what he has said for two years. He has changed. We are happy to see it because we hope that all parties will follow the Liberal party in its thinking. We are happy to see this development. The hon. member said that we should abandon the tariff protection affecting consumers—I am trying to remember what I heard the hon. member say. He said we should include those cars that are bought by Canadians in the United States as consumption from the point of view of calculating the production and consumption safeguards. The hon. member went on to another safeguard which would raise the value of the Canadian content from the 1964 level to the 1972 level. I listened to the hon. member.

• (2150)

Some hon. Members: Hear, hear!

Mr. Breau: The hon. member said that he was not in favour of abandoning any safeguards. He certainly abandoned his insistence that the 1964 safeguards be kept. He now wants to have another level of production for 1972. I just want to make sure that the hon. member is adopting a more realistic and practical policy on this question. What happens if we reduce or abandon the tariffs and do not get to the safeguards? Is this a packet? The hon. member said it was a packet.

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

Mr. Don Blenkarn (Peel South): Mr. Speaker, my remarks this evening will be rather brief as my time is very limited. I wish to correct a few remarks made by the hon. member for Brant (Mr. Blackburn). My understand-

ing is that the cost of automobiles throughout Canada is the same and that delivery charges in Canada from the plant to the various outlets are prorated across the total production costs. There may be some differences with respect to the price that individual dealers pay for cars, but that is largely a question of volume. The difference really amounts to a question of competition and volume in the area; it has nothing to do with the price at the plant.

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

The Acting Speaker (Mr. Boulanger): Is the hon. member rising on a point of order?

Mr. Blackburn: No, Mr. Speaker, I rise on a question of privilege. This is very important. I made a statement to the effect that car buyers in British Columbia and car buyers in Nova Scotia, generally speaking, have to pay more for automobiles. The hon. member for Peel South (Mr. Blenkarn) just said that this in fact is not true. I wish to have some facts and figures to back up his argument.

The Acting Speaker (Mr. Boulanger): Order, please. That is more a question of debate than a question of privilege.

Mr. Blenkarn: One of the other matters that affects the price in Canada is the fact that distribution, in terms of advertising material, is required in both English and French. From the point of view of this party, that is a proper charge against the price of distribution of cars and should continue. It has something to do with the difference in cost.

These two matters, prorating the delivery cost throughout Canada and the cost of sales material in English and French, cannot in any way explain an 8.5 per cent difference in the cost of automobiles to Canadian consumers. We might talk about a point or a point and a half, but certainly not 8.5 per cent. There is no question, from the information given to us by dealers in Buffalo and other points in the United States who receive cars manufactured in Canada, that cars manufactured here are put together better and are wanted by their customers in greater number than cars manufactured in the United States. Our information is that cars produced in Canada are, in fact, better automobiles.

The minister should have interfered in this matter long ago. He should have got together with automobile companies, which are really a massive oligopoly, and clearly stated that Canadians are not going to be ripped-off any longer by this government or by them.

Mr. Broadbent: It is a corporate rip-off.

Mr. Blenkarn: In the long run, in terms of trade, the auto pact with the United States has been of great advantage to Canada. This afternoon and this evening the matter of trade in snowmobiles was mentioned. There is no question that that trade has produced advantages to Canada. However, when we deal with these automobile companies it disturbs me greatly to see the prices of the parts used to put a car together.

The last time I looked at the cost of putting an ordinary automobile together by buying parts from distributors of the three large automobile manufacturers, I found that it would cost between $50,000 and $60,000 to manufacture a car. If the minister and this government had any concern about the cost to the Canadian consumer, they would direct their attention to the rip-off that Canadians are receiving in terms of the activity of the three or perhaps four large automobile manufacturers.

When talking to the leader of one of the automobile companies he mentioned the cost that Canadian production must face with respect to imports from foreign countries. He pointed out that when companies in Japan deliver cars to Canada, the excise of tariff charges are determined on the manufacturing costs, whereas the sales cost or sales tax paid by the manufacturer in Canada not only includes the manufacturing cost but also the cost of the distribution system, advertising and transportation.

It is clear that this government should listen to the representations of the companies and organize excise charges so that Canadian manufacturers are not discriminated against compared with foreign manufacturers. When the minister is dealing with the automobile companies and forcing them to control their prices, I suggest that he look closely at the excise tax arrangements in connection with charges made on the importation of automobiles.

I note the time is ten o'clock, Mr. Speaker.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

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

FISHERIES—REQUEST FOR STATEMENT ON POSITION TO BE TAKEN BY CANADA AT LAW OF THE SEA CONFERENCE

Mr. Walter C. Carter (St. John's West): Mr. Speaker, on January 15 I put a question to the Minister of Fisheries (Mr. Davis) in connection with the Law of the Sea Conference to be held in Chile, I believe, in 1974. The question arose out of my conviction—I think it is one which is shared by most Canadians, certainly by those living in the eastern provinces—that this conference is likely to be the most important ever held from the point of view of the Atlantic region and, in particular, the province of Newfoundland.

The issue of conservation, which will certainly be one of the subjects under discussion, affects directly or indirectly the lives of almost all Canadians living on our east coast. The fishing industry affects, directly and indirectly, virtually every living soul in Newfoundland and Labrador. The fishing industry is the largest single employer in Newfoundland. Of a total work force numbering slightly over 150,000, 20,000 people are engaged in the fishing

industry. With this in mind, Mr. Speaker, you will appreciate my concern as to the position to be taken by the government at the forthcoming conference.

I believe we must take a strong and definite position, because unless we can induce other fishing nations to agree to some form of management control and conservation the fishing industry off our east coast will be seriously endangered. If this were to happen, the livelihood of a large segment of our population would be affected and the economy of the region would suffer a serious decline.

As a Newfoundlander, I am especially concerned about this conference for another reason. As we all know, the continental shelf equals about 40 per cent of the land mass of Canada. This is a valuable piece of real estate. For Newfoundland it is particularly important since a large chunk of that continental shelf is on the doorstep, as it were, of my province. I refer to the Grand Banks. In Newfoundland—and I presume a similar situation exists in other eastern provinces—we have seen a very serious decline in total fish landings. The situation has grown progressively worse since 1968. In 1972, the catch showed a sharp decline amounting to approximately 26 per cent compared with 1971. In 1971, landings in Newfoundland were down by 12 per cent compared with 1970. In 1968, the total was 950 million pounds of fish compared with 650 million pounds in 1972. It is therefore not hard to understand why we are so uptight with respect to the forthcoming Law of the Sea Conference.

We want to be sure that Canada's case is well prepared, that our Minister of Fisheries and his officials develop a dialogue with people of the fishing industry. We want to be sure that he will draw upon the most qualified people in Canada in respect of fisheries, and that the expertise of fish merchants in eastern and western Canada is available in order to make sure we present the most solid case imaginable in dealing with foreign nations in an effort to bring about a sane approach to the fishing industry. In that way we could head off what we think, and what scientists tell us, will eventually be the depletion of our sea resources unless the wholesale raiding now taking place by foreign countries off our Grand Banks and continental shelf is stopped.

I realize that the minister has only three minutes in which to reply, but I hope he will give us some idea of what our position will be at the conference. I hope he will tell us whether an agenda has been agreed upon and whether Canada's representatives to the conference have been appointed. I hope he will indicate whether he has sought the advice of the fishing industry—

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but his allotted time has expired.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the next Law of the Sea Conference is going to be very important for Canada. The main reason is that we have the second longest coastline in the world and the world's largest continental shelf. Much of the world's shipping passes close to our shores. We have a very important fishing industry on both coasts which can also be affected by pollution. Canada's attitude at the next Law of the Sea Conference, therefore, must be that of a nation which is concerned about the protection of its long shoreline and its large and productive continental shelf area.

This concern can be listed under two headings. The first is protection from pollution, and the other is the wise management and conservation of its fishing resource. Canada co-sponsored the resolution in the United Nations last fall setting up the next Law of the Sea Conference, its organization meeting in New York in November, 1973, and its first substantial meeting dealing with policy to be held in Santiago, Chile, beginning in April, 1974. Canada's position is, and must be, that of a coastal state. This is being re-enforced in two preparatory meetings to be held during the course of this spring and summer, one dealing with marine pollution and the other with fisheries.

In respect of marine pollution, we will be pursuing the principles which Canada sponsored and which were successfully adopted at the United Nations' Conference on the Human Environment, in Stockholm. Essentially, Canada's position was that the interest of a coastal state must not only be protected, but the coastal nation must have certain powers to reach out and, if necessary, to apprehend vessels in trouble, like oil tankers, etc. This is a new power and one that would not have been tolerated by maritime nations a decade or so ago. In any event, that principle is gaining recognition. We hope it will become well established in international law as a result of the next Law of the Sea Conference.

In respect of fisheries, our basic approach is that coastal states should have jurisdiction out to the edge of their continental shelf, and indeed down the slope of those shelves, over all living resources of the sea as well as the mineral resources. That has been our approach and it is the approach we put forward at the FAO conference recently in Vancouver which was attended by all of the fishing nations of the world.

Certain trends are now apparent in preparatory discussions. I will mention only one. It favours the coastal state, and the concept is beginning to be that of an ecological zone about 200 miles seaward from—

The Acting Speaker (Mr. Laniel): Order, please.

• (2210)

ADMINISTRATION OF JUSTICE—KILLING OF POLICEMEN—INQUIRY AS TO LEGISLATION TO RESTRICT FURTHER SALE AND DISTRIBUTION OF FIREARMS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, on January 17 this year I directed a question to the Minister of Justice (Mr. Lang) which I felt was vital and important, particularly in view of the public concern about safety. This question dealt with the possibility of the regulation of firearms in this country. The question is as follows:

Mr. Speaker, my supplementary question is directed to the Minister of Justice. It is also prompted by the incident—

I was referring to the incident in Toronto of the most recent death of a police officer.

—in Toronto. In view of the increasing homicides occurring as a result of the use of rifles in this country, is the minister considering legislation to restrict further the sale and distribution of firearms?

The minister's answer at that time was:

Mr. Speaker, that question is one which is under constant consid-

eration and review. The House had an opportunity to address itself to it not long ago, and the government will be addressing itself further to that question.

I was very pleased, after that question was asked, that on February 22 the hon. member for Calgary North (Mr. Woolliams) asked a similar question of the Solicitor General (Mr. Allmand) whose answer at that time was that this is being considered; in other words, the further control of weapons is being considered. I say this is an important issue because of the volume of mail which I believe all members have been receiving about the concern of the public for the increasing crime rate and the murder rate, which has increased 53 per cent over a period of ten years.

I would particularly refer the minister to the Dominion Bureau of Statistics study for the period 1960 to 1969 which deals with the use of firearms and the number of murders which took place in that period. It is interesting to note that in that period 1,174 people were murdered, with firearms being the weapon. That represented 44 per cent of all murders in that period. Of those murders in which firearms were involved, some 72 per cent involved the use of rifles. The main point I want to bring home to the minister is, as the minister well knows, that the rifle is a completely unrestricted weapon at this time.

I remember having had occasion to defend a young man in British Columbia who attempted to murder his fiancée. He missed her by a very small margin. After investigation it was found that this man had attempted suicide on several occasions. In his home he had at least four rifles, and so far as I know, after having served his sentence he still has complete access to weapons. I believe this represents a serious defect in our laws.

When a person, for example, who has been committed voluntarily to a mental hospital and is released, there is nothing to restrict him from purchasing a weapon should any of his paranoic delusions overcome him and his mental disorder get the better of him from time to time. This happens. There is no law at present which restricts any man from purchasing a rifle. I shall not bore the minister too much longer with statistics.

Needless to say, there is overwhelming evidence that the United Kingdom, which has good, firm weapon control legislation, has a lower murder rate generally in connection with firearms. It is interesting, for example, to compare the cities in the United States. New york, which has a fairly respectable Sullivan law, has a 25 per cent murder rate by firearms, whereas Dallas, where unrestricted use of firearms is allowed, has a rate of 72 per cent of murders by firearms.

Those who oppose the further restriction of weapons usually use the argument that it is people who are responsible for the murders, not guns. This is a fallacious argument because what gun control legislation, in effect, does is to license people. It is almost a euphemism to say that one is licensing guns. The permit to carry a weapon goes to the person. I would think that in any sane, sensible and civilized society a person with a serious history of mental illness, a previous criminal record or a history of domestic instability should be denied access to weapons.

In the city that I represent, the coroner over the past three years investigated 24 homicides, 20 of which were caused by firearms. Some of them were accidental. Nevertheless, the problem is not insignificant—it is overwhelming. It is estimated that we have six million weapons in this country and about 600,000 registered handguns. Quite frankly, I am tired of the gun lobby.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member, but his time has expired.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I appreciate the fact that the hon. member is raising this question again so that I can make our position quite clear in the House—which I certainly made quite clear outside the House and which did not appear in *Hansard*—that I would not support changes in the law which simply add a tremendous amount of red tape without doing anything to keep guns from people who are dangerous. The hon. member made an interesting case which, if read carefully, shows that murder by knife is a nicer game than murder by gun. I cannot quite see the point of that. The point I am making is that people who are unbalanced may well find another weapon than a gun, and the hon. member has to prove why it is important to go through the whole restriction process and what good it will do us.

There are honourable and honest uses of weapons for hunting, for target practice and in sport. If you want to begin to license everybody and to impose a licensing system, you have to ask what good you are going to do. Are you going to have a situation where people will inevitably, quite innocently, be in possession of guns contrary to the rules? The hon. member proposed Bill C-138, so he turned his mind to the question. In it I see, among other things, that he would make it an offence to even lend a gun to another person without a permit, so that if two of my friends are in the same duck blind together and want to exchange shotguns for one or two moments, they are contravening his rules. Obviously you have to examine and change that. Surely he would admit that thousands of people would be in contravention of this kind of law quite innocently and be good citizens at the same time.

The point I am making is that we are quite prepared to examine this law in order to see whether we could stiffen the penalty in relation to the misuse of weapons. That is the important point. Until it is proven to me that the rules and regulations will in fact do the job, I will not see them in place to hamper and harass innocent citizens. It is of course quite typical of the party which the hon. member represents—I see it in the province of British Columbia and in the province of Saskatchewan—to introduce laws which ban everything and then by permit or special dispensation to someone whom they like we get back a little bit of what has been banned. This kind of rule by decree, by some kind of divine ordinance of some expert, imposed upon the people by an NDP government is seen in B.C. in regard to land, in regard to every new venture. I am not surprised to see it in the hon. member's bill.

• (2220)

I say to him that if he can show me at any time a rule or a change which, without creating a lot of red tape, a lot of harassment, will produce a good result, I will support him on it. We will introduce changes which will improve the protection of our citizens, but not changes which will

harass ordinary citizens and force them into a lot of red tape for any apparent purpose which will not be served thereby.

[*Translation*]

MANPOWER—LOCAL INITIATIVES PROGRAM—REQUEST THAT MEMBERS BE BETTER INFORMED CONCERNING PROJECTS

Mr. André Fortin (Lotbinière): Mr. Speaker, on January 13, 1973, I asked a question concerning the Local Initiatives Program, as can be read on page 771 of *Hansard*. I then asked that hon. members be better acquainted with the procedure relating to local initiative projects.

Mr. Speaker, in this regard, I will quote some precise facts. On February 16, I wrote to the Minister of Manpower and Immigration (Mr. Andras), responsible before the House for the LIP program, in order to ask him what stage some forty projects had reached. I did not get any answer.

On February 19, I put on the order paper questions Nos. 1010, 1011 and 1016 concerning the development of extremely important projects in my area. I did not get any answer either. However, there seems to be no more money available. According to the minister's statement, the approval period is over and he can give overall statistics to the House.

Moreover, while one hon. member does not know what happened to some projects within his own riding, the hon. Minister of Transport (Mr. Marchand), who has nothing to do with it, is so much aware of what is going on that he can readily write to people and tell them, which is very serious, that the project has been accepted and that it will obtain the funds required for implementation. A few days later the project sponsors receive another letter from the co-ordinator of the Local Initiative Program to the effect that the projects are rejected.

I wish to draw the attention of the hon. Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. MacGuigan) to the fact that it is illogical to give wrong information on the development of a project to hon. members. Whoever we are we have to come up with answers for the project directors. We support the principle of local initiatives and I want this to be clear: We agree to this kind of program. Consequently, it would be normal for the department involved to inform us as to the progress of each project about which citizens inquire. Also we would like to know why certain projects have been rejected and others accepted because, after all, they involve the expenditure of tax money.

We would like to know whether it would be possible to review the local initiative projects. No satisfactory reply can be obtained from the department on this subject. Some say yes, some say no and finally we do not know where we stand. The Minister of Transport could probably obtain this information but hon. members are unable to get it.

I want to protest strongly against this situation. We are not here to play politics, to announce that projects have been accepted or for political gain; we leave this to the government and in particular to the Minister of Transport who is quite successful at it.

We have been elected to serve as a link between our constituents and the department and the government, and, along that line, I intend to act equitably and honestly to the end. This is the reason why I should like to dwell on that point tonight. I can anticipate already the reply of the parliamentary secretary to the Minister of Manpower and Immigration. He will tell me that a special service, a departmental section has been established in order to supply answers to hon. members, that such a service is very good, that the officials are writing hon. members to find out what they think. Mr. Speaker, I swear that we will let him know what we think, for we intend to get replies, not of a political character but of an administrative character, that is to say honest replies, allowing us as members to efficiently serve our people. In that respect, I again offer my co-operation to that department. On the other hand, I expect as much from it.

[*English*]

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, there seems to be some confusion about the procedure which is followed in letting hon. members know about LIP applications. I regret that I perhaps contributed to this confusion by an answer I gave to the House in the minister's absence on January 30 in which I suggested that members were not being informed. What I had in mind was that they are not informed before the announcement is made, and I think perhaps this confused the issue.

Let me therefore review the procedure, which is as follows. All members of parliament were consulted at an early stage of consideration of LIP projects and then, after the official decision had been made by the department, the members were advised by the special information group of the department of projects approved for their constituencies.

Whenever a project was approved in the constituency of the hon. member for Lotbinière (Mr. Fortin), he received a letter from the special information group informing him of it. If an hon. member wished to know the status of a LIP application before a decision was made, he had the right to call the special information group. I think the telephone number and address of this group was made available to all members.

When a project was approved, I do not think there was any problem. The difficulty seemed to arise in those cases where the application was not approved as members were not notified of this fact. The extra personnel required to carry out this service would have doubled the staff of the special information group, but personally I believe that members should be so notified in any future program of this kind, even at extra cost. The onus to find out the reasons why projects were not approved was put on members. Within the limitations imposed by the budget for this year, the fact is that every attempt was made to keep members informed on an objective basis of programs which were approved, and in those cases where they were not, members had the right to inquire and be given the fullest information.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Wednesday, March 14, 1973

The House met at 2 p.m.

[*Translation*]

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

HEALTH, WELFARE AND SOCIAL AFFAIRS

First report of Standing Committee on Health, Welfare and Social Affairs—Mr. Isabelle.

VETERANS AFFAIRS

Second report of Standing Committee on Veterans Affairs—Mr. Dupras.

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

* * *

[*English*]

POWER

JAMES BAY HYDROELECTRIC PROJECT—ENVIRONMENTAL AGREEMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise to seek the consent of the House for a motion of urgent and pressing necessity brought about by the revelation by Mr. André Langlois, director of planning and development of the James Bay Development Corporation, who testified the other day in the injunction proceedings in the Superior Court in Quebec that on November 24 an agreement was signed by the Minister of the Environment on behalf of the federal government with the James Bay Development Corporation with respect to environmental matters. In light of yesterday's decision by the Standing Committee on Indian Affairs and Northern Development to have tabled before that committee correspondence between the federal government and the government of Quebec about the proposed James Bay development, and also the invitation to Premier Bourassa to appear before that committee, I would like to move the following motion pursuant to Standing Order 43 in order to have everything in one place:

That the agreement between the government of Canada and the James Bay Development Corporation dated November, 1972, relating to the environment in the area of the proposed James Bay hydro electric project be tabled.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Skeena under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

SUBSIDIZATION BY GOVERNMENT FOR OPERATION OF FERRY "PRINCESS OF ACADIA"

Question No. 43—**Mr. Haliburton:**

1. Is the CP being subsidized by the government for the operation of the ferry "*Princess of Acadia*" and, if so (a) in what form (b) by how much?

2. How many days did the ferry operate in the past year without full engine and heating capacity?

3. When did the ferry last pass through steamship inspection?

Hon. Jean Marchand (Minister of Transport): 1. No.

2. C.P.R. has replied as follows: "When a new vessel is put into service a period of from one to two years is required in order to eliminate minor difficulties which become evident during this period. For this reason there have been occasions when all four engines, or both heating boilers have not been in operation. However, it should be pointed out that the vessel is quite capable of maintaining the schedule under normal conditions with three engines in operation and heating can be provided by one steam boiler. As many of these repairs or maintenance are carried out during the course of a voyage, it is not possible to provide a specific reply."

3. December 18, 1972.

POST OFFICE DEPARTMENT—PUBLICITY EXPENDITURES

Question No. 74—**Mr. Nystrom:**

1. What were the amounts of money spent by the Post Office Department on publicity and/or information in each of the fiscal years 1968-69, 1969-70, 1979-71, 1971-72?

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

3. What contracts for publicity and/or information were awarded in the current fiscal year, what are the names and addresses of contractees, what are the amounts of money involved in each case and what is the purpose of each contract?

Order Paper Questions

Hon. André Ouellet (Postmaster General):

1.

1968–69	1969–70	1970–71	1971–72
$325,000.00	$412,161.00	$362,619.63	$1,105,786.14

2.

Names and Addresses	Purpose of Contract	Amount
Inter-Canada (1968–69) Montreal, P.Q.	Introduction of various Post Office projects and services	$325,000.00
Foster Advertising (1969–1970) Montreal, P.Q.	Introduction of various Post Office projects and services	$412,161.00
Foster Advertising (1970–1971) Montreal, P.Q.	Introduction of various Post Office projects and services	$362,619.63
Krohn & Co. (1971–1972) Montreal, P.Q.	Introduction of various Post Office projects and services	$ 77,523.21
Agence Canadienne de Publicité (1971–1972) Montreal, P.Q.	Introduction of various Post Office projects and services	$275,174.45
Foster Advertising (1971–1972) Montreal, P.Q.	Introduction of various Post Office projects and services	$753,088.48

3.

Names and Addresses	Purpose of Contract	Amount
Agence Canadienne de Publicité, Montreal, P.Q.	Transportation tenders, general publicity	$655,000.00
Foster Advertising, Montreal, P.Q.	Post Code publicity	$547,600.00
Krohn & Co., Montreal, P.Q.	Marketing publicity	$850,000.00

PAROLEES WITH PREVIOUS PAROLE EXPERIENCE

Question No. 422—**Mr. Stackhouse:**

1. How many inmates of federal penal institutions were granted parole during 1972 and of these, how many had previously received parole (a) once (b) twice (c) three times (d) more than three times?

2. (a) How many inmates were granted parole in 1971 and of these, how many had previously received parole (i) once (ii) twice (iii) three times (iv) more than three times (b) of those who received parole in 1971, how many have been convicted of a criminal offence since?

Hon. Warren Allmand (Solicitor General): 1. In 1972, the National Parole Board made 2,150 decisions to grant parole to inmates of federal penal institutions. (a), (b), (c) and (d), not available. The compilation of this information would require laborious searching of 2,150 files.

2. (a) In 1971, the National Parole Board made 2,798 decisions to grant parole to inmates of federal penal institutions. The number of actual releases was 2,454*, out of which 825 have had previous parole experience. (i), (ii), (iii) and (iv)—not available. (b) Not available at this time.

*N.B.: The number of persons granted parole in a given year is not the same as the number of actual releases on parole. The decision to grant parole may be subsequently cancelled before actual release or, alternatively, the release may take place in a subsequent year.

CMHC—INSULATION MATERIALS AND EXPERIMENTAL HOUSING

Question No. 516—**Mr. Blenkarn:**

1. Has consideration been given to the feasibility of altering CMHC specifications for the construction of dwelling units to increase the amount of insulation materials required in these dwellings to offset the shortage of fossil fuels and the tendency of the cost of fossil fuels to rise?

2. What studies have been made by Central Mortgage and Housing Corporation or the National Research Council in connection with house insulation specifications?

3. What is the nature of experimental homes being constructed under the Housing and Urban Development Agency and what are the evaluations of these experiments?

[Mr. Nystrom.]

Hon. Ron Basford (Minister of State for Urban Affairs): 1. A proposal to increase the amount of insulation required in the construction of dwelling units has been prepared by Central Mortgage and Housing Corporation for consideration by the Associate Committee on the National Building Code.

2. Studies on the requirements for insulation of housing have been carried out by the National Research Council, with the following reports having been published: (a) Determining Optimum Thickness of Insulation for Heated Buildings, NRC 8151. (b) Insulation Thickness for Houses, HN 21. (c) Insulation for Northern Buildings, NRC 5280. (d) Insulation of Houses, NRC 1386. (e) Thermal Insulation in Housing, CBD 16. (f) Insulation of the Home, BB2.

3. The experimental houses built under the sponsorship of the Housing and Urban Development Association of Canada, with financial support from C.M.H.C., are designed with the object of testing new materials and techniques in home construction in the field. The major items tested in nine experimental projects to date have been prefabricated concrete foundation, plastic piping, water recycling equipment, pressure tested wood foundation, steel construction, reduction in size and number of structural components, new types of roofing, and new heating system designs. The program has involved the Association's local chapters in research activities, as well as manufacturers of components. The performance of materials and techniques in these projects is monitored by the Association in order to identify possible areas for experiment to be followed into the future. Grants totalling $133,000 have been approved by C.M.H.C. under Part V of the National Housing Act to assist in financing the construction of these experimental houses, and in monitoring the results. In addition, the construction of a number of these houses has been financed by NHA loans which have totalled $139,600.

LANDING RIGHTS AT TORONTO INTERNATIONAL AIRPORT

Question No. 536—**Mr. Wagner:**

1. Did the Minister of Transport meet with or receive any correspondence from Mr. Bernard Pinard, a member of the Quebec Ministry, following the granting of landing rights at Toronto International Airport to airlines such as Lufthansa?

2. On what dates were such meetings held or such correspondence received?

3. What were the specific requests made by Mr. Pinard?

4. Which airlines with landing rights at Montreal have obtained or requested such landing rights, from September, 1970, to date?

Hon. Jean Marchand (Minister of Transport): 1. Yes.

2. Correspondence was received by the Minister of Transport from Mr. Pinard in May 1972, and January 1973, and the Minister of Transport has talked with Mr. Pinard several times.

3. The exchange of correspondence between the former Minister of Transport, Mr. Jamieson, and Mr. Pinard, was made public by tabling in the Quebec National Assembly on 13th December 1972.

4. The Italian airline, Alitalia, was granted landing rights in Toronto under the revised bilateral air agreement between Canada and Italy, signed in September 1972. If the new bilateral air agreement with the FRG, initialled on December 22, 1972, is approved by the Government of Canada, the German airline, Lufthansa, will receive landing rights in Toronto. We know of interest in several other countries, whose airlines fly only to Montreal, in serving Toronto, but will only know for certain what these interests are, specifically, when actual negotiations commence.

ARGUS AIRCRAFT

Question No. 593—**Mr. McKenzie:**

1. Do the companies currently bidding for the six-hundred million dollar government contract for replacements for the Argus anti-submarine patrol aircraft intend to have work on the contract distributed across Canada to Canadian firms and, if so, what percentage of this contract will be allotted to firms in Manitoba?

2. Is it the intention of the government to refuse to purchase supplies from foreign military suppliers unless a fair share of the work is spread across Canada?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Companies submitting proposals are required to state the industrial benefits that will accrue to Canada if they are the successful bidder.

2. It is the policy of the Canadian government to always take into consideration Canadian content when selecting a source of supply.

CNR—FREIGHT RATES

Question No. 601—**Mr. Howard:**

Since January 1, 1971, has the Canadian National Railways had any discussions with Eurocan Pulp and Paper Co. Ltd., of Kitimat, B.C., regarding freight rates which CNR is prepared to charge for wood chips transported to the Company's pulp mill at Kitimat and, if so, what freight rates have been (a) offered (b) established?

Hon. Jean Marchand (Minister of Transport): The Management of Canadian National Railways advises as follows: (a) The Canadian National is currently discussing with Eurocan Pulp and Paper Co. Ltd. a new basis of freight rates to apply on the movement of woodchips to that company's pulp mill at Kitimat. As these freight rate changes are still being discussed, along with many important terms and conditions, it is not possible at this point to specify what has been offered. (b) As the matter is still under discussion, nothing new has been established.

CNR—FREIGHT RATES ON WOOD CHIPS

Question No. 602—**Mr. Howard:**

Since January 1, 1971, has the Canadian National Railways had any discussions with Columbia Cellulose Company Limited of Prince Rupert, B.C. regarding the freight rates which CNR is prepared to charge for wood chips transported to the Company's kraft and/or sulphite mill near Prince Rupert, B.C. and, if so, what freight rates have been (a) offered (b) established?

Hon. Jean Marchand (Minister of Transport): The Management of Canadian National Railways advises as follows: (a) No general change in woodchip rates for the Columbia Cellulose Company Limited's pulp mills near Prince Rupert, B.C. have yet been discussed with that Company and no offers have been made. (b) As a consequence of the above, there has been no general change made to freight rates on woodchips transported to these mills.

TORONTO AND CALGARY INTERNATIONAL AIRPORTS

Question No. 704—**Mr. Stackhouse:**

1. Is it the intention of the government to consider expanding in 1973 the number of countries having landing rights at Toronto International Airport?

2. What countries will enjoy landing rights at the new Calgary International Airport?

3. What amount has been spent in fees for consultants and other professional services in connection with the proposed Pickering airport?

Hon. Jean Marchand (Minister of Transport): 1. Under a new air agreement with the Federal Republic of Germany, now before the government for approval, the German airline Lufthansa would be allowed to operate into Toronto. In addition, bilateral air negotiations are expected to occur with a number of countries in 1973, in which access to Toronto by the airlines of these countries are expected to be one of the subjects of discussion. Before granting any such rights careful consideration is given to the compensation another country offers in exchange for Toronto, and to the over-all balance of benefits to Canada.

2. Canada and the U.S.A.

3. The total accumulated expenditure to December 31, 1972 in fees for consultants and other professional services for the planning and development of the Toronto Area Airports System is $2,021,000. This amount includes consulting and other professional work to evaluate many alternate sites, develop traffic forecasts and prepare economic and ecological studies, etc. It would be impracticable to maintain separate accounting systems for each site. Expenditures for the Pickering site are therefare included in the total given.

DREE—ASSISTANCE TO LABORATORY ANIMAL BUSINESS

Question No. 793—**Mr. Hales:**

1. Did the Department of Regional Economic Expansion give assistance in the form of a grant to a laboratory animal supply business situated South of Winnipeg and, if so, what was the name of the company and the amount of the grant?

2. Did the Department make a grant to B10 Breeding Ltd. and, if so, on what date was it accepted and for how much?

3. Did the Food and Drug Directorate, Department of National Health and Welfare call for tenders to supply laboratory animals from April 1, 1972 to September 30, 1973?

4. What are the names of the companies supplying these animals and the proportion of the requirements of each?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Regional Economic Expansion and National Health and Welfare as follows: 1. No.

2. No.

3. The Food and Drug Directorate did not call tenders for supply of laboratory animals from April 1, 1972 to September 30, 1973. Supply agreements are awarded to suppliers of certain strains of animals. This procedure is necessary to maintain continuity of the strain initially procured for the researchers.

4. Woodlyn Farms, Guelph, Ontario; 25 per cent. Bio Breeding Ltd., Blackburn Hamlet, Ontario; 25 per cent. Quebec Breeding Laboratories and Farms, St. Constant, Quebec; 20 per cent. Rockland Rabbit Centre, Rockland, Ontario; 5 per cent. High Oak Ranch, Goodwood, Ontario; 5 per cent. Queen's University Vivarium, Kingston, Ontario; 5 per cent. Connaught Research Laboratories, Toronto, Ontario; 5 per cent. Laka Biological Supplies, Montreal, Quebec; 7 per cent. Jackson Laboratories, Maine, United States of America; 3 per cent.

TREASURY BOARD EVALUATION REPORTS ON BEAM

Question No. 911—**Mr. Broadbent:**

1. In the past two years, has the Treasury Board evaluated the Building Equipment, Accessories and Materials Program (BEAM), administered by the Department of Industry, Trade and Commerce, as to its efficiency and effectiveness and, if so, what were the dates of the evaluative reports?

2. What recommendations were made by the Treasury Board as a result of those evaluations?

3. What recommendations were accepted by the Department of Industry, Trade and Commerce and to what extent have those recommendations been implemented?

Hon. C. M. Drury (President of the Treasury Board): 1. No.

2. Not applicable.

3. Not applicable.

TREASURY BOARD—EVALUATION REPORT ON CASE

Question No. 912—**Mr. Broadbent:**

1. In the past two years, has the Treasury Board evaluated the Counselling Assistance to Small Enterprises Program (CASE), administered by the Department of Industry, Trade and Commerce, as to its efficiency and effectiveness and, if so, what were the dates of the evaluative reports?

2. What recommendations were made by the Treasury Board as a result of those evaluations?

3. What recommendations were accepted by the Department of Industry, Trade and Commerce and to what extent have those recommendations been implemented?

Hon. C. M. Drury (President of the Treasury Board): 1. No.

2. Not applicable.

3. Not applicable.

TREASURY BOARD—EVALUATION REPORT ON DMC

Question No. 913—**Mr. Broadbent:**

1. In the past two years, has the Treasury Board evaluated the Development of Management Courses Program (DMC), administered by the Department of Industry, Trade and Commerce, as to its efficiency and effectiveness and, if so, what were the dates of the evaluative reports?

2. What recommendations were made by the Treasury Board as a result of those evaluations?

3. What recommendations were accepted by the Department of Industry, Trade and Commerce and to what extent have those recommendations been implemented?

Hon. C. M. Drury (President of the Treasury Board): 1. No.

2. Not applicable.

3. Not applicable.

TREASURY BOARD—EVALUATION REPORT ON AAA

Question No. 914—**Mr. Broadbent:**

1. In the past two years, has the Treasury Board evaluated the Automotive Adjustment Assistance Program (AAA), administered by the Department of Industry, Trade and Commerce, as to its efficiency and effectiveness and, if so, what were the dates of the evaluative reports?

2. What recommendations were made by the Treasury Board as a result of those evaluations?

3. What recommendations were accepted by the Department of Industry, Trade and Commerce and to what extent have those recommendations been implemented?

Hon. C. M. Drury (President of the Treasury Board): 1. No.

2. Not applicable.

3. Not applicable.

TREASURY BOARD—EVALUATION REPORT ON DIP

Question No. 915—**Mr. Broadbent:**

1. In the past two years, has the Treasury Board evaluated the Defence Industry Productivity Program (DIP), administered by the Department of Industry, Trade and Commerce, as to its efficiency and effectiveness and, if so, what were the dates of the evaluative reports?

2. What recommendations were made by the Treasury Board as a result of those evaluations?

3. What recommendations were accepted by the Department of Industry, Trade and Commerce and to what extent have those recommendations been implemented?

Hon. C. M. Drury (President of the Treasury Board): 1. There was a draft report prepared by the Treasury Board Secretariat that summarized the preliminary results of some econometric tests of one aspect of several industrial incentive programs, including the Defence Industry Productivity Program (DIP). This draft report did not seek to assess whether or not the benefits of these industrial incentive programs, in terms of their impact on the realization of the government objectives, warranted the costs incurred in carrying them out. The draft report was dated

February 9, 1973. Responsibility for the evaluation of the effectiveness of programs is borne by individual departments. If such delegation did not take place there would be either massive duplication, because the Treasury Board Secretariat would require almost as much technical expertise as departments now have, or the ministers responsible for particular programs would not have the kind of advice they need if they are to propose program changes designed to realize the government's objectives more effectively. The Treasury Board Secretariat has three functions to perform in so far as program evaluation is concerned: i. it carries out particular program evaluations as case studies for the purpose of demonstrating what kinds of evaluations can be achieved; ii. it develops evaluative techniques that are applicable in assessing a whole range of programs; iii. it seeks to ensure that departmental evaluations of programs that affect the same objectives are carried out on a comparable basis so that interprogram comparisons can be made. Program evaluation is a continuous process within individual departments providing a flow of information to ministers and deputy heads on the extent to which government objectives are being affected by programs and of the changes overtime in the unit cost of producing particular program outputs. Therefore, it should not be inferred from the fact that a Treasury Board Secretariat evaluation report of a particular program does not exist that it is not being evaluated. Virtually every department in government now has the resources to carry out evaluations of the efficiency of its operations and the cost effectiveness of its programs.

2. The draft report referred to under 1 is classified as "confidential" on the grounds that it contains expressions of the opinions of officials, the release of which would prejudice the efficient and effective discharge of the government's responsibilities.

3. See the answer to Part 2 above.

TREASURY BOARD—EVALUATION REPORT ON EMD

Question No. 916—**Mr. Broadbent:**

1. In the past two years, has the Treasury Board evaluated the Program for Export Market Development (EMD), administered by the Department of Industry, Trade and Commerce, as to its efficiency and effectiveness and, if so, what were the dates of the evaluative reports?

2. What recommendations were made by the Treasury Board as a result of those evaluations?

3. What recommendations were accepted by the Department of Industry, Trade and Commerce and to what extent have those recommendations been implemented?

Hon. C. M. Drury (President of the Treasury Board): 1. No.

2. Not applicable.

3. Not applicable.

TREASURY BOARD—EVALUATION REPORT ON ESP

Question No. 917—**Mr. Broadbent:**

1. In the past two years, has the Treasury Board evaluated the Employment Support Program (ESP), administered by the Department of Industry, Trade and Commerce, as to its efficiency and effectiveness and, if so, what were the dates of the evaluative reports?

2. What recommendations were made by the Treasury Board as a result of those evaluations?

3. What recommendations were accepted by the Department of Industry, Trade and Commerce and to what extent have those recommendations been implemented?

Hon. C. M. Drury (President of the Treasury Board): 1. No.

2. Not applicable.

3. Not applicable.

TREASURY BOARD—EVALUATION REPORT ON GAAP

Question No. 918—**Mr. Broadbent:**

1. In the past two years, has the Treasury Board evaluated the General Adjustment Assistance Program (GAAP), administered by the Department of Industry, Trade and Commerce, as to its efficiency and effectiveness and, if so, what were the dates of the evaluative reports?

2. What recommendations were made by the Treasury Board as a result of those evaluations?

3. What recommendations were accepted by the Department of Industry, Trade and Commerce and to what extent have those recommendations been implemented?

Hon. C. M. Drury (President of the Treasury Board): 1. No.

2. Not applicable.

3. Not applicable.

TREASURY BOARD—EVALUATION REPORT ON IDAP

Question No. 919—**Mr. Broadbent:**

1. In the past two years, has the Treasury Board evaluated the Industrial Design Assistance Program (IDAP), administered by the Department of Industry, Trade and Commerce, as to its efficiency and effectiveness and, if so, what were the dates of the evaluative reports?

2. What recommendations were made by the Treasury Board as a result of those evaluations?

3. What recommendations were accepted by the Department of Industry, Trade and Commerce and to what extent have those recommendations been implemented?

Hon. C. M. Drury (President of the Treasury Board): 1. No.

2. Not applicable.

3. Not applicable.

TREASURY BOARD—EVALUATION REPORT ON IRDIA

Question No. 920—**Mr. Broadbent:**

1. In the past two years, has the Treasury Board evaluated the Industrial Research and Development Incentives Act (IRDIA), administered by the Department of Industry, Trade and Commerce, as to its efficiency and effectiveness and, if so, what were the dates of the evaluative reports?

2. What recommendations were made by the Treasury Board as a result of those evaluations?

3. What recommendations were accepted by the Department of Industry, Trade and Commerce and to what extent have those recommendations been implemented?

Order Paper Questions

Hon. C. M. Drury (President of the Treasury Board): 1. There was a draft report prepared by the Treasury Board Secretariat that summarized the preliminary results of some econometric tests of one aspect of several industrial incentive programs, including the Industrial Research and Development Incentives Act (IRDIA). This draft report did not seek to assess whether or not the benefits of these industrial incentive programs, in terms of their impact on the realization of the government objectives, warranted the costs incurred in carrying them out. The draft report was dated February 9, 1973.

2. The draft report referred to under 1 is classified as "confidential" on the grounds that it contains expressions of the opinions of officials, the release of which would prejudice the efficient and effective discharge of the government's reponsibilities.

3. See the answer to Part 2 above.

TREASURY BOARD—EVALUATION REPORT ON MACH

Question No. 921—**Mr. Broadbent:**

1. In the past two years, has the Treasury Board evaluated the Machinery Remission Program (MACH), administered by the Department of Industry, Trade and Commerce, as to its efficiency and effectiveness and, if so, what were the dates of the evaluative reports?

2. What recommendations were made by the Treasury Board as a result of those evaluations?

3. What recommendations were accepted by the Department of Industry, Trade and Commerce and to what extent have those recommendations been implemented?

Hon. C. M. Drury (President of the Treasury Board): 1. No.

2. Not applicable.

3. Not applicable.

TREASURY BOARD—EVALUATION REPORT ON MVM

Question No. 922—**Mr. Broadbent:**

1. In the past two years, has the Treasury Board evaluated the Motor Vehicle Manufacturers' Remission Program (MVM), administered by the Department of Industry, Trade and Commerce, as to its efficiency and effectiveness and, if so, what were the dates of the evaluative reports?

2. What recommendations were made by the Treasury Board as a result of those evaluations?

3. What recommendations were accepted by the Department of Industry, Trade and Commerce and to what extent have those recommendations been implemented?

Hon. C. M. Drury (President of the Treasury Board): 1. No.

2. Not applicable.

3. Not applicable.

TREASURY BOARD—EVALUATION REPORT ON PAIT

Question No. 923—**Mr. Broadbent:**

1. In the past two years, has the Treasury Board evaluated the Program for the Advancement of Industrial Technology (PAIT), administered by the Department of Industry, Trade and Commerce, as to its efficiency and effectiveness and, if so, what were the dates of the evaluative reports?

[Mr. Broadbent.]

2. What recommendations were made by the Treasury Board as a result of those evaluations?

3. What recommendations were accepted by the Department of Industry, Trade and Commerce and to what extent have those recommendations been implemented?

Hon. C. M. Drury (President of the Treasury Board): 1. There was a draft report prepared by the Treasury Board Secretariat that summarized the preliminary results of some econometric tests of one aspect of several industrial incentive programs, including the Program for the Advancement of Industrial Technology (APIT). This draft report did not seek to assess whether or not the benefits of these industrial incentive programs, in terms of their impact on the realization of the government objectives, warranted the costs incurred in carrying them out. The draft report was dated February 9, 1973.

2. The draft report referred to under 1 is classified as "confidential" on the grounds that it contains expressions of the opinions of officials, the release of which would prejudice the efficient and effective discharge of the government's responsibilities.

3. See the answer to Part 2 above.

TREASURY BOARD—EVALUATION REPORT ON PEP

Question No. 924—**Mr. Broadbent:**

1. In the past two years, has the Treasury Board evaluated the Program to Enhance Productivity (PEP), administered by the Department of Industry, Trade and Commerce, as to its efficiency and effectiveness and, if so, what were the dates of the evaluative reports?

2. What recommendations were made by the Treasury Board as a result of those evaluations?

3. What recommendations were accepted by the Department of Industry, Trade and Commerce and to what extent have those recommendations been implemented?

Hon. C. M. Drury (President of the Treasury Board): 1. No.

2. Not applicable.

3. Not applicable.

TREASURY BOARD—EVALUATION REPORT ON SCSP

Question No. 925—**Mr. Broadbent:**

1. In the past two years, has the Treasury Board evaluated the Ship Construction Subsidy Program (SCSP), administered by the Department of Industry, Trade and Commerce, as to its efficiency and effectiveness and, if so, what were the dates of the evaluative reports?

2. What recommendations were made by the Treasury Board as a result of those evaluations?

3. What recommendations were accepted by the Department of Industry, Trade and Commerce and to what extent have those recommendations been implemented?

Hon. C. M. Drury (President of the Treasury Board): 1. No.

2. Not applicable.

3. Not applicable.

DEPARTMENT OF TRANSPORT—COST OF ANNUAL REPORT

Question No. 938—**Mr. Andre:**

1. What was the cost of production, printing and distribution of the Report for the fiscal year ended March 31, 1972, for the Department of Transport?

2. How many copies of the Report were distributed?

Hon. Jean Marchand (Minister of Transport): 1. $8,101.

2. Three thousand four hundred and fifty.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS—NUMBER OF EMPLOYEES AND SALARIES

Question No. 998—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of Consumer and Corporate Affairs?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of Consumer and Corporate Affairs?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): 1. One thousand five hundred and ten.

2. $15,001-$16,000, 40; $16,001-$17,000, 14; $17,001-$18,000, 14; $18,001-$19,000, 3; $19,001-$20,000, 7; $20,001-$21,000, 5; $21,001-$22,000, 10; $22,001-$23,000, 4; $23,001-$24,000, 4; $24,001-$25,000, 2; $25,001-$26,000, 2; $35,000-$39,000, 1.

3. One thousand eight hundred and twenty-four.

4. $18,001-$19,000, 5; $19,001-$20,000, 14; $20,001-$21,000, 17; $21,001-$22,000, 17; $22,001-$23,000, 8; $23,001-$24,000, 4; $24,001-$25,000, 3; $25,001-$26,000, 18; $26,001-$27,000, 4; $27,001-$28,000, 3; $28,001-$29,000, 2; $29,001-$30,000, 1; $25,000-$31,000, 2; $28,000-$35,000, 2; $40,000-$45,000, 1.

*ESCALATION OF RETIRED BANK EMPLOYEES' PENSIONS

Question No. 1,082—**Mr. Knowles (Winnipeg North Centre):**

With reference to the reply to Starred Question No. 811, as recorded on page 1505 of *Hansard* for February 21, 1973, will the Minister of Finance now say whether he has discussed with the chartered banks the need for the pensions paid to their employees to be escalated annually by an amount at least equal to the rise in the cost of living and, if so, what has been the response of each of the chartered banks with whom he has had such a discussion?

Hon. John N. Turner (Minister of Finance): Mr. Speaker as indicated in the reply to starred question No. 811, as recorded on page 1505 of Hansard of February 21, 1973, the Minister of Finance has not discussed the subject directly with the chartered banks since pensions paid to retired employees are normally a matter left entirely to the discretion of all private business corporations. However, the Inspector-General of Banks has spoken to the Canadian Bankers' Association to ascertain what are the practices of banks.

Responses from all the largest banks indicated that, while practices vary in some detail and payments are not specifically tied to the cost of living index, they all have for some time been making special payments each year out of revenues (not from pension funds) to all retired personnel or survivors, normally after they have been retired for five years. I have, however, drawn the hon. member's starred questions Nos. 811 and 1082 to the attention of the presidents of each of the chartered banks.

DEPARTMENT OF SECRETARY OF STATE—NUMBER OF EMPLOYEES AND SALARIES

Question No. 1,087—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of the Secretary of State on (a) January 1, 1963 (b) January 1, 1973?

2. How many people in each of these years were receiving salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) over $20,000?

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): 1. (a) 752; (b) 1,893.

2. Information not available for 1963. As of January 1, 1973: (a) 949; (b) 839; (c) 105.

NATIONAL DEFENCE EXPENDITURES

Question No. 1,176—**Mr. Mather:**

What, in dollars, was the total expenditure on national defence between 1945 and 1972 inclusive?

Hon. James Richardson (Minister of National Defence): $38,773,100,000.

*CBC—CONTRACT WITH GRANT McLEAN AND/OR VISUAL EDUCATION CENTRE

Question No. 1,194—**Mr. McKinnon:**

1. Does CBC have a contract with Mr. Grant McLean and/or Visual Education Centre, 95 Berkeley St., Toronto, which gives Mr. McLean and/or Visual Education Centre the sole right to sell certain films of an educational nature after they have been broadcast by CBC and, if so, how much does Mr. McLean and/or Visual Education Centre pay for this concession?

2. Is Mr. Grant McLean of Visual Education Centre a former employee of CBC?

3. How many directors or owners of Visual Education Centre, 95 Berkeley Street, Toronto, are either former or present employees of CBC?

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): Mr. Speaker, the CBC advises me as follows: 1. The CBC signed a contract with Visual Education Centre, 115 Berkeley St. Toronto. This contract, which came into effect on 1 April 1970, gives VEC the exclusive right to distribute certain CBC films after they have been broadcast, but these do not include films of an educational nature commonly known as educational films. VEC pays the CBC nothing for this distribution right, but the CBC does get a percentage of gross receipts.

2. Mr. Grant McLean was never employed by the CBC.

3. No director or owner of Visual Education Centre is or ever was in the employ of the CBC.

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

TREASURY BOARD—EXPENDITURES FOR RESEARCH, DEVELOPMENT AND CONSULTING SERVICE

Question No. 113—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Treasury Board on contracts to outside persons and organizations for research, development and other consulting services?

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

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

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

CONTRACTS FOR GOVERNMENT FUNDED RESEARCH AND DEVELOPMENT

Question No. 235—**Mr. Andre:**

1. Since the announcement by the Minister of State for Science and Technology of the policy to contract out government funded research and development, how many contracts have been let?

2. What firms have been granted contracts, and how much is the contract in each case?

3. How many contracts are now under negotiation or being considered?

Return tabled.

• (1410)

Mr. Diefenbaker: Mr. Speaker, 70 days ago I put question No. 52 on the order paper. It reads as follows:

What is the amount, since July 1971, by province, that has been expended by all departments of government, in grants or other assistance, to corporations, partnerships, etc. to provide for the establishment of new industries or the expansion of already existing industries?

There were two additional parts to the question. There can be no justification whatever on the part of the government for not answering this question. It may be a bit trying for the government to answer because it will show, so far as the western provinces are concerned, that they have been getting only crumbs from the rich man's table.

MOTIONS FOR PAPERS

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 186 is acceptable to the government subject to the usual reservations concerning confidential documents and the authorization of the government authorities concerned.

[Mr. Marceau.]

[*Translation*]

Mr. Speaker: Subject to the reservations expressed by the Parliamentary Secretary , is it the pleasure of the House that notice of motion No. 186 be deemed to have been adopted?

Some hon. Members: Agreed.

Motion agreed to.

[*English*]

CORRESPONDENCE RELATING TO POSSIBILITY OF COMPENSATION FOR DAMAGE ARISING OUT OF HURRICANE BESS

Motion No. 186—**Mr. Forrestall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House all correspondence between the Province of Nova Scotia and the federal government or between any persons or agencies working on their behalf, with respect to the possibility of and negotiations for joint Federal-Provincial compensation for water, wind, or other damage arising out of Hurricane Bess in August, 1971, including any applications for compensation, and any notice of rejection of same.

Motion agreed to.

Mr. Reid: Mr. Speaker, would you be so kind as to call notices of motions Nos. 119, 121, 152, 153, 154 and 155.

COPY OF AGREEMENT BETWEEN NATIONAL HOCKEY LEAGUE AND HOCKEY CANADA

Motion No. 119—**Mr. Rose:**

That an Order of the House do issue for a copy of all agreements between the National Hockey League and Hockey Canada.

Mr. Speaker: The hon. member for Fraser Valley West.

Mr. Knowles (Winnipeg North Centre): I move it on his behalf, Mr. Speaker.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The federal government does not have administrative responsibility for either Hockey Canada or the National Hockey League. Accordingly, we regret to say that the federal government is not in a position to issue an order for a copy of all agreements between the National Hockey League and Hockey Canada. I would, therefore, suggest that the hon. member withdraw his motion.

Mr. Knowles (Winnipeg North Centre): Transfer for debate.

Mr. Speaker: Transferred for debate.

AGREEMENT BETWEEN NATIONAL HOCKEY LEAGUE AND HOCKEY CANADA CONCERNING CANADA-SOVIET UNION SERIES

Motion No. 121—**Mr. Rose:**

That an Order of the House do issue for a copy of the agreement between the National Hockey League and Hockey Canada concerning the Canada-Soviet Union series.

Mr. Knowles (Winnipeg North Centre): Same motion; same response.

Mr. Speaker: Transferred for debate.

COPY OF MEMORANDUM ENTITLED "REPORT OF THE INTER-DEPARTMENTAL COMMITTEE ON HEROIN CONTROL", APRIL 10, 1972

Motion No. 152—**Mr. Nystrom:**

That an Order of the House do issue for a copy of the memorandum sent to the Cabinet on April 10, 1972, entitled "Report of the Inter-departmental Committee on Heroin Control".

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, this is a cabinet document and therefore cannot be tabled. Accordingly, I would ask the hon. member to withdraw his motion.

Mr. Nystrom: Mr. Speaker, this is a very important document on the control of heroin and it should be made public. After all, most of us know the contents already.

Mr. Speaker: Transferred for debate.

COPY OF MEMORANDUM ENTITLED "REPORT OF THE INTER-DEPARTMENTAL COMMITTEE ON HEROIN CONTROL", MARCH 20, 1972

Motion No. 153—**Mr. Nystrom:**

That an Order of the House do issue for a copy of the memorandum sent to the Cabinet on March 20, 1972, entitled "Report of the Inter-departmental Committee on Heroin Control".

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The same motion, Mr. Speaker, and the same response.

Mr. Nystrom: The same response here, Mr. Speaker.

Mr. Speaker: Transferred for debate.

COPY OF CORRESPONDENCE RELATING TO "NATIONAL INSTITUTE ON ALCOHOLISM AND DRUG ADDICTION"

Motion No. 154—**Mr. Nystrom:**

That an Order of the House do issue for a copy of the document or documents sent to the Minister of National Health and Welfare, dated November 15, 1971, recommending a "National Institute on Alcoholism and Drug Addiction".

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I regret to say that the government is unable to accept the hon. member's motion since no document recommending a national institute on alcoholism and drug addiction was sent to the Minister of National Health and Welfare on or around November 15, 1971. I would therefore suggest that the hon. member withdraw his motion.

Mr. Nystrom: In that case I will withdraw the motion, Mr. Speaker.

Mr. Speaker: The motion is withdrawn.

Order discharged and motion withdrawn.

25789—67

KAMLOOPS INDIAN BAND NO. 1—FINANCIAL STATEMENT AND INDIVIDUAL TRANSACTIONS

Motion No. 155—**Mr. Oberle:**

That an Order of the House do issue for a copy of the financial statement of the operating and capital accounting of the Kamloops, B.C. Indian Band No. 1 and copies of individual transactions in respect to the purchase and sale of livestock and capital assets for the past 12 months.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, an election for chief and councillors of the Kamloops Band Council was held on December 21, 1972. However, an appeal against the election has been submitted and until such time as the appeal has been disposed of the band is without a council and therefore consent to produce papers by the council is not possible. Under the circumstances I ask the hon. member to withdraw the motion.

Mr. Oberle: Agreed.

Mr. Speaker: The motion is withdrawn.

Order discharged and motion withdrawn.

ORAL QUESTION PERIOD

INCOME TAX

ALLEGED ISSUANCE OF INCORRECT TP4U SLIPS BY UNEMPLOYMENT INSURANCE COMMISSION—REQUEST FOR EXPLANATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Manpower and Immigration and arises from the reported discrepancy in some 2,000 out of 28,000 cases investigated in connection with the Delorimier unemployment office in Montreal in that the TP4U slips issued from the unemployment insurance office in Ottawa showed higher payments during 1972 in at least 2,000 cases than could be accounted for from the records of the Delorimier office. Can the minister give the House an explanation of this discrepancy and tell us why there are no records, no microfilm record in Ottawa to prove or disprove the accuracy of the TP4U forms issued from Ottawa?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I appreciate the Leader of the Opposition's question but I regret that I cannot give the information today. I will take it as notice and endeavour to furnish a reply to the House at the earliest opportunity.

Mr. Stanfield: Can the minister tell the House whether verification checks have been made at other offices throughout the country and, if so, have similar discrepancies between the records of the local office and the TP4U slips issued from Ottawa shown up? Also, can the minister state whether microfilm and verification papers are missing in these cases?

Mr. Andras: Mr. Speaker, I will take supplementary notice of the supplementary question.

Mr. Stanfield: Am I to understand from what the minister says that he has not launched any investigation into these matters yet?

Mr. Andras: Mr. Speaker, I think the hon. gentleman would be better taken to understand that I would prefer to get all the facts before replying.

* * *

MANPOWER

DIRECTIVE ESTABLISHING PRIORITY IN JOB REFERRALS—POSITION OF PERSONS WHOSE UNEMPLOYMENT INSURANCE BENEFITS HAVE EXPIRED—REQUEST FOR WITHDRAWAL

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is for the Minister of Manpower and Immigration and relates to the directive given by the minister to manpower placement officers to give priority for job placement to those people drawing unemployment insurance benefits and those receiving welfare. I should like to ask the minister where this leaves those thousands of workers who have run out of benefits, are still looking for work and are not drawing welfare?

• (1420)

Mr. Speaker: Order, please. Perhaps the hon. member might like to rephrase the question. The question asked in those terms, I suggest to the hon. member, at least sounds rhetorical and the rule is well known that rhetorical questions cannot be asked. Perhaps the hon. member might like to rephrase the question.

Mr. Grafftey: Mr. Speaker, I will rephrase the question. Where does the directive given by the minister to local placement offices leave workers who are not drawing benefits and are not on welfare but are still looking for work?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I appreciate the hon. member's question, for it gives me the opportunity to make this comment. When the deputy minister and I discussed the question of priorities I distinctly had the understanding that we were talking totally about the local initiatives program. When I announced in December that the local initiatives program was being extended, I said that new criteria would be added to this effect: the first priority would be to draw from those on unemployment insurance, then from those on welfare rolls, and so on. I regret any misinterpretation or misunderstanding that may have come about from the deputy minister's dispatch to the field on Friday. He and I are going to discuss the matter this afternoon and clarify any misunderstanding that may have occurred.

Mr. Alexander: Withdraw!

Mr. Grafftey: In view of the incredible confusion that has been brought about by this directive, will the minister now withdraw it?

[Mr. Andras.]

Mr. Andras: Mr. Speaker, I do not think I can add to my comments. I will withdraw or otherwise based on my discussion this afternoon.

Mr. Speaker: Order, please. The Chair will recognize the Leader of the Opposition on a supplementary, after which I will recognize the hon. member for Skeena and try to complete one round of questioning. I will return to this matter later if hon. members have other supplementaries.

DIRECTIVE ESTABLISHING PRIORITY IN JOB REFERRALS—REQUEST THAT MINISTER EXPLAIN ANSWERS TO QUESTIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a supplementary question to the minister. As I understood him a minute ago, the minister now says that this directive applied only to local initiatives grants. In that case can he explain to the House why he gave such an elaborate explanation yesterday as to how this directive operated in connection with unemployment insurance or in connection with the administration of that program.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am quite frankly saying to the House that my emphasis, as announced in December, along with that of the Minister of Finance when we announced the winter program—

Some hon. Members: Oh, oh!

Mr. Alexander: Withdraw!

Mr. Andras: —was to give priority to people on unemployment insurance and social welfare in so far as the local initiatives program was concerned. If confusion developed between the deputy minister and myself, I apologize to the House for that. These mistakes can happen. If there is confusion, we will remove it forthwith as soon as I have had an opportunity to discuss the matter with him.

Mr. Lundrigan: On a question of privilege—

Mr. Speaker: Order, please. I apologize to the hon. member for Skeena. He will be recognized in a moment. The hon. member for Gander-Twillingate rises on a question of privilege.

Mr. Lundrigan: Mr. Speaker, I rise on a question of privilege. Having had the opportunity last evening to study in detail the statement made by the minister yesterday and having read subsequent press reports, I now rise on a question of privilege, perhaps more in the interest of the hon. member for Verdun than in my own interest and that of my party. There has been a serious misrepresentation, unintentional I am sure, to the effect that the directive that was debated and referred to in the press was the original directive issued last October. My information is that there was a directive in October which had to do with LIP. My further information is that a subsequent directive was issued which was all-encompassing. Consequently the minister, inadvertently I am sure, has reflected seriously on the hon. member for Verdun. I would think the hon.

member for Verdun would not want to leave this matter unchallenged, and I should like him to have the opportunity of clarifying his position because his conduct and behaviour have been called into account not only with respect to the LIP aspect of the directive but also in terms of the witch hunt that is now being conducted. This has nothing to do with the original 1972 intention of the department to try to place people in jobs and not track them down.

Mr. Speaker: Order, please. If the hon. member for Verdun thinks he has a question of privilege, of course he will be recognized for that purpose. I suggest at the same time that the point raised by the hon. member is the same kind of point on which there have been numerous rulings over many years from day to day that disputes as to facts or statements that have been made or as to the interpretation of statements made by members cannot be raised by way of a question of privilege. It is simply a dispute between individual members. I rule that the hon. member does not have a question of privilege, but if the hon. member for Verdun claims that he has a question of privilege I will listen to him, as I did to the hon. member for Gander-Twillingate.

Mr. Mackasey: Mr. Speaker, I might have two. One is that I do not want anyone to think I have lost my ability to defend myself in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Mackasey: The second and more important one is that an article in the Ottawa *Journal*, I believe, inadvertently stated that I was the originator of the document that appeared yesterday. I would like to clarify the matter and say, because it corroborates the statement of the present minister, that in October I did indeed give instructions that the unemployed be given priority with regard to LIP and on-the-job training in light of the fact that these programs are designed to alleviate unemployment, whereas in the previous year many employed people took advantage of LIP to the detriment of the unemployed.

* * *

POWER

JAMES BAY HYDROELECTRIC PROJECT—COST OF ENVIRONMENTAL STUDIES TO FEDERAL GOVERNMENT—PUBLICATION OF RESULTS

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of the Environment with regard to the agreement between his department and the James Bay Development Corporation of last November relating to environmental studies in the area of the James Bay hydroelectric project. Can the minister tell the House whether there is any cost to be borne by the federal government with respect to those studies?

Hon. Jack Davis (Minister of the Environment): Yes, Mr. Speaker. As I recall, the federal taxpayer will be putting up half the cost of the various environmental studies that are being carried out in co-operation with the James Bay Development Corporation.

Mr. Howard: May I also ask the minister who will be doing the studies? Who will be initiating them and doing the actual work? Also, will the results of the studies be made public?

Mr. Davis: Mr. Speaker, most, if not all, of the studies that are being paid for by the federal taxpayer will be done either by experts in the employ of Environment Canada or consultants retained by the federal government. The results of all of these studies will, of course, be made public.

Mr. Howard: Inasmuch as this agreement or document has been kept secret up until now, is the minister prepared to table it in the House?

Mr. Davis: Yes, Mr. Speaker. I am informed that it is a public document.

JAMES BAY HYDROELECTRIC PROJECT—ALLEGED REQUEST BY INDIAN AFFAIRS BRANCH FOR LEGAL OPINION ON FEDERAL GOVERNMENT RESPONSIBILITIES

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I wish to direct my supplementary question to the Minister of Justice. Will the minister confirm that his officials have now been requested by officials of the Department of Indian Affairs to present a legal opinion on the responsibilities of the federal government in the James Bay affair under the Quebec Boundaries Extension Act of 1912? Can he also indicate when that opinion will be forthcoming and whether it will be made available to the House?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the various departments involved are constantly consulting the Department of Justice for legal opinions about situations in which they are involved and these opinions are furnished from time to time.

• (1430)

* * *

[*Translation*]

INCOME TAX

UNEMPLOYMENT INSURANCE COMMISSION—INACCURACY OF T4 SLIPS AND DELAY IN SENDING TP4U SLIPS—MINISTER'S POSITION

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to direct a question to the Minister of National Revenue.

Since some unemployed have been receiving T4 slips showing amounts that they have not yet received, and since some unemployed are still waiting for the Commission to send them their TP4U slips, could the minister say if he intends to penalize the Unemployment Insurance Commission on the same basis as Canadian employers who produce T4 slips later than February 28?

[*English*]

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, no widespread incidents of this kind have been reported to me. However, in the cases that have been reported I have had the matter discussed with the Unemployment Insurance Commission and I think it is co-

operating fully. So far I have not had anyone suggest laying a charge against the commission.

[*Translation*]

MEASURES TO RECTIFY INACCURACY OF TP4U SLIPS SENT BY UNEMPLOYMENT INSURANCE COMMISSION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to direct a supplementary to the Minister of Manpower and Immigration.

Could he tell the House what steps he means to take to ensure that beneficiaries who are affected by the mistakes on TP4U slips receive corrected slips showing the true amounts that they were paid, in order that they may be able to file their tax returns in time and state their income for 1972?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will try to give the hon. member an answer to that question when I reply to the Leader of the Opposition.

* * *

MANPOWER

DIRECTIVE ESTABLISHING PRIORITY IN JOB REFERRALS—EFFECT ON UNEMPLOYED YOUNG PEOPLE AND VETERANS

Mr. J. R. Ellis (Hastings): I have a supplementary question for the Minister of Manpower and Immigration. In view of the fact that all the LIP grant funds have now been allocated, does the statement the minister made yesterday not really mean that young people leaving schools and veterans not in receipt of unemployment insurance or welfare are the lowest priority categories in terms of referral to jobs and job training?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I do not think it means that at all. In the first place, there is the summer employment program for youth announced by my colleague, the Secretary of State, which includes substantial funds for OFY and other schemes for assisting students. As far as veterans are concerned, there will be no inhibition or prohibition affecting the placement of veterans where jobs are available and where they are capable of taking them, as far as the Department of Manpower is concerned.

* * *

ENERGY

PROPOSAL TO USE RAIL TRANSPORTATION FOR ALASKAN OIL—STATEMENT BY MINISTER—GOVERNMENT POLICY

Mr. John Fraser (Vancouver South): Mr. Speaker, my question is to the Prime Minister. It relates to the announcement made recently by the Premier of British Columbia with respect to an alternative route to transport oil from the north. Was the Minister of Energy, Mines and Resources expressing the policy of the government yesterday when he stated that British Columbia's proposed oil route was "inadequate", and that a Mackenzie Valley pipeline would best serve Canadian and United States interests?

[Mr. Stanbury.]

Right Hon. P. E. Trudeau (Prime Minister): I am not aware of that part of the minister's statement. I do know he made a statement to the effect that he had only received notice of the British Columbia proposal the day before and that he could not be expected to enunciate a policy with regard to it within one day. If that is his position, the other parts of the quotation should be interpreted in light of that statement.

Mr. Fraser: Is it the position of the government that Premier Barrett's proposal is inadequate and that the Mackenzie Valley pipeline route would in fact be the best route to serve Canadian and United States interests?

Mr. Trudeau: I repeat, we can hardly answer whether the proposal is inadequate or not until we have studied it, and we have only known of it for two days.

Mr. Fraser: Would the Prime Minister advise the House whether there is at present any committee, or any arrangement between the government of British Columbia and the government of Canada, to ensure a common and united Canadian position with respect to the problem related to the TAPS tanker route?

Mr. Trudeau: I know of no such committee, Mr. Speaker. I believe the present government of British Columbia has just come around to being interested in this issue. But of course we have been in communication with the leader of the Liberal opposition in British Columbia who is very well advanced in his consideration of this problem.

[*Translation*]

Mr. Speaker: Order, please. The hon. member for Drummond (Mr. Boisvert) wishes to ask a supplementary to the last question; I shall attempt to finish with the matter we are now debating, and shall then recognize the hon. member for Drummond so that he may put his supplementary.

[*English*]

For the moment the Chair will recognize the hon. member for Qu'Appelle-Moose Mountain.

PROPOSAL TO USE RAIL TRANSPORTATION FOR ALASKAN OIL—SUGGESTED WIDENING OF STUDY

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): My question is a supplementary to the Prime Minister on the same subject. In the light of the answer given by the Minister of Energy, Mines and Resources yesterday to the hon. member for New Westminster, would the Prime Minister, in view of his interest in the alienation of the west, ask the Minister of Energy, Mines and Resources to add another dimension to his study, namely, the restrictive difficulties imposed by the Alaska panhandle on the development of that part of northwestern Canada? If this dimension were included it might add more body to the study and make it much more worthwhile.

Mr. Trudeau: That seems like an interesting representation, Mr. Speaker. I will see that the minister is made aware of it.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I ask the Prime Minister whether the government intends to have a study made of the British Columbia proposal regarding the transport of Prudhoe Bay oil to the United States, and will the Prime Minister tell the House which of the ministers, the Minister of Energy, Mines and Resources or the Minister of Northern Affairs, will be responsible for making the study and whether or not they will be in touch with the British Columbia government regarding their decision?

Mr. Trudeau: I understand that the British Columbia proposal was made known to the Minister of Energy, Mines and Resources. He will, of course, wish to study it from his point of view and from the point of view of the Department of Northern Affairs. I cannot say at this point whether he will wish to undertake as deep a study as was made in connection with the Mackenzie Valley route which, as the hon. member knows, has been the subject of very costly environmental studies over the last two years. I do not know whether the minister, having taken a first look at the British Columbia proposal, will decide to have such deep studies made or whether, for other reasons, he will decide it is not worth a study of that type because, among other things, I understand the route would be more useful for the transport of United States oil and other resources than for Canadian needs.

* * *

[*Translation*]

INCOME TAX

REQUEST THAT UNEMPLOYED NOT BE PENALIZED FOR LATE FILING OF RETURNS

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I wish to put a question to the Minister of Manpower and Immigration.

Because of the mess in issuing T4U slips to the unemployed, would the minister assure the House that the penniless unemployed will not be penalized because they are late filing their income tax returns?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think tomorrow is going to be my TP4U day for everybody.

* * *

MANPOWER

DIRECTIVE ESTABLISHING PRIORITY IN JOB REFERRALS—APPROVAL BY GOVERNOR IN COUNCIL—CONSIDERATION BY STATUTORY REGULATIONS COMMITTEE

Mr. G. W. Baldwin (Peace River): A supplementary to the minister. In view of the fact that the dispatch of the deputy minister referred to by the minister yesterday is clearly a regulation as defined by the Statutory Regulations Act under the Unemployment Insurance Act, was the approval of the Governor in Council obtained for this regulation and, in any event, will the minister confer with the two joint chairmen of the Statutory Regulations Committee to consider this regulation in order that we may get at the truth of this matter? This would be a very interesting first case for the committee to consider.

Hon. Robert K. Andras (Minister of Manpower and Immigration): When I have had a chance to examine all the pitfalls inherent in that question I shall give the hon. member a reply.

Mr. Baldwin: In breach of the law.

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THE CANADIAN ECONOMY

GOVERNMENT PROGRAMS FOR THE WEST

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As the Prime Minister stated to the fund-raising dinner in Toronto last week, "as we had answers for Quebec and the Maritimes, we are now defining answers for the west", can he advise the House just what these answers are so we may have a preview of what the programs for the west will be?

Mr. Speaker: Order, please. That question cannot be in order. The hon. member might wish to rephrase it. He will appreciate that the type of general information for which he is asking would normally be made available by way of a statement on motions.

Some hon. Members: Ten o'clock.

Mr. Hees: I will simply ask the Prime Minister this question, then. In view of the right hon. gentleman's belief that the government had the answers for Quebec and the Maritimes, can he advise us as to the basis of his program for the west?

Right Hon. P. E. Trudeau (Prime Minister): As regards the program for the west, the Speech from the Throne mentioned three main areas by way of suggestion, but we took the point of view that we would want not only the western governments but the various institutions in the west to make their opinions known to us so that we could discuss with them and look at the solutions they propose. As the hon. member may remember if he checks the Speech from the Throne, the areas we suggested were transportation, western based financial institutions and areas relating to northern development. As regards the Quebec and Maritimes part of the question, the policies we put forward for Quebec, for instance, included full participation in federalism rather than two nations as put forward by the Conservative party.

• (1440)

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Speaker, the Prime Minister may not be able to bring himself more up to date than five years ago, but will he now advise the House whether the government is willing to condemn the west to no more effective policies than it produced for Quebec and the Maritimes?

Mr. Speaker: Order, please. I really doubt that supplementaries to this question can be asked, but the Chair will recognize the hon. member for St. Catharines and then the hon. member for Winnipeg North.

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of the statement made by him, will he please tell the House the policy of the Liberal government in respect of that most important question, capital punishment?

Mr. Speaker: Order, please. That question obviously is not in order.

Mr. Morgan: Mr. Speaker, I rise on a point of order. The right hon. Prime Minister in a recent statement derided members on this side of the House for not having a policy on capital punishment, thereby implying that the Liberal government did have such a policy. Otherwise, what he said was nothing more than a verbal diatribe or verbal diarrhoea.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I would hope that the right hon. Prime Minister would not want to reply to that question. The hon. member for Winnipeg North.

Mr. Dinsdale: Mr. Speaker, I rise on a point of order. I wanted to ask a supplementary question—

Mr. Speaker: Order, please. Perhaps the hon. member would first indicate why he rises on a point of order. If he simply wishes to ask a supplementary question, that is not a point of order.

Mr. Dinsdale: Mr. Speaker, I am not rising because I was denied the right to ask a supplementary question, and I think that you will agree I do not abuse the rules of the House. I rise to suggest that the Prime Minister's reply to the question of the hon. member for Prince Edward-Hastings is derogatory of the position of all western Members of Parliament in this House of Commons.

Some hon. Members: Oh, oh!

Mr. Dinsdale: I say that because for many years we have been expressing the viewpoints of western Canada, and in this respect the Prime Minister does not have to consult anybody outside this chamber. The western members have conscientiously—

An hon. Member: You know it all.

Some hon. Members: Oh, oh!

An hon. Member: Do you represent the NDP government of Manitoba?

Mr. Dinsdale: Mr. Speaker, the willingness of the—

Some hon. Members: Oh, oh!

[Mr. Trudeau.]

An hon. Member: Do you represent the NDP government of British Columbia?

Mr. Dinsdale: Mr. Speaker, the willingness of hon. members in the Liberal party to listen to the views of the west is demonstrated by their unwillingness to listen to me.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair is willing to listen to the hon. member but perhaps he should indicate his point of order as quickly as possible. We have spent a great deal of time on points of order or questions of privilege since the beginning of the question period.

Mr. Dinsdale: I agree, Mr. Speaker.

Some hon. Members: Sit down.

Mr. Dinsdale: Mr. Speaker, I agree that you are always ready to listen and certainly do your best to control—

Some hon. Members: Oh, oh!

An hon. Member: Oh, come on! Sit down!

Mr. Dinsdale: Certainly you do your best to control the noise from the government benches. My point of order is specifically this. Is not the Prime Minister's appeal to the west, stating that he will give the west a better deal, more accurately described as a better deal for the Liberal party in western Canada?

An hon. Member: That is not a point of order.

Mr. Speaker: Order, please. I do not think the hon. member would want me to rule on whether that is a point of order. I feel that hon. members should attempt to make the question period somewhat more significant by giving other hon. members an opportunity to ask questions.

Some hon. Members: Hear, hear!

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DRUGS

PROSECUTION OF COMPANIES WHOSE PRODUCTS FAILED TO MEET QUAD PROGRAM TESTS—REQUEST FOR STATEMENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare arising from the statement he made yesterday in which he pointed out that 48 drugs tested under the QUAD program of his department failed to meet those tests, which means in fact they are illegal under the food and drug regulations. I should like to know why the companies that produce those drugs are not being prosecuted?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, we are looking at the importance or the significance of the failures in these various cases, but I can assure the hon. member that, where failures are significant, prosecutions will be instituted.

Mr. Orlikow: Will the minister favourably consider making a statement in the House listing the drugs that failed to meet these quality tests and the companies that produced them?

Mr. Lalonde: I will certainly look into this matter, Mr. Speaker.

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CANADIAN BROADCASTING CORPORATION

REASON FOR REDUCTION OF NEWS AND PUBLIC AFFAIRS COVERAGE EMANATING FROM OTTAWA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Secretary of State.

An hon. Member: Now we hear from the leader.

Some hon. Members: Hear, hear!

An hon. Member: They are sorry they ever dropped you.

Mr. Diefenbaker: Mr. Speaker, I should like to ask a question that is of interest in all parts of Canada. It has to do with the Canadian Broadcasting Corporation. I ask the minister who reports for that corporation why the CBC has introduced a new policy of reducing news and public affairs coverage out of Ottawa? What is the reason for the change? Why has the program, "Encounter", been cut in half so far as time is concerned? Will he find out the reason for this action? Is it, as suggested by the incomparable Sheila McCook in her column, the centralization by the CBC, in so far as English broadcasting of public affairs is concerned, in the city of Toronto rather than the city of Ottawa in which national news is made?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I will be pleased to find out the answer to that question.

Mr. Diefenbaker: Mr. Speaker, would the minister also find out whether the purpose of this is to avoid focusing attention on the weaknesses of the present government?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

* * *

PUBLIC WORKS

REQUEST FOR INCREASE IN PROJECTS IN SOUTH SHORE RIDING TO IMPROVE FACILITIES FOR FISHERMEN AND PROVIDE EMPLOYMENT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Public Works. In view of the present high rate of unemployment in Nova Scotia, will the minister reactivate and review his deferred file on public works in my riding, some of which have been deferred since 1969, so that necessary repairs to wharves, skidways and breakwaters will provide useable facilities for our fishermen while providing much needed employment for our people?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, the hon. member might be surprised to learn that I agree with him. We will have to do much more to bring these wharves up to acceptable standards. We are addressing ourselves to this at the present time, but we will need more funds to do the job well.

Mr. Hees: You are beginning to get the message.

* * *

AGRICULTURE

FARM MACHINERY—BARBER COMMISSION RECOMMENDATIONS—EFFECT ON PRICES OF THOSE IMPLEMENTED—POSSIBILITY OF REVERSE DUMPING DUTY

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the fact he has implemented six of the recommendations of the Barber commission on farm machinery prices, will he now inform the House what effect this has had on the prices of farm machinery to date?

• (1450)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are constantly studying the prices of farm machinery. I would be wrong if I said our studies are finished. We are still following up some of them and have met as late as a week ago with some of the people who have indicated a desire to export farm machinery to Canada.

Mr. Yewchuk: Since there has been no significant reduction in the price of farm machinery as a result of these measures, is the minister considering the implementation of the other recommendation which suggests the imposition of a reverse dumping duty?

Mr. Whelan: This has been discussed, Mr. Speaker, but the whole thing is that on most of this farm machinery, practically all of it, there are no duties or tariffs. It is a free market, and we hope it will be used as such.

FARM MACHINERY—STUDY OF PROPOSED SASKATCHEWAN LEGISLATION RESPECTING SPARE PARTS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I ask the Minister of Agriculture whether he has studied the legislation being proposed in the province of Saskatchewan to deal with the adequate supply of repair parts, and is he ready to give his full co-operation to that province in order to meet the needs of the farmers?

Hon. E. F. Whelan (Minister of Agriculture): I certainly have seen the legislation that is being prepared by the province of Saskatchewan, but to say I have analysed it completely at this stage would be wrong. We are hoping to go over it further to see whether it is worthy of our assistance.

Oral Questions

FLOODS

LAKES ONTARIO AND ERIE—PROGRAMS PROPOSED BY FEDERAL GOVERNMENT TO PROVINCE FOR BUILDING PROTECTIVE WORKS OR COMPENSATION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, my question is directed to the Minister of the Environment. Will he indicate to the House specifically what programs were proposed by his department to the government of Ontario either for building protective works or for providing funds for the compensation of those people who suffer flood damage on the Lake Ontario and Lake Erie shorelines this year, to which he referred in reply to a question last week or the week before?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, very briefly, when the Ontario ministers were here in Ottawa about ten days ago I described two programs that are in effect in other provinces. One is long-term planning for protective works and the other involves compensation after the event of flooding. Both these programs are in the public area so far as informal information is concerned.

Mr. Grier: May I ask the minister whether it would be fair to infer from that reply that his department has no plans to deal with the short-run situation this winter and spring?

Mr. Davis: Mr. Speaker, property basically is a matter for the province and unless the province has plans it is very difficult for the federal government to help deal with that problem in respect of property.

* * *

[*Translation*]

OFFICIAL LANGUAGES ACT

COMMISSIONER'S REPORT—REQUEST FOR DEBATE

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

Has he met with, or does he intend to meet with, the Commissioner of Official Languages, Mr. Keith Spicer, to discuss the recommendations made in his last report, and what does he intend to do about these recommendations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, unless I am mistaken, the report is addressed to all Members of Parliament as such, and not just to the government. As the hon. member knows, Mr. Spicer is answerable to parliament and not to the government.

I attempt, Mr. Speaker, to meet all senior governmental and parliamentary officials, and I meet with them from time to time. I have not seen Mr. Spicer recently, but I met him several months ago.

Mr. Matte: I have a supplementary, Mr. Speaker.

Can the Prime Minister say whether he will be introducing in this session a motion or bill that will give us the opportunity to discuss the bilingualism question?

Mr. Trudeau: Mr. Speaker, the hon. member knows from the Speech from the Throne that the government intends to bring before the House the question of bilingualism in the civil service. We expect to be putting something on the order paper within two weeks at the latest, that will provide the House with information, and we hope that all members will wish to take part in the debate.

[*English*]

GRANTING OF FUNDS TO SCHOOL BOARDS IN OTTAWA AREA—INQUIRY AS TO ANNOUNCEMENT

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a supplementary question to the Secretary of State. In view of the continuing interest in obtaining federal funding in the secondary and primary school systems in the national capital area, and in view of negotiations which we understand the Secretary of State has been carrying on with the province, would the minister inform the House whether he will be making an announcement tomorrow or within the next few days with regard to the granting of funds to the school boards within the national capital area?

Hon. James Hugh Faulkner (Secretary of State): Yes, Mr. Speaker. I hope to be making an announcement along those lines fairly shortly.

* * *

INCOME TAX

INQUIRY WHETHER NATIONAL REVENUE DEPARTMENT BOUND BY ADVICE GIVEN TAXPAYERS THROUGH SPECIAL TELEPHONE SERVICE

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I have a question for the Minister of National Revenue. In view of the encouragement given Canadians by the expensive advertising program sponsored by his department to call a Zenith number at the department for free tax advice, can the minister confirm to the House that his department will be bound by the advice given to Canadian taxpayers who seek such advice?

Mr. Speaker: Order, please. I have serious doubts whether the question is in order. Perhaps I might give the member the benefit of my doubts and allow the minister to reply, if he can do so, briefly.

Hon. Robert Stanbury (Minister of National Revenue): I think Your Honour undoubtedly has in mind that I am not permitted to give a legal opinion in the House.

Mr. Bawden: Mr. Speaker, I rise on a point of order. I think this is a very important question to all Canadians because of the fact that it is tax time. Surely Canadians must be made aware of whether or not this advice can be taken as good advice and whether the department is bound by it. I think this is a very legitimate question which the minister should answer.

Mr. Speaker: Order, please. Every member who asks a question, of course, may feel he should receive one answer rather than another or that he is entitled to an answer, but according to the rules and practice the minister does not have to answer, as the hon. member knows.

Mr. Bawden: I have a supplementary, Mr. Speaker.

Mr. Speaker: The Chair will allow the supplementary after which he will call orders of the day. I apologize to other hon. members who have not been given an opportunity to ask questions. Perhaps the Chair might recognize the Leader of the Opposition after the supplementary and before calling orders of the day.

Mr. Bawden: Mr. Speaker, in that officials of the department are saying on the telephone that they will not be bound by the advice they are giving, will the minister inform himself and advise the House on the subject and also undertake to be honest with Canadians by making clear in the advertisements that the department will not stand behind the advice given?

Mr. Speaker: Order. The hon. member will appreciate that a question asked in those terms is not in order.

* * *

FINANCE

REQUEST FOR BREAKDOWN OF ESTIMATED CASH REQUIREMENTS FOR FISCAL YEAR 1973-74

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. I should like to ask him once again a question which he took under advisement. Is he now prepared to give the House a breakdown of the figure of $2 billion in cash requirements that he has projected for the next fiscal year?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will see whether I can get that in the form asked for by the Leader of the Opposition. I apologize to him. I have been unable to assemble that in the last week.

Mr. Speaker: Orders of the day.

Mr. Paproski: Mr. Speaker, I rise on a point of order. I had a question on the order paper for nearly a month to which I have received an answer from the Secretary of State. My question was:

1. How many full-time employees were under salary in the Department of the Secretary of State on (a) January 1, 1963 (b) January 1, 1973?

2. How many people in each of these years were receiving salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) over $20,000?

I am surprised at the answer I received from the minister. He gave the number of employees he had during this period but he cannot supply the salaries. I think this is a very simple question and I would appreciate a full answer. He can give it for 1963 but he cannot give it for 1973.

• (1500)

PRIVILEGE

MR. KNOWLES (WINNIPEG NORTH CENTRE)—ALLEGED MISLEADING STATEMENT BY MINISTER ON DIRECTIVE ESTABLISHING PRIORITY IN JOB REFERRALS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege and I raise this point under Standing Order 17(1) which says that whenever any matter of privilege arises it shall be taken into consideration immediately. There is a second paragraph to Standing Order 17 which requires an hour's notice, unless the point of privilege relates to something that arose during the course of the sitting. The point on which I rise is something that did arise during the course of the sitting this afternoon. Indeed, it came up during the question period, but I felt that it was not proper to take time out of the question period by raising a point of privilege then, so I waited until the question period was over.

I realize that Your Honour has spent many hours pouring over the question of privilege, and we frequently have quoted to us the citation which says that members raise many points which really are not points of privilege. But I submit that in Beauchesne there is a clear statement that insults to members are to be regarded as a matter of privilege. I feel, Sir, that the House has been insulted today by statements made by the Minister of Manpower and Immigration (Mr. Andras) in answer to questions that were put to him. Yesterday, in answer to questions, the Minister of Manpower and Immigration very clearly said that the directives that were under discussion had been dispatched to the directors general of the manpower offices, and that they were to be taken in context with other regulations and other manuals or instructions. He also said that those directives were to be related to the terms of the Unemployment Insurance Act.

This was not a chance, off-the-cuff, remark. It was clear yesterday, in the words of the minister, that the priorities that we had discussed related to manpower offices in giving priority to certain persons for available jobs. Today, the Minister of Manpower and Immigration says that some kind of a misunderstanding occurred last December, not between yesterday and today, but as of last December there was a misunderstanding and that all of this had to do with LIP grants.

I submit that it is pretty close to an insult to the House to ask us to believe today that he knew last December that these priorities related to LIP grants, whereas yesterday the minister clearly said that they related to the operations of the manpower offices. The minister made it clear yesterday that these directives had not been secret, and he said that they were to be taken into account after the normal operations required by the Unemployment Insurance Act.

I am not arguing whether the use of these directives was as bad as was made out in the House yesterday, but I do think it is an insult to the House to tell us one day that these matters related to the manpower offices and the next day that since last December the minister knew that they related to the granting of moneys under LIP. Therefore, I feel that the matter should be considered. I believe the minister, himself, should have a much better oppor-

tunity than he has in the question period to deal with it and that the place for him to deal with this matter so that it can be examined and so that he can give a full explanation, would be in the Standing Committee on Labour, Manpower and Immigration. I might point out also that he could and should bring with him before this committee his officers so that we can examine them as well and get the whole matter straightened out.

As I said, Mr. Speaker, I am well aware how seldom, since you have been in the chair, you have found a question of privilege to be a legitimate one. As you often say, a point or privilege is usually a matter of debate. This is not a matter of debate between us and the minister; it is a matter of debate between the minister yesterday and the minister today, if it is a matter of debate at all. At any rate, because I think it is an insult to the House that ought to be cleared up I would be prepared, if Your Honour feels I do have a question of privilege, to move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That the statements made today by the Minister of Manpower and Immigration to the effect that the priorities referred to yesterday related to LIP grants, which contradicts his statement of yesterday that these same priorities had been despatched to the directors general of the manpower offices to be taken in context with other regulations and also in relation to the terms of the Unemployment Insurance Act, be referred to the Standing Committee on Labour, Manpower and Immigration for full examination.

Mr. Speaker: Order, please. The Chair, of course, has no intention of allowing a debate on this matter, unless I rule there is a question of privilege. I will allow the minister to respond, if he wishes to do so, after which I will make a ruling because, in any event, that is a well established practice. In view of the fact that the minister has been referred to in the motion proposed by the hon. member for Winnipeg North Centre, and in view of the fact that the minister's conduct has been impugned by the hon. member, I will allow the minister to speak briefly, after which I will make a ruling on whether, in my view, there is or there is not a question of privilege.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the hon. member's comments cause me to rise and inform the House that what I was trying to convey today was simply this. Last December, when we announced the extension and augmentation of the funds for LIP we clearly enunciated the criteria that had been established before but which we repeated for emphasis, that particularly this year LIP employees would have to be drawn, as a condition of approval of the project, from manpower offices and that in fact the manpower officers would give priority first to those people who were on unemployment insurance rolls at that time, and second, to those who were on social welfare. Thereafter, the vacancies in LIP would be filled from other sources.

The other day, in discussion with the deputy minister—we were reviewing the progress of LIP now that nearly all projects approvals have been sent out—and we discussed whether this should be reconfirmed. I did not see the dispatch that went out on Friday at that time. I am telling the House that yesterday, rightly or wrongly, I was under the impression that we were mainly referring to LIP—

[Mr. Knowles (Winnipeg North Centre).]

Some hon. Members: Oh, oh.

Mr. Andras: I am telling the House that I had some doubts about that overnight, and I am saying that I am reviewing that with the deputy minister this afternoon. But there was no reference to December or a change in the program or a change in the regulations. The reference to the Unemployment Insurance Act came up because some hon. members opposite, I believe, suggested that this was in contravention of the Unemployment Insurance Act, on which perhaps I am not competent to give a legal opinion, but which I do not believe to be the case.

Certainly, the fact that we have given priority in LIP hirings to people from the unemployment insurance rolls has or should have been known for some time. I think my friend, the hon. member for Verdun (Mr. Mackasey) will confirm that before he left this ministry he also, had indicated that for 1972-73 that priority would be established for LIP. Other matters have been brought into it, and this is what I wanted to check because that was the basis on which I thought we were talking yesterday. But when I look back I realize there was some error.

Mr. Lundrigan: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member cannot speak on the same question of privilege. He may have his own question of privilege. I think we should try to follow the long-established practice that there should not be a debate on an alleged, or a proposed, or suggested question of privilege because we will defeat the whole practice of privilege if there is a debate even before a finding is made that there is a prima facie case. I think I can say immediately that I cannot find that there is a prima facie case of privilege that ought to be referred to the committee, as suggested by the hon. member for Winnipeg North Centre (Mr. Knowles), and this for a number of reasons.

• (1510)

I think I still have to refer hon. members to citation 113 in Beauchesne's Fourth Edition which states that:

—a dispute arising between two members, as to allegations of facts, does not fulfil the conditions of parliamentary privilege.

I feel that on the basis of this citation, it would be very difficult to agree that there is a question of privilege.

With respect to the other matters, what the hon. member for Winnipeg North Centre is doing, according to my understanding, is suggesting that a committee should investigate the veracity, or honesty, or integrity of another hon. member.

Mr. Knowles (Winnipeg North Centre): No; his consistency.

Mr. Speaker: That is the way I interpret the hon. member's motion; otherwise, I do not see why there should be a motion at all. It is a well known practice, confirmed by a number of rulings, including particularly an often quoted ruling of Mr. Speaker Michener, that the conduct of a member cannot be impugned without a charge being laid in the usual way, which charge being laid against a member is investigated by the Committee on Privileges and Elections, with consequences which are well known

to members if the charges made are not substantiated following study by the committee.

I would think that if what the hon. member has in mind is to investigate a certain discrepancy, or to find out exactly what went on within a department, then it becomes simply an ordinary substantive motion which cannot be proposed to the House without the necessary 48 hours notice. On that basis, I would not think the motion could be put at this time. The hon. member may want to try to move it under Standing Order 43, and to get the unanimous consent of the House that it be put, but the hon. member's reaction to that suggestion indicates that he does not think he would get unanimous consent.

For these reasons, and perhaps others which could come to mind or be suggested by other hon. members, I would not think the Chair would be justified in finding that there is a prima facie case of privilege so that the statements made by the minister, or his conduct, be looked into by a committee, or so that they might be looked into by the particular committee to which the hon. member for Winnipeg North Centre has referred. Therefore, I find that there is not a prima facie case of privilege.

Mr. Lundrigan: On a point of order, Mr. Speaker, I respect Your Honour's ruling on the question of privilege, and the detail that Your Honour has gone into in responding to the eminent member for Winnipeg North Centre, but I want to rise on a point of order dealing with Standing Order 41(2) which concerns the tabling of documents referred to in the House. Perhaps to facilitate the House and clarify the whole matter, it might be suggested that we could revert to motions—perhaps there is even a necessity that we do so—in order that the minister may table the document of October, which I understand deals with the previous situation, and the memorandum to which he has referred relating to the December decisions of the department.

Obviously, Your Honour, by the Prime Minister's own admission two sets of directives have been sent out. I think this should be brought to the attention of the House, and under Standing Order 41(2) we should move the documents tabled.

Mr. Lewis: Mr. Speaker, I rise on a point of order. I think it is clear that the minister was either wrong yesterday or wrong today, in what he said to the House. And I suggest to you, Mr. Speaker, that the least he ought to do in order to clarify the situation in this House, and for the unemployed people as well as for his own officers, is to undertake to make a full statement on motions tomorrow. He could then present the document and a full explanation, so that members of other parties may be able to comment on it. If he has nothing to hide, that is obviously what he ought to do. He ought to tell parliament where he was wrong and what mistake was made.

Mr. Andras: Mr. Speaker, so far as my memory serves me now, I think I have laid bare my soul to the maximum degree that the facts would indicate. I will be quite prepared to examine the blues after this day's proceedings are printed to see if there is anything further I could add that would be useful. I have no objection to adhering to the hon. member's suggestion, but so far as I know right now there are no new facts to place before the House. I will examine the situation after I see *Hansard*.

Mr. McGrath: Mr. Speaker, I wish to speak on the point of order raised by the hon. member for Gander-Twillingate (Mr. Lundrigan). He sought unanimous consent of the House to revert to motions so that the minister may have an opportunity, unless of course he has something to hide, to table the document in the House under Standing Order 41(2).

Mr. Speaker: Order, please. I will inquire is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: I have asked whether there is unanimous consent, and there is not. I just wonder whether there is any point in pursuing this at this juncture. The hon. member for Hamilton West (Mr. Alexander) rises on a point of order.

Mr. Alexander: This will be a very short point of order, Mr. Speaker. In view of the fact that the predicament of the minister arose from questions directed from this side of the House, including myself, and in view of the fact that what he said yesterday was certainly in direct contravention of what he had to say today with respect to the directive, I can see no reason, if the directive is wrong, why the minister in all good conscience cannot withdraw it now. He does not need any further discussion. He does not need to look at this matter further.

Some hon. Members: Order.

Mr. Alexander: This is my point of order. We are trying to clear up a very serious matter, Sir.

Mr. Speaker: Order, please. I suggest to the hon. member that this cannot be a point of order. He is asking the minister to table a document and to make a statement. That cannot be done at this time. We have gone beyond the question period. We should be calling orders of the day. The hon. member is rising on a point of order, and I respectfully suggest to him that it is not a point of order.

Mr. Alexander: On a question of privilege, Mr. Speaker, it is very seldom a member's intention to abuse the Chair, but I think the whole country is left in a very precarious position. The minister appeared on television, and he made statements. He attempted to clarify his answer to my question yesterday. There is no doubt that nothing was mentioned about LIP. In order to show some sincerity, the least he can do right now is to say here and now that he withdraws that directive, and then we can start from scratch again.

[*Translation*]

Mr. Harney: On a point of order, Mr. Speaker, I should like to ask you to enlighten me on the question that the hon. member for Champlain (Mr. Matte) asked the Prime Minister (Mr. Trudeau) concerning the recommendations in the report of the Commissioner of Official Languages.

The Prime Minister made it quite clear that he was not responsible for the report, but that it was submitted to the House.

I should therefore like to ask you, Mr. Speaker, when and where we will be able to discuss the report.

Mr. Speaker: I regret that I am unable to inform the hon. member. He cannot address questions to the Chair, even on the terms he suggested.

[*English*]

Mr. Lundrigan: Mr. Speaker, in view of my background, I certainly should not rise when it comes to procedural matters—

Some hon. Members: Hear, hear!

Mr. Lundrigan: —and I acknowledge that. I do not have the background in procedure that members such as my House leader, the hon. gentleman from Cape Breton and other hon. gentlemen have, but I have been in this House when there were arguments about the tabling of documents to which reference had been made, and I have seen the rules. Your Honour can research this, although I am sure you do not need to, since you are quite aware of the rules. My understanding is that once documents are referred to in the House of Commons there is an obligation on the part of the minister or the concerned that they be tabled.

• (1520)

There has been a reference to October documents, December documents—we have had a general reference to all of the directives that have gone out of the manpower offices indicating the priorities for hiring. I contend, Your Honour, that under the rules of the House it is mandatory that the minister table these documents. This would help clear up the matter, and it would place the minister in a position where he could clear up the misunderstanding on the part of the hon. member for Verdun (Mr. Mackasey) who opted to be the scapegoat today. I think it is obligatory and mandatory under the rules of the House that the minister table these documents.

Mr. Speaker: I cannot agree with the interpretation of the rules given by the hon. member. It is well known that if public documents are cited in debate, according to the usual rules of evidence known to members of the bar, the member citing them is required to table at least that part of the document used in debate. This is not a Standing Order but simply a practice. To that extent I would not agree with the hon. member's interpretation of the practice of the House.

Orders of the day.

[Mr. Harney.]

GOVERNMENT ORDERS

EXPORT DEVELOPMENT ACT

INCREASES IN AUTHORIZED SHARE CAPITAL AND IN CEILING ON LOANS AND GUARANTEES BY CORPORATION

The House resumed, from Friday, March 9, consideration of the motion of Mr. Gillespie that Bill C-3 to amend the Export Development Act be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, let me say at the outset that today I am experiencing some throat trouble, so if I speak in a very low key this afternoon I hope hon. members will understand.

Last Friday afternoon, in the three or four minutes before the adjournment, I had an opportunity to make a few remarks on the Export Development Act and the amendments which are before the House in the form of Bill C-3. I should like to take two or three minutes now to summarize what I said at that time. The purpose of the amendments is relatively simple, that is, to increase the share capital of the Export Development Corporation from $75 million to $125 million and to increase the ceiling on loans and guarantees from $800 million annually to $1.5 billion.

On the surface, these amendments seem rather straightforward but I raised a couple of issues last Friday and I want to talk about them further this afternoon. The main purpose of the Export Development Corporation, other than lending money to foreign companies or foreign countries to purchase equipment and supplies in Canada, is to insure Canadian firms against non-payment for exports by foreign buyers and to insure Canadian foreign investors when they invest in other countries. This type of insurance only takes effect when a private commercial company will not risk insuring a corporation.

I feel that the bill before us is oriented too much toward big business, the multinational corporation. If you look at the type of credits that have been extended by the Export Development Corporation over the last few years, you will find that most of the financial arrangements for insurance and so on have been with the huge multinational companies, many of which are controlled by Americans.

I pointed out the other day that there is a strange involvement between big government and big business, and this is borne out when you look at the board of directors. The chairman of the board of directors of the Export Development Corporation is Mr. J. F. Grandy, Deputy Minister of Industry, Trade and Commerce. Also a member of the board is Mr. T. M. Burns, Senior Assistant Deputy Minister; Mr. G. K. Bouey, Governor of the Bank of Canada; Mr. P. Gerin-Lajoie, President of the Canadian International Development Agency and that progressive figure, Mr. S. S. Reisman, Deputy Minister of Finance; Mr. A. E. Ritchie, Under Secretary of State for External Affairs and so on. On the private sector side, we see four business representatives on the board of directors of the EDC—Mr. Paul Leman, President of the Aluminum Company of Canada; Mr. I. S. Ross, President,

Swan Wooster Engineering Company, Limited of Vancouver; Mr. R. D. Southern, President of Atco Industries, Limited of Alberta and Mr. A. H. Zimmerman, Vice-President of Noranda Mines.

There seems to be a very interesting correlation here between big business and the government bureaucrats and mandarins, and some very interesting things have developed as a result of this strange, or perhaps not so strange, alliance. We find for example that Mr. Paul Leman, President of the Aluminum Company of Canada, was appointed to the board of directors in October, 1969. Perhaps there is a conflict of interest, Mr. Speaker, between his activities and one of the credits given by EDC. The minister might like to comment on that later. Mr. Leman is still on the board of directors of EDC and page 24 of the 1970 annual report of the Export Development Corporation shows that a credit was given to his company. The country concerned was Argentina and the contract was signed on December 11, 1970; the amount of financing was $7,500,000. I would be interested to know whether the President of Alcan was at the meeting where this particular credit was approved and whether he was involved in the decision. If he was, Mr. Speaker, this is an obvious conflict of interest and I think the minister owes the House an explanation when he speaks later in this debate.

When I look at the names of the directors and consider the financing that has been arranged and the firms to which the money is going, I wonder whether the government takes all the risk with the taxpayers' money and the multinational corporations take none. This is not what I understand as a free enterprise system; this is the type of system which we sometimes call the system of socialism for the wealthy, for the large corporations. When these corporations go into the other countries they are assured that there is absolutely no risk; they know that they will be insured by the Export Development Corporation, which is funded by the taxpayers of this country. I consider this an area of serious concern. I believe that the Export Development Corporation should be oriented more towards small businesses than towards large business, as is the case at present. At present, before a company may qualify for assistance, the size of transactions involved must be substantial. That, I believe, must be changed. The Export Development Corporation should help small businesses of this country.

• (1530)

My second area of concern—I beg your pardon, Mr. Speaker, my voice has let me down and I cannot speak.

Mr. Deputy Speaker: Perhaps the hon. member would like to rest for a minute or two, or somebody else can make a contribution, after which he could complete his speech. I think we ought to accommodate ourselves to the unusual difficulties he is experiencing. I will call on the hon. member for Oxford. The hon. member for Yorkton-Melville may finish his speech later this afternoon.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, for a good many years we have heard successive ministers responsible for industry, trade and commerce in successive governments advocate in this House the expansion of our trading possibilities in South America. Also, a number of ministers responsible for trade, industry and commerce, including the previous minister, have taken trading missions to South America for that very purpose. This sort of thing went on during the tenure of the last two or three governments. Prior to that, this activity had been indulged in when the present hon. member for Prince Edward-Hastings (Mr. Hees) was minister of industry, trade and commerce. It is in that regard, and in that vein, that I wish to address my remarks.

Not only has it been our policy to expand trade in Latin America; it has also been, as it was in the days of the government formed by the right hon. member for Prince Albert (Mr. Diefenbaker) and subsequently, the policy of our government to try and promote goodwill and perhaps political expectations of one variety or another in Latin America. The government, so far as I have been able to observe, has tried to promote this policy. However, it is clear that loans and extensions of credit are not granted from a purely economic motivation, otherwise why would it make loans to Pakistan, where the experience has not been entirely satisfactory, to say the least. Clearly loans and credit are extended on political, not economic, motivation. It is clear to me, as has been admitted by functionaries in the EDC, that the government of Chile in Latin America is being discriminated against in this regard. I will give precise details in a few moments.

I should like to point out that in days gone by, when Cuba was taken over by a new government by force of arms, the government of the day in this country did not discriminate against that government. I can well remember this because I happened to be parliamentary secretary to the then minister of industry, trade and commerce. It was made public recently by the late Mr. A. D. P. Heeney that great pressure was placed on the Canadian government at that time not to trade with Cuba. My colleague, the hon. member for Prince Edward-Hastings, has confirmed this to me. Nevertheless, Canada did not succumb to that pressure not to trade in strategic materials with the government of Cuba. Whenever the Cubans wished to buy anything, and whenever circumstances permitted credit being extended, they were accommodated. It is my understanding that the government of the United States had a great deal more respect for the government of Canada after it had stood up to pressure than was the case previously. This policy worked well.

It is well known that the present government of Chile is an extreme left-wing government, headed by Prime Minister Salvador Allende. He, at least, achieved his position after being democratically elected, which was not the case in the Cuban situation. It is equally well known that the government of the United States is a little unhappy about the government of Chile, and has exerted pressure in one way or another to try to do what it can to make the government of Chile somewhat less popular than it has been in the past. I would be surprised if the government of the United States has not attempted to put pressure on the government of this country, through the Minister of Industry, Trade and Commerce (Mr. Gillespie), and asked us to restrict credit to Chile. The reason is obvious. There are two industries in Chile which can provide foreign exchange. One is the copper industry, which is not in a healthy position, I gather; the other natural resource

industry is the forest products industry. According to information at my disposal, some of those natural resources are now ready for harvesting and can provide foreign exchange for Chile.

It is equally clear that the government of Chile is in a difficult foreign exchange position and has difficulty paying loans. I think the record of the country's trading with Canada has always been very good in the past. However, apparently it is the desire of the Canadian government not to extend credit to Chile because of that country's currency difficulties and also, I suspect, as I have already mentioned, for other reasons. Apparently this government's motivation, at least in part may arise from wishing to embarrass the government of Chile because of its political leanings. Apparently this is government policy, and I hope the minister will make some reply in this regard. I cannot see how this policy would please those in this House who sit to my left, and who are the allies of this government. I would not think it would be to their liking at all.

The illustration I have in mind concerns a rather large firm in the city of Woodstock, Ontario, known as Timber Jack. This firms deals in logging equipment, that is, in log rolling equipment, and enjoys extensive sales all over the world. In the past many of these sales have been financed in one way or another by the EDC. Last year the government of Chile presented this firm, Timber Jack, which is the subsidiary of a multinational corporation, Eaton, Yale and Towne, with the opportunity to bid on a $4 million order for certain timber skidders and logging skidders. Conversations had gone on with the EDC concerning financing. This happened some months before tenders were invited on the order. When the people of Timber Jack talked with the people of EDC, it was apparent that EDC was agreeable to making the loan. As I say, this took place some months before the final decision was made with respect to tendering.

In any event, when the final chance came forward to make the tender, EDC turned the financing down. The terms, roughly, were 10 per cent cash down, which Chile was quite prepared to pay, and the rest was to be paid off over a relatively short period in equal monthly installments. In our previous experience in dealing with Chile, the financial obligations that Chile had incurred were always paid on the line. I was requested by the company concerned to find out what I could concerning this failure to help in the financing of this project. I discussed the matter with officials of EDC and was informed that they were acting in accordance with government policy not to extend loans to Chile at present. Apparently this has been not only the policy of this government, but of other governments as well. They did not specify which ones. Consequently, the order was turned down.

• (1540)

In addition to the fact that an industry in my city lost a $4 million contract because of this attitude and the subsequent loss of employment, all of which is important, there is the more important fact of our future trading relations with Latin America. In this particular instance, I understand that Brazil in fact financed a subsidiary company of Eaton, Yale and Towne which makes somewhat similar equipment. In any event, I do not think that Chile was done out of the equipment. It might just as well have come from Canada. For a long time companies in this country, multinational corporations or otherwise, have tried to provide good service to Latin American countries on commercial orders. It is my view that this may well affect Canada's image in the Andean pact countries of South America in general.

It is quite true that if we refused to finance Chile in this case while Brazil did so, it will make suspect our future negotiations concerning trade not only with Chile but perhaps other Latin American countries as well. Chile is a business risk. It is certainly an investment risk. However, Canada can well afford to look to the future by taking some commercial risk transactions. I am sure the minister knows that in the past the EDC has taken certain risks. While they have not worked out as successfully as hoped, I do not think that anyone objected because Canada's long range policy and political policy, or perhaps I should say foreign policy, were perhaps served by making these risk loans.

As I mentioned at the beginning of my remarks, Canada has been trying for a long time to break into the Latin American market. It has also been our policy to promote good relations with Latin America. This sort of activity is hardly calculated to do that. In fact, it has the opposite effect. Our good neighbour to the south does not particularly care for the government of Chile for its own good reasons and expects us to follow suit by taking discriminatory action against Chile. That is indeed unwise. I hope the minister will be persuaded to feel this way. It is often said there is a price on everything and certain risks are too costly. In other words, the game may not be worth the candle. This in no way affects making loans in southeast Asia where there are doubtful expectations.

In future, if governments of a left wing stripe are not popular with a certain government, such as that of the United States, Canada should not discriminate against those countries on that ground, even if risks are involved. The long-term objective of this country, certainly in the interest of trade and foreign policies, should be that we form good relations with Latin America, even if certain risks are involved. I suppose if there were some serious crisis in Chile, such as the earthquake they have had recently, we would be glad to provide assistance. I suppose that is a different case because that assistance would be freely provided. In this case, some repayment is involved.

The two policies seem thoroughly inconsistent. I hope the minister will encourage his colleagues in cabinet to reconsider their attitude with regard to trading with Chile, even though it may be against undoubted American pressures. I realize that our friends to the south are in a pretty strong bargaining position now, in view of the fact the auto pact is coming up for renegotiation. I hope the minister will give us a reply in this regard.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to thank you for the fine gesture of allowing me to continue my remarks. I really should not continue at this time. My voice gave out before, and it will probably do so again. However, I have one or two concluding sentences.

I was going to raise the issue of the concern about multinational foreign investment in the developing countries in the third world, and the fact that we encourage it in this country. Many of these countries are now interested in controlling their own economy. This is one question this House should seriously consider when discussing the bill before us today. For example, 86 per cent of the insured investment goes into developing nations according to the annual report that is before us at this time. With that, I wish to close my remarks and leave some comments about this aspect of the Export Development Corporation to the hon. member for Scarborough West (Mr. Harney).

Mr. Deputy Speaker: The hon. member for Laprairie.

Mr. Watson: I apologize, Mr. Speaker. I was just sitting down. I had not yet reached my seat.

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, when I look at the bill before us, I think the program, undertaken in the past several years by the Export Development Corporation, could make us wonder whether this bill should be under the aegis of the Minister of Transport (Mr. Marchand) because there are certain features of the EDC that suggest it is a "gravy train". It lends money to customers of Canadian corporations, but so often these are the big corporations. It insures Canadian corporations against non-payment by foreign producers, but so often these are the big corporations. It guarantees financial institutions against loss when they lend to corporations that may get into trouble overseas, but so often these are the big ones.

As of December 31, 1972, eight Canadian corporations shared 50 per cent of the benefits in EDC. If the outstanding offers that are before the corporations are accepted, the big eight share can go up to 64.8 per cent. This means that almost two-thirds of the money available for assistance to expand Canadian exports is being monopolized by eight major concerns. We ought not to jump to the conclusion that this, in itself, is bad. Bigness is not necessarily good, but it is not necessarily wrong either. None of us want to go as far as the former president of General Motors in the United States who said that he thought what was good for General Motors was good for the United States. I do not think we are inclined to go to that extreme and think that whatever is good for the "Big Eight" is also good for Canada. Neither do we want to draw the opposite conclusion that anything that is done to assist these corporations to develop and carry on business is necessarily bad for the people of Canada. We recognize that they employ Canadians and are putting something important into the economy for the development of this country. None the less, we should not jump to the other conclusion that we are giving the Canadian people the best assistance we can when we are giving this kind of encouragement to the major industrial corporations in Canada.

There are at least two points of criticism that can be offered under this heading. One fault with the way in which the finances of the EDC are being distributed is the way in which they involve an imbalance among the provinces of Canada. Five of the big eight are from one province and three are from another. We must give much more recognition to the need for a better distribution of financial resources of EDC across the country in order to encourage the development of exporting industries in other parts of Canada.

• (1550)

However, we must give consideration as well to the way small businesses in Canada are being affected by the actions of EDC and its regulations under which a project must normally involve a minimum of $1 million. This reduces the chances of a small business enterprise getting into the export market with the help of the EDC. I think that parliament ought to give more consideration to improvements to EDC programs that would give priority to small businesses in this country. We are not questioning the principle of the EDC and we are not calling into question the fact that the EDC should be free to assist major exporters in the country, but we would like to see a re-examination of the priorities of EDC so that greater advantage can be given to small businesses, enabling them to develop the export dimension of their programs they have not been able to undertake.

So, we would ask that the minister in charge of this corporation, and the government generally, give consideration to this kind of critical question: Is sufficient publicity provided to small businesses describing the services available from the Export Development Corporation? It has been my experience in dealing with small businesses that very often those in charge are not always aware of the programs the government makes available. Very often they are quite uninformed about projects and programs the government has undertaken because these have not been fully explained. It would be of interest to the country if the department responsible for the EDC undertook a more energetic effort to reach out to small businesses in Canada to enlighten these people in order that they might participate in the export markets of the world with assistance from the EDC.

Second, I would ask this critical question: Is it the policy of the Export Development Corporation to avoid transactions which would, by the very nature of small businesses, discourage the use of its services? I can appreciate that it is often more simple for the EDC and other government agencies to deal with well-staffed and highly sophisticated corporations which operate on the level of government departments. We hear and witness all around us big government, and we can appreciate that big government is very much in tune with big business. What we would like to see is a conscious and sincere effort by the EDC to take cognizance of the small business firm and employer, reaching out to encourage him to become active in the export market.

Third, we would ask whether it is a policy of the government or that of the EDC that the small business corporation should be forced to go to the private lending institutions? One of the major problems faced by small business today is the lack of adequate capital. Anyone who deals with small businessmen today knows they are constantly challenged by the problem of finding enough capital with which to equip themselves and expand their markets. Very often they have visions of new markets they can penetrate. They have the energy and initiative with which to do so, but they lack equipment and staff because they lack capital. What they need is a positive, creative and

sincere effort by the government to assist them finding what they need most, and that is capital financing. If the EDC and the government of this country intend to help small business in Canada in the way required, they will have to do something such as this. They must consider establishing a branch of the EDC which will have as its prime concern and responsibility the provision and promotion of services to small businesses. If the government undertook this it would not only assist these businesses, but would go a long way toward meeting at least part of the unemployment problem in this country.

We are aware that one of the features of business life today is that small business tends to be labour intensive, to a much greater degree than big corporations which often can afford equipment that actually reduces the number of jobs provided in the past. If we want to increase jobs we have to increase the number of small businesses.

Even more important, we have to help small businesses to stay alive. It is often said that the greatest bankruptcy rate in business today occurs among the small entrepreneurs. This is because they lack adequate capital and other means of staying in business. That is why we want to put emphasis on the needs of some of the finest people in this country; people who are making a noteworthy contribution to their communities. They should receive much more in the way of incentives and support from the government than they have to date.

Such a small business branch of the EDC could assist and make efforts to improve the balance of payments position of Canada, because we would find small businesses participating in the export market, resulting in much greater diversification of products for overseas export. We are all conscious of the difficulties Canada has suffered for a long time because so much of our export trade has been directed to one country. The vast majority of our export products are going to the United States, and we must certainly diversify in terms of our customer countries. To do that we must look for new markets and develop new products available for export in a fashion that has not been followed in the past.

We plead with the government to think very seriously about the possibility of making a creative contribution to the economic expansion of this country by assisting that part of the economy which has for a long time lagged in export opportunities. Small business requires considerable assistance in this regard because a great deal of our difficulty in the export market relates to competition with other countries which have cheaper labour resources. We must assist small business to find ways to develop competitive programs rather than cheap labour resources. We must assist them to find better competitive methods in terms of improved efficiency of operation, improved products and greater quality in order that they will be more competitive. We cannot hope to accomplish this in terms of lower labour costs.

If small businesses are to make this kind of advance they will need the co-operation of the government, not the kind of handouts from Ottawa in the last few years which have gone to others as welfare help. We all believe that those who help themselves should be helped by others, and this is what we are asking for in this instance. We believe in assistance to the small businessman who, with a limited operation, must undertake most of the administration and management on his own. He cannot afford the research departments or the promotional efforts or the great sales forces available to big business. That kind of person needs the help of the government to give him a chance to stay alive in our economy. So, we urge the government to make this a priority.

• (1600)

We should recognize that intentionally or not our smaller operations in Canada have suffered from a lack of available financial resources. I have already referred to their difficulty in finding adequate capital. For example, in 1964 the Royal Commission on Banking and Finance reported that one-third of Canadian-controlled companies with assets of under a million dollars had inadequate supplies of long term capital. This is still the case and unless we resolve the problem in a positive way an increasing number of small businesses will be obliged to quit their operations. They will be forced to sell out to big corporations and, as hon. members know, those big corporations are often subsidiaries or agents of multinational corporations. When we speak about the future of Canada, we cannot be serious when we talk about repatriating the economy unless we are serious about helping Canadian-owned small business institutions.

I would like to turn, now, Mr. Speaker, to another dimension of this topic. I wish to refer to the way in which the EDC has, in my opinion, not only an economic responsibility but a social responsibility to help the have-not peoples of the world to help themselves. I think the minister, in his opening address to this debate, conveyed the impression that the EDC finds some of its justification in doing just that. I agree with what he says. I think we should be impressed by many of the things that the EDC has made possible. It has enabled Canadians to sell to have-not countries equipment which has enabled them to develop their resources. We certainly agree with the EDC carrying out that kind of program. But, at the same time, Mr. Speaker, I wonder why he omitted to mention that the EDC was involved in the erection of a luxury hotel in the Caribbean.

I do not quite see how this fits in with the social aims of the Export Development Corporation. The ordinary taxpayers in Canada certainly cannot afford to go to this luxury hotel; the ordinary citizen in the Caribbean certainly cannot afford to do anything but work in that kind of institution. We must therefore wonder whether this is the best way to utilize the money being made available by the taxpayers of Canada to meet the needs of the ordinary citizens in Caribbean countries or elsewhere in the world. With regard to the particular enterprise to which I have just referred, I should like to know just how much Canadian content was involved. We read in the regulations of the EDC that the projects financed by EDC must contain 80 per cent Canadian content. Well, perhaps 80 per cent of the materials used in that hotel came from Canada. But it would certainly be interesting to learn whether that was so.

Another question I feel I must ask is why this kind of aid should be provided to countries which do not appear to have an obvious need for such facilities. For instance, I

look at countries such as France, Argentine, Brazil, to name just a few, and I wonder why there is a special need for Canadians to help finance their imports from this country. Perhaps there is a good answer to that, but it is not obvious and I think we should be concerned about not only the imbalance in the distribution of the funds of the corporation, chiefly among eight corporations and two provinces, but also to the assistance provided to countries where the need is not as great as could be found elsewhere.

A fundamental question of principle which I should like to raise before the House is this: is the program of the EDC really the best way to help advance the Canadian economy? Should we not recognize that many more jobs would be created if we were to help small business enter the export market and assist them to do so by granting them the kind of loans which the EDC has shared among the big eight? For example, if we compare the operations of the Industrial Development Bank, which does assist many small businesses in Canada, with the record of the EDC we find that the Industrial Development Bank is making money available at a much higher rate of interest than the EDC makes available to the much larger corporations. The average interest rate charged by the Industrial Development Bank in 1972 was 9.86 per cent. The rate charged by the Export Development Corporation was only 7 per cent. We might also wonder about the size of loans which the Industrial Development Bank makes available to some of our smaller companies in contrast to the size of loans available to our major corporations. The average size of loans made by the Industrial Development Bank in 1972 was in the order of $5,000. Those made by the EDC were $23.3 million.

Look at this from another standpoint, Mr. Speaker. Should we be doing more for the Canadian people if we concentrated on creating jobs in Canada and providing services in Canada with the funds that are available to the EDC? I think we have often leaped to conclusions when making judgments about exports and when making judgments about aiding industry. It has been thought that if we provide fast write-offs and other concessions we would be bound to create jobs. We have thought that if we expended exports we would be bound to create jobs. But so frequently this is not the case.

It has been remarked that generals are usually best at fighting old wars. This is not to be wondered at when one considers that so much of their time is spent in military colleges studying old wars. They are trained, very often, to consider how they might have won this battle or that campaign. They are taught to identify the mistakes made by generals in the past, and so on. Is this not equally true of economists? Often we look back some years, sometimes a generation, to this economic theory or to that economic theory. We become so wedded to the principles enunciated by one economist or another, principles which for a time had validity, that we forget that other changes in the lifestyle of the world have made those theories outdated. I would therefore suggest that some very critical questions be asked about the effectiveness of EDC in contributing to the expansion of the number of jobs in Canada as well as to enriching the life of the Canadian people.

The point at issue here is whether the money we make available to assist our export trade should be used just to permit our larger corporations to increase their record for any particular year. We ought to be dovetailing our export program in with our whole concern for solving unemployment, our whole concern for expanding the number of jobs available to the Canadian people, our whole concern for putting more purchasing power into the hands of the Canadian consumer. When we can provide a clear, firm and positive resolution of these concerns then there is full justification for the EDC program. Until this is the case, I think we must critically examine the whole proposition.

Very often the economic policies of the government remind me of a group of church women who went out selling tickets to a church supper. They were asked by a man to whom they tried to sell tickets: "Why do you want to sell tickets?" They told him they were putting on a church supper. "Why do you put on a church supper?" was his next question. "Well, we want to raise funds", they replied. To his inquiry as to why they wished to raise funds they said: "In order to pay for the hall we have built". "Why did you build the hall?" he asked. "In order to have a place in which to hold the supper".

• (1610)

There is a kind of circular uncritical assumption about many economic policies that are very much like that circular uncritical effort of those particular women. I think the time has come, not simply in respect of this one but many other major programs of the government, to ask to what extent these programs are making a major contribution to the achievement of Canada in reducing unemployment, giving people an opportunity to support themselves, and giving Canadian entrepreneurs and businessmen an opportunity to develop the resources of this country in conjunction with the working people of this country. If we were to ask that kind of question I think we might very well find that we would be doing more for the Canadian people were we to make some changes in the efforts of the EDC. We might very well find that if we put some federal money into the provision of better transit in some of the major population centres of the country we would do more to create jobs for Canadian people and provide services for the Canadian people than by shipping certain products across the sea.

We must ask ourselves what our priorities are. We must ask what the best way is to meet the human needs of the Canadian people. Then, we must ask whether the EDC is achieving this. Finally, I should like to call the attention of the House to the need for parliament, the government and this corporation, which is our under authority, to give greater help to Canadian-owned industries. One reason for helping small businesses is that very often they are Canadian-owned, certainly to a far greater degree than is the case among the major corporations. When we face the fact that EDC is giving priority to these major corporations many of which are foreign controlled and are subsidiaries then we must become increasingly critical because most of the capital of EDC is going in this direction. Of 43 firms which benefit from EDC, 21 are foreign-controlled. We are given the impression that this program is yet another way to really help this country be controlled

and indeed owned by foreign interests, particularly United States interests.

Indeed, we must be increasingly concerned about the fact that EDC is another government agency that is feeding the expansion or dominance of the world by multinational corporations. In looking over the report of the EDC, one might wonder whether very often in its program it is financing one branch of a multionational corporation to buy from a Canadian branch of the same corporation. We must therefore have increasing concern about the way in which EDC, and along with it the private lending institutions of this country, should be required or at least encouraged to give greater priority to Canadian-owned companies.

When we talk about the repatriation of our country's economy we should be more concerned with that than we have been even about the repatriation of our constitution. We must recognize that very frequently government programs are contributing to the alienation of Canadian control. So, we ask again that the government re-examine the program of the Export Development Corporation with a view to giving priority in terms of financing and other aid to Canadian-owned institutions. It is not that we are suggesting they should not make assistance available to any firm that is operating within Canada and for the interest of Canada, but we would like a greater priority given to those companies which are 100 per cent Canadian.

For these reasons, we would call on the government to adjust its priorities. We would ask that it give greater priority to small businesses, to give greater priority to parts of the country which do not have sufficient industrial development, to give greater priority to labour intensive businesses which are seeking assistance and to give greater priority to Canadian-owned companies as well as to the social need abroad and the social need at home. When those priorities are taken seriously by the corporation and by the government then we certainly can be 100 per cent in support of the aims and objectives of the EDC. Until then, we must remain critical of it in the interest of the Canadian people.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I am very pleased to take part in this debate and to follow my distinguished and learned colleague, the hon. member for Scarborough East (Mr. Stackhouse), who I think has brought out a significant number of home truths when we consider this bill as being, as it is, part of the whole economic posture of the government and indeed the economic posture of our country. It is too bad, I suppose,—perhaps it is not really—that we are considering this bill only in the light of increasing the capital of the corporation because the problems which face us go far beyond the simplicity of the text of the statute. However, perhaps in some respects it is fortunate, if the present situation can be called fortunate, that we consider this matter on a day when we have had the release by Statistics Canada in respect of the actual rate of unemployment in our country which stands at the appalling level of 7.3 per cent of the work force, and when we realize that we are considering this bill at a time when there are 655,000 Canadians out of work.

The Minister of Finance (Mr. Turner) speaks of unemployment in human terms. I think the hearts of every member on both sides of the House go out to those 655,000 people many of whom, perhaps most of whom are still, for some reason or another, unable to find jobs. When we speak about this bill in the context of the discussion in this House, and witness the apparent confusion in the Department of Manpower and Immigration, it is evident that the government takes no joy from this situation or from the fact that the unemployment rate is down ever so slightly. It certainly is nothing to write home to mother about. I am sure they take no joy—nor do we because we go further and condemn them—in respect of the economic policies which place our country and our young people in a position where they are potentially one of the groups with the highest unemployment level in the world among young people. I think this is very serious, having regard to what this means to them and their view of what our country could do for them.

I believe we are hampered to a great extent in judging the economic impact which this simple amendment will have by the fact that the Minister of Finance of this country, let alone the Minister of Industry, Trade and Commerce (Mr. Gillespie), who has been stung by the mistakes of his 1972 budget and has repeated them again in his 1973 budget, still fails to tell us what projection he would make with regard to the generation of employment. It is difficult to consider this bill, which deals with the export affect on our economy, without knowing where the Minister of Finance stands.

• (1620)

This government chose to remain in office; it chose to cling to office or, as that sign says, to "hang in there, baby", or whatever you want to say. They had every constitutional right to do that, but in so doing—and I think there is a *quid pro quo* in this—there was to be an offering in return for the confidence of the House of some economic programs for the development and health of the economy of our country which would be of some real significance, but there have not been any. As we look at this bill today, one that is as important as this one with respect to the industrial development of our country, we find that there is still nothing significant in it.

Instead of this government coming to the House merely asking for an increase in the share capital of this corporation, I would rather have had the government come to the House to answer the questions that are on the lips of the army of unemployed in our country. I would like this government to give answers to those who have to support those unemployed. I would like the government to give real, substantial tax relief, and not be afraid to back it up by saying that this is where the tax relief will function in the economy and such will be the results. I would rather have had this government come before the House with policies of economic expansion, new policies on transportation, real help for pensioners, and perhaps the beginnings of justice for public servants. But instead, we are being asked to approve merely an increase in the share capital of an important corporation, and the minister has not given us any indication of how this fits into the whole economic package which the government wishes the Canadian people to believe it has. I think this is important.

The Export Development Corporation was formed in October of 1969 to help develop markets abroad for Canadian exporters. The concept was a good one and it is still a good one. I think it is essential for Canada to support the concept because Canada, for better or worse—and sometimes one wonders about that—is one of the world's great trading nations. I suggest to you, Sir, that much more is needed in this amendment than merely to increase the ceiling. I suggest to you that the whole concept of the bill must be looked at in depth. It may be that the ceiling which the government seeks to increase is not high enough and that a complete review of the operations of the corporation might be the answer. However, this debate will not supply that kind of review.

It may be that in the course of this review we would find out, not only that the amendment is deficient in terms of the amount of the increase requested, but that our whole approach to resource development must be reconsidered. It may very well be that our banking policy may also have to be reviewed. There is nothing here about that important aspect. It may be that our research and development policies should be reconsidered and I commend to members of the House the testimony of Dr. Schneider, chairman of the National Research Council, before the Standing Committee on Miscellaneous Estimates a few days ago, with respect to the importance of research and development and whether it is being neglected, negligently or deliberately.

Perhaps out of such a review—and I wish we could have this review—we would come forward with some new policies with respect to transportation so that the patchwork quilt of policies which have been ours for so many years may be reshaped. Perhaps we could rethink and redirect the whole work of the Industrial Development Bank and its role in the scheme of things. I think this is possible. Probably we should take a good honest look for once and hear some honest comments from the government on the significance of the DISC program in the United States to see how it really affects us. I think that, in the course of that review, we would be able to look at our tariffs and we could come to grips with the whole sorry mess of foreign ownership and foreign investment in this country. In short, rather than applying another economic bandaid—and this is all this bill is—this review would have been much more meaningful to the House, for the government, and the Canadian people.

Some of my colleagues have spoken about small business. Canada has become dependent on one market which takes up about two thirds of our export trade. The bulk of our sales is in such primary fields as forest products, mining, oil and gas. If you look at the statistics, you will find that there is comparatively little in the manufacturing field other than the trade resulting from the auto pact. There is no doubt that large corporations dominate the export field. In 1970, 87 corporations with sales of over $25 million accounted for almost 70 per cent of Canadian export sales, and 426 exporters executed 92 per cent of the exports reported.

I think it is important that we note that the EDC provides financing for initial terms of 12 to 15 years at average interest rates of 7 per cent, and eight countries have received 59 per cent of the money, Mexico being the largest with $130 million. In the past year, the EDC concluded long-term, five to 15 year financing agreements with foreign buyers totalling $283 million. At the end of the year they had over $1 billion in outstanding long term contracts. As a result of these statistics and this evidence, weaknesses in the EDC's approach are now becoming apparent. Their activity appears—and I say this with great respect—to be encouraging rather than discouraging the concentration of our trade, particularly with respect to individual exporters. This is a decided weakness.

A review of this $1 billion financing reveals that 50 per cent of it benefited only eight Canadian exporters, four of whom are subsidiaries of American concerns. On average, these companies have received or are receiving $64 million each in export finance benefits. The largest is the Montreal Engineering Company Limited which has some $101 million in benefits. I am not suggesting that those things, by themselves, are wrong, but I am suggesting that the efforts, the energy and the funds have become too centralized in too small an area and that many Canadian small businesses and the potential of small businesses have been ignored.

The Export Development Corporation is not fulfilling its role as we had anticipated, and we in this party believe that the EDC should assist small businesses to enter this field and should favour—in fact, I am prepared to use the word "prefer"—Canadian small business and Canadian-owned corporations as opposed to foreign subsidiaries. Last year, for example, of those identifiable only 13 Canadian exporters benefited from the $283 million in long-term financing provided by EDC. Out of those 13, nine were foreign subsidiaries. These are pretty important statistics.

• (1630)

Mr. Gillespie: And thousands of Canadian suppliers, small part suppliers.

Mr. Baker: I appreciate the interruption from the minister. I am not suggesting that thousands of suppliers did not benefit. I think this is a misinterpretation of what I said. All I am saying, and I think most members of the House will agree, including those who support the minister, is that at this time, in the context of our own economic situation in this country, an emphasis ought to be put upon the development of Canadian-owned small business.

Some hon. Members: Hear, hear!

Mr. Baker: And, Mr. Speaker, there ought to be a review of the operations of the EDC to see if a concentration has not, inadvertently or otherwise, taken place with respect to its operations that has resulted in the defeat of what I think is a generally acceptable Canadian objective.

My colleague from Scarborough East mentioned the work and undertakings of the Industrial Development Bank, and how it has, in fact, gone the other way. The Industrial Development Bank has been a fine example, in terms of concept in any event. I have some question about some of the terms and conditions under which it grants loans because its failure rate indicates either very astute investors or else the fact that the bank is not taking many

risks. This Industrial Development Bank has assisted over 16,000 customers who borrow small amounts of money for the purposes set forth in that statute. It is doing a good job. I think the use of the Industrial Development Bank by Canadian businessmen is significant, compared with the rather centralized thrust of the Export Development Corporation. That is a statistical fact.

Mr. Gillespie: On a point of order, Mr. Speaker. Sharing as I do the concern of the hon. member for the development of small business, I wonder whether he is aware that the export credit insurance part of the Export Development Corporation has over 1,000 policies outstanding, 70 per cent of which cover exports of $250,000 or less? Surely, the support for these small—

The Acting Speaker (Mr. Laniel): Order, please. The minister knows that he cannot make a second speech without closing the debate. If he wants to ask a question he has to seek permission from the hon. member who has the floor, rather than try to do it by way of a point of order.

Mr. Baker: Mr. Speaker, I enjoyed listening to the minister's speech earlier, but I do not want to have to listen to a second speech now.

Mr. Gillespie: Are you aware of that fact?

Mr. Baker: Of course, I am aware of it. It is contained in the report of the corporation, but it is only one part of the potential operation of the corporation. My point, Mr. Speaker, is that the government is really looking only at a very small aspect of the problem when it comes to this House and asks the House to increase the share capital of the corporation.

Mr. Gillespie: We are doing more than that, Mr. Speaker.

Mr. Baker: Our concern with the Export Development Corporation is with its failure—it may be a failure in good faith, if there is such a thing—to harness its full potential. Our concern lies in the realization of what the Export Development Corporation can do as compared with what it has done.

As hon. members in all parties have said, there is no doubt that the chronic problem of Canadian business is the shortage of capital. My hon. friend from Scarborough East mentioned the advice given by the Royal Commission on Banking and Finance in 1964. A more recent picture is given by the Department of Industry, Trade and Commerce study called "Foreign Owned Subsidiaries in Canada, 1964-49." It examines the operations of all foreign held non-financial corporations in Canada with assets of more than $5 million.

In 1969, the last year of the study, these corporations reported net external funds of $353 million. Of this amount, $204 million came in the form of Canadian bank loans. What this means is that for the year 1969 nearly two-thirds of the money used in these transactions came from Canadian banks, and the total owed at the end of 1969 was $1.17 billion. I believe that the Export Development Corporation is guilty of the same bias. A large percentage of its funding and its energy has been given to foreign controlled firms.

In the past year, the EDC signed long-term financing agreements with foreign buyers totalling $283 million. At the end of the year it had over $1 billion in outstanding long-term contracts. A review of that $1 billion, as I said, reveals that 50 per cent of it benefited only eight Canadian exporters, four of which are subsidiaries of American concerns. In sum I think it is fair to say that the government has helped large American-owned corporations retain control of the export business in Canada. That may not be what it intended, but that is the net effect of what has happened.

I think that a better case than the government has made could be made for putting $1.5 million of public money into the EDC. If foreign firms, most of them American, continue to get first crack at the loans of the Export Development Corporation, Canadian firms are thereby denied. Canadian manufacturers would like to become more active in the export field, but in terms of quantum they really get little help from the EDC. This is a sad state of affairs. I want you to understand, Mr. Speaker, that we are not calling for discrimination against foreign controlled firms, but as the hon. member for Scarborough East said, we are calling for a re-evaluation of our priorities as Canadians. Canadians will never benefit from any position of narrow nationalism. But that is not to say that a Canadian government or a Canadian parliament ought not to hold that it is worthy of it to recognize the needs of the Canadian business community.

In recognizing the needs of the Canadian business community, it is my respectful submission that we will also keep our eye on those 665,000 unemployed, that we will not forget that there is 7.3 per cent of Canadian workers out of work, that the object of the government, whether we are dealing with the EDC or otherwise, ought to be to use its best efforts to promote the development of Canadian small business, which is the greatest employer in this country, and that we ought to create in this country an atmosphere where Canadian business can do its own thing, as opposed to the government entering the field and doing the same thing for business people. I believe that this ought to be the proper thrust of this legislation, and not just of this legislation but of everything that is considered by this parliament. Finally, Mr. Speaker, we ought to reconsider the allocation of additional funds unless a Canadian preference approach is adopted by this corporation.

• (1640)

Mr. Don Blenkarn (Peel South): Mr. Speaker, we are dealing here with a bill to amend the capital structure of the Export Development Corporation by increasing the advances to that corporation from $850 million to $1.5 billion. I am sure most members of the House of Commons are desirous of giving every assistance to business in this country to export its products. If it were that simple, the House would have passed Bill C-3 some time ago but of course it is not. The bill gives the House an opportunity to re-examine the Export Development Corporation, to consider its annual report and financial statement and its performance.

It becomes apparent that the corporation is involved with 43 companies; eight of them are major companies which have half the money now and pretty soon will have 64 per cent or 65 per cent of it. The corporation also has a fancy list of directors and a beautiful prospectus with pictures in four or five colours. One begins to wonder why a company with only 43 customers, eight of them major, has to spend money on offices in Ottawa and branches in Toronto, Vancouver and Montreal, why it wants $1½ billion so that it can use 64 per cent of that amount to service eight companies! Mr. Speaker, four of these companies are owned by shareholders in another country.

The hon. member for Scarborough East (Mr. Stackhouse) raised the question of priorities and I shall comment on that later. Some time ago when I was analysing the question of export development, I asked some businessmen in Mississauga what assistance they received from the federal government with regard to foreign trade. One of them, and I will be glad to give the minister the name of the company, told me, "We don't get any help from Ottawa. The only place you can get help for trade in this country is from the province of Ontario because the province at least is concerned about small business. We are not a big company, we only make wheel barrows and concrete buggies but the province of Ontario made it possible for us to get going and we are now selling to Peru and other places." What is wrong with this government, Mr. Speaker, that it even permits the provinces to get involved in foreign trade? The trouble is that this government, and this minister, are not doing an adequate job. In many cases, small business has to look to the provincial minister of trade for assistance. I ask the minister, Mr. Speaker, is this the way our export trade should be developed? Is this government only interested in the big, the powerful, the foreign-owned?

Some hon. members have said that we are really not concerned about the fact that some of the loans have been made to foreign corporations but, Mr. Speaker, we are concerned about the proportions and we are concerned that the interests of Canada and Canadian businessmen take second place in the deals that are organized. It seems that it is easier for the Export Development Corporation to deal with a few large companies than with small companies. It is one of the tragedies in Canada today that these few large companies are foreign-owned. It is easier to deal with them because they know what it is all about—they know the game. They can afford to send their lackeys to Ottawa; they can afford to stay in the fine hotels and entertain members of the Department of Industry, Trade and Commerce; they can afford to fight their way through the maze of government offices; they can afford to calculate how to qualify on a project and they know that this government is prepared to play ball with them and is spending great amounts of money. How many customers are serviced by these great amounts of money, Mr. Speaker; just 43?

A lot has been said about small business, Mr. Speaker, and I want to point out that through the Industrial Development Bank assistance is available to small business at an interest rate pretty close to ten per cent. I want to point out, too, that the Export Development Corporation is prepared to lend money to large companies at 7 per cent so that they can finance foreign trade. How can we justify treating the small businessman like this when he has contributed so much to the development of Canada? He cannot afford to lobby or entertain, but he pays 10 per cent and the big corporations pay 7 per cent. This is the kind of thing we are concerned about.

Mr. Gillespie: Is the hon. member aware that the loan is made to the buyer and not to the seller? There is no loan to the Canadian customer; it is made to the foreign buyer.

Mr. Blenkarn: That is very interesting. I am delighted that the minister has pointed out that he is prepared to lend to Canadian businessmen at 10 per cent and to foreign businessmen at 7 per cent. That is the kind of attitude we expect from this government.

Mr. Paproski: You hanged yourself there, Alastair. Any other gems?

Mr. Gillespie: Well. he hasn't got it straight yet.

Mr. Blenkarn: Mr. Speaker, this corporation compares to some extent to a corporation in the United States called the Export-Import Bank. That corporation has a different method of operation to some extent because it does not put up all the money but only a portion of it, approximately 30 per cent, and approaches the private sector for the balance. We have pretty significant and large private banks in Canada. Indeed, the Royal Bank of Canada and the Canadian Imperial Bank of Commerce, in terms of size and capital structure, rank high among the world's banks. It seems strange to me, and to other members on this side of the House, that only some $20 million has been supplied by Canadian banks and that the balance of the finances of this corporation come directly from this government. I think one can say this: this corporation is being lazy. It is not going onto the street and looking for the money with which to finance exports in the normal course. It finds it easier to take money from the taxpayer and make long-term loans with its own money. It does not operate as a bank or exchange department; it operates the easy way, by sitting back and using its own money. When it runs out of money, it comes crying to parliament for more. It could easily go to the various chartered banks of this country and work out some insured loan participation arrangement; but it is easier to operate as it now does.

• (1650)

Perhaps the reason for its actions is that it insists on lending money at rates lower than those used by the banks; perhaps that is why large foreign corporations and multinational corporations of reputation come to this government for financial assistance. The financial assistance available here is perhaps cheaper than credit assistance available anywhere else. I suggest that multinational corporations know how to look after imports and exports and sales from one branch to another. Perhaps the whole organization of this corporation needs overhauling, since it seems that the foreign business community and large corporations are treating this government and this development corporation as an easy mark.

In our examination of this bill we should be examining the entire principle behind the establishment of the Export Development Corporation. We should know exact-

ly how it is operating on behalf of the Canadian people. If the Export Development Corporation and the government wish to demonstrate that they are not wedded to the idea of assisting only large corporations, I suggest they should consider establishing a department within the corporation whose primary function would be to go across the country, talk to small businessmen and organize exports for them. That kind of thing is done in the province of Ontario; perhaps the minister would not think of that. Nevertheless, that is how it ought to be done.

The activities of such a small business department could be instrumental in improving the balance of payments position of Canada. Such a department could assist Canada in establishing a more diversified pattern of trade. I am not pleased when I hear about one big sale to Yugoslavia or one big sale to Mexico. These are just one shot deals. What we need in export sales in continuing, repeat business. Earlier I talked about the sale of wheelbarrows. That is the sort of business we need, because we will sell some wheelbarrows this year, some next year and some the year after. Credit arrangements could be revolving and we could develop continuing business. As I said, what disturbs me most about some of these large sales is that they are one shot deals. This is not the kind of business that the corporation ought to go after. Sure, it looks good on the balance sheet and on the books. Sometimes the corporation lends $100 million. What we really ought to do, as I said, is develop continuing business, continuing roll-over trade. We could do that if we spent our time and effort looking after the interests of small business.

Finally, I want to repeat some of the things said by the hon. member for Scarborough East (Mr. Stackhouse), because I think they bear repeating. I think it is time for some rethinking. We must think again, not only about the government program we are presently considering, but about other government programs. It is time that we considered again the activities of this corporation. The Export Development Corporation very shortly, if this bill passes, as it may, will have $1.5 billion in circulating funds for a five-year period. The corporation is growing. Soon, a great deal of the money of Canada will be tied up in exports for five years. I suggest we must give serious consideration to a more rapid roll-over of funds. The government and the corporation must give serious consideration to borrowing money, or to allowing or encouraging private or international banks to assist in the financing of projects. Perhaps this corporation could give certain guarantees and take only a small piece of the action for itself.

We must examine our priorities whenever we examine any legislation. After all, one of the major reasons for encouraging exports is that we hope to create job opportunities for Canadians. When one looks at the fact only 43 corporations are involved, with eight corporations using 64 per cent of the money, I think it is fair to say, Mr. Speaker, that it is time we re-examined this program and reassessed its impact on jobs. Further, it is time we re-examined this program and considered it in terms of Canadian ownership. Also, it is time we re-examined the activities of this corporation in terms of the total development of Canada.

[Mr. Blenkarn.]

Often—I throw this thought out to the minister—credit helps in the sale of a commodity; yet, in many more cases, it is the price that counts. The foreign buyer is no different from any other buyer. He looks around to see where he can buy cheapest. It is time this government said to business in Canada, "What can we do to make business in Canada easier for businessmen; what can we do to remove the innumerable forms? How can we lower a corporate tax rate that is higher than that of any of our competitors?" Our bank rates and interest rates are higher, in many cases, than those of our competing countries.

Perhaps if we made business conditions easier for businessmen and used that $1.5 billion to cut the cost of doing business in Canada, which would reduce the total costs business must pay in Canada, we could reduce our prices on the export market. In that case perhaps we would not need to indulge in long-term credit to the extent that we now do, since our prices would be competitive. Japan, Mr. Speaker, does not rely on credit; it relies on sharp business and sharp pencils when the order books are opened. I suggest we can best develop our export trade by going out with our order books and using very, very sharp pencils. Perhaps that is the kind of approach the Export Development Corporation ought to adopt.

• (1700)

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am glad to be able to say a few words about Bill C-3 and about the economic situation.

We have to concentrate on activity outside Canada in order to make business work inside Canada, and Canadian industries develop and progress; we have to create incentives abroad so that Canadian manufacturers can sell their products abroad.

I wonder, Mr. Speaker, if that really is the best solution. I believe that the prime solution is to do all in our power to give Canadian consumers exclusive rights or at least priority on Canadian products. Canadians certainly do not have such priority because they lack the means of exercising their right to priority on Canadian-made goods.

What we should be exporting, Mr. Speaker, is our surplus. What we are exporting is the main bulk of our production, and at the same time we supply safeguards to foreign companies that buy our goods, in the hope of making sure that we will sell our Canadian products.

Mr. Speaker, we are always talking about helping small industry in Canada to develop. If we are to help small and medium industries to develop, certain incentives must be found. Several incentives have been applied to help industry, and they may have helped one sector of industry, but small and medium industries have scarcely been able to take advantage of these incentives.

Mr. Speaker, small industry does not have the means of taking out loans at reasonable rates of interest.

The government was kind enough to pass legislation enabling small business to borrow $25,000 at a quite reasonable interest rate. This was appreciated by small business, but it did not contribute to assist them properly because $25,000 does not go very far. As a matter of fact,

when a businessman needs machines costing $15,000 or $18,000 each, a loan of $25,000 is not enough because he cannot enlarge his business with such a small capital.

One could say that it is still possible to resort to the Industrial Development Bank, which can doubtless help small businesses. In fact, the IDB indirectly helped small industries which cannot affort to borrow from other banks. The IDB also finds that guarantees are not satisfactory and it almost always refuses loans to small businesses. Then, the latter find themselves in a sad plight.

I suggest, in order to really assist small businesses, that we enable them to borrow up to $100,000 instead of $25,000, and at a very reasonable interest rate, such as 5½, 6 or 6½ per cent. This would be reasonable and very much appreciated by small businesses.

Then, if we want our industries to be productive, we must enable them to do so and give them the necessary means. When they are given means to produce, they employ people who earn wages, and these industries are thus more likely to sell their products at home because the people who are working have the necessary purchasing power to buy some of the products manufactured by these small industries. There is a tax law which is detrimental to the small and medium industries. Small industry is enjoying some tax relief, but it is not sufficient to help its development in a normal way. The income tax legislation which was adopted by the 28th Parliament is greatly detrimental to small industry which is unable to hold on to its capital for development purposes.

The Industrial Development Bank is lending money at interest rates which are almost usurious, that is from 10½ to 12 per cent. The smaller the enterprise, the less credit it has and the less it is in a position to pay high interest rates. So, the Industrial Development Bank is doing like all the others: exploiting the small industry through interest rates.

Furthermore, the assistance granted to small industry through all kinds of technical means is far from being sufficient because the Industrial Development Bank charges 12 per cent interest on its loans, and the small businessman must get into debt for almost $100,000 to obtain $20,000.

• (1710)

And after that the Industrial Development Bank takes the interests and the reimbursements are almost totally taxable. The small businessman has heavy reimbursements to make and heavy taxes to pay which puts him in a difficult situation. Quite often he is unable to pay the interest and the taxes imposed on his reimbursements in addition to his own taxes.

There is also the 12 per cent sales tax on all materials produced in Canada. The government is helping industry by simply levying a kind of indirect tax. In fact, this is not assistance but indirect taxation because if the industrialist can operate his industry for at least 4 or 5 years he will have reimbursed his total debt to the government and the balance is a net profit for the latter.

This assistance, mainly as regards small business, is not truly realistic; we could improve the situation and provide more assistance to small industries through other means.

We should also adopt a tariff legislation which would better fit the reality of the current market and be tailored to our industries' needs. Until now several reviews have taken place but more remain to be done to enable Canadians to export their surplus. These factors are essential to stimulate the industries and their growth.

Mr. Speaker, 90 per cent of the grants have been paid to Canadian enterprises; in other words, 90 per cent of the small businesses still belong to Canadians. In order to maintain those small enterprises, we will have to fight still more, to make other incentives or other means available to the Canadian people to unable them to exist, because the small business owner is now going through an economic regression. As a matter of fact, there have never been so many bankruptcies. A great number of small enterprises are driven to bankruptcy, as they are unable to sell their products because those who buy them are insolvent and often go bankrupt. Those small industries have to bear the consequences of those bankruptcies.

If we are able to grant incentives so as to promote the sale of products to foreigners, we should also be able to establish some safeguards to protect Canadian industries against insolvent Canadian creditors, on account of whom astronomical sums of money are lost by small business owners and even by the government, in taxes of all kinds.

When governments have to be among creditors, when bankruptcies happen, they have to take their share of the loss as well as the others; that kind of loss is more easily assumed by governments than by small taxpayers. Now the latter would surely need appropriate measures that would give them some protection as to the sale of their products to the Canadian people; as a matter of fact, a great number of Canadians buy products for which they are unable to pay. The small business owner has to bear the burden and a chain reaction follows whereby a great number of small industries must close down.

A current regulation stipulates that the industrialist who buys $50,000 worth of machinery can obtain government loans; but if the machinery costs less than $50,000, the small industrialist cannot avail himself of the benefits offered by the government.

However, for the smaller industries, a $50,000 purchase is a lot. Many are unable to get into debt for $50,000 though they would need machinery. Many would buy $10,000, $12,000 or $15,000 worth of machinery a year, but they cannot afford it.

On the other hand, if government aid was more efficient and if the amount of assistance available to the small enterprise was lowered, to $5,000 from $50,000 for instance, this would mean an incentive not any costlier for the government. In fact, if it really intends to solve the unemployment problem, the government can certainly make more substantial loans available to solvent industries, a good number of which could produce valuable goods needed by Canadians or readily exportable but, on the other hand, many of them cannot develop on account of the conditions I have just mentioned.

And if we intend to maintain our economy afloat such small industries must operate at reasonable cost. If we want to sell abroad, we must come up with competitive prices, since prices govern the market. And if we fleece

the small or medium industries through taxes, transportation tariffs, higher gasoline prices, municipal, school and other taxes, we keep on stifling them because it is rather difficult to produce cheaply what is necessary if we want to sell. And if we want to sell at low prices, the first thing to do is to establish reasonable interest rates for industrialists.

Secondly, we must grant these industries every possible incentive, allow them to benefit from grants for instance, and lower the $5,000 minimum which may be borrowed because this measure is of no great help to a small business. And if this amount is lowered to $5,000, many small businessmen will benefit.

Thus, small businesses could produce more cheaply and governments could perhaps lower the 12 per cent tax, abolish all the taxes which boost the cost of merchandise and thus decrease their cost. If the cost of merchandise was lower, we could export much more because our prices would also be lower. In return, we could manufacture in greater quantity, which would enable us to reduce the unemployment rate and stabilize our economy.

In order to do so, we must be realistic and not consider the small businessman as an executive with all the necessary capital who can be required to pay any tax. We should not then increase prices endlessly and think that the small businessman will be able to cope no matter what.

We have all kinds of programs to help industries but it seems that almost all industries are worse off after receiving such aid than before, which means something is wrong. Other solutions must certainly be sought, and of course they must be realistic.

Mr. Speaker, we should be concerned about all those things. We are not against the bill, we are not opposed to making capital available to foreigners for the purchase of Canadian products since we want Canadians to sell as much as possible. However, we also want Canadians to be able to produce at low cost. That is one of the first aspects hon. ministers should concentrate on to find solutions.

Markets are easily found, industry can easily operate when products can be sold at low prices.

However, in the present economy of constantly increasing prices and soaring costs, it becomes very hard for small industries to compete with the big ones.

If we really want to help small industries, if we really want them to exist, we must find some sort of a corrective; we really must amend regulations and acts concerning the help to the small industry to assist it efficiently so it can prosper.

The present type of help is somewhat contrary to the facts. We are actually offering help to some foreign countries so that they can buy Canadian products, but we must not forget that if we export, we must also import. If we must import and export, it does little to improve the Canadian economy, the gross national product.

If we produce for $114 billion, Mr. Speaker, but import for $80 billion and export for the same amount, nothing is changed in the Canadian economic system. This does not alter the situation. If we want to export, it is necessary to import. And this is not a real solution. The answer is to

enable Canadians to make all possible purchases, to consume as much as possible in Canada to make our industries work. We should export surpluses in exchange for goods we are not producing. Exports should serve this purpose only. We are far from using our exports to this end.

We try to produce, to export but not to import, which becomes rather difficult because if we only sell our products without buying anything from other countries, we will not do it very long. Those countries will turn their backs on us and they will deal with other countries with which they will be able to trade.

As to foreign countries, we should trade with them to meet the essential needs of our economy and theirs.

Thus, to be logical, it is necessary to develop Canadian markets and to put the necessary purchasing power in the hands of Canadians to enable our industries to sell the biggest part of their production in Canada. It is necessary to further stimulate the production and consumption by increasing the purchasing power of taxpayers on par with the industrial and economic growth of our country.

• (1720)

[*English*]

Mr. John Harney (Scarborough West): Mr. Speaker, the hon. member for Yorkton-Melville (Mr. Nystrom) had to give up speaking sometime ago because, as he said, he was taken with a rather bad cold and his voice gave way. I would like to suggest that he was not being absolutely true to fact, because I suspect that he was moved to the point of choking by the admiration he had when it came to the prospect of the beautiful co-ordination that existed between the centres of high finance in this country and the directors of this corporation as indicated by a reading of the Export Development Corporation report. I am quite sure that is really what happened to him. He was choked with emotion when he looked at the startling involvement of this corporation. Following upon that was the information given to us by the hon. member for Peel South (Mr. Blenkarn), who was looking at the beautiful pictures contained in this report.

This is indeed a very handsome report, loaded with coloured pictures, not only of members of the board, but with those which give us some idea of projects reportedly supported by the Export Development Corporation. For example, on page 11 is a picture of a beautiful seaside resort, something which would tempt members of this House today. In the background we have palm trees, and girls walking beside the pool, and it has the following caption:

Interest in tourist facilities in the Caribbean is very high among Canadian investors. One third of the inquiries received for EDC Foreign Investment Insurance are for investments to be made in that part of the world.

This is very interesting when we consider the kind of concern presented a few days ago by church leaders in Canada asking for participation in the development of under-developed countries. It is surprising that this is the kind of project in respect of which the EDC is receiving inquiries.

However, let us remember that these inquiries received by the EDC are in respect of foreign investment insurance

rather than loans. There is a clause in the act controlling the EDC which allows that corporation to provide insurance to Canadian investors who want to invest abroad in areas which may not be entirely stable. As a matter of fact, I think the act specifies areas in which there may be revolution, riot and war. If, rather than assisting underdeveloped countries in very great need of basic industry and other development, Canadian investors show interest in areas of the kind pictured at page 11, then we may expect war, riot and other civil disturbances.

Let me look at other pictures in this booklet that are very handsome, indeed. On page 26, we have a picture of a more serious nature. It is a picture of a pulp mill, specifically a kraft pulpmill in New Zealand. The caption reads:

EDC made a $10.3 million loan to cover the sale of Canadian services and equipment for expansion of a kraft pulpmill and newsprint project in New Zealand. The EDC financing covered 90 per cent of the export value of the sale.

It seems to me that one of the rationales of the EDC is the creation of jobs in Canada. I have travelled around this country and have seen some kraft pulp mills. It might occur to some of us, or indeed some of those in the EDC, that this is an industry in Canada in which jobs could be eliminated by designing these pulp mills in such a way they can produce the products overseas. We can eliminate jobs in Canada in these pulp mills. In this situation, may we not be allowed to ask ourselves if, by the practices adopted by the government of this country, we are not contributing to a state in Canada which in fact helps the foreign corporation?

Let me come back to the point of the hon. member for Yorkton-Melville. He was referring to the directors of the corporation. One is allowed to wonder, if not suspect, that there might be some kind of co-ordination. I do not say collusion, between directors of the Export Development Corporation and directors of large corporations in Canada. I was particularly interested in one picture, and I am looking at the picture of Mr. P. R. Sandwell, who is a director of the corporation and chairman of the board of Sandwell and Co. Limited, particularly when we connect him with others in the list of loans by the EDC.

Let me refer briefly to a publication called *Canadian Pulp and Paper Industry* which has linked Mr. Simons with Mr. Sandwell. You will see that he is associated there with H. A. Simons (International) Ltd. which was financed in respect of pulp mill equipment, and consulting and supervisory engineering services, for a project in Argentina to the extent of $12 million. Simons and Sandwell have been linked in the past as having been responsible for the engineering and design of about one-third of the paper mills built in the world since 1945. Let me quote from *Canadian Pulp and Paper Industry*:

• (1730)

"Worldwide, they know of Simons and Sandwell."

I suggest they also know of Simons and Sandwell in Ottawa. I do not want to dwell on this aspect because it may not be exactly surprising. The aspect of the Export Development Corporation on which I should like to dwell is the aspect concerning the kinds of loans and to what kinds of countries these loans are directed.

I wish I had before me the report of the Export Development Corporation for 1972. As you know, Mr. Speaker, reports come late, so we must go to other sources for more current information. In the *Globe and Mail* in December there was buried in the business pages a little item which I should like to read. It states:

The Canadian Export Development Corporation will lend Brazil . . .

Note it states will lend "Brazil".

. . . $26.5 million to help that country buy electrical equipment in Canada.

"The corporation said the money will be loaned to Light-serviços de electricidade SA. Rio de Janeiro, a private Brazilian utility company.

"The loan is guaranteed by the government of Brazil.

"Light-services must buy at least $23 million worth of transmission and distribution equipment from such companies as Canadian General Electric, Collins Radio, Westinghouse Canada, Canadian Marconi and others under the agreement."

You will notice that all of these companies are Canadian because they somehow have the name "Canada" or "Canadian" and we can therefore believe they are Canadian companies. But, let us note the first sentence which states:

The Canadian Export Development Corporation will lend Brazil $26.5 million to help that country buy electrical equipment in Canada.

However, if we look more closely at the transaction we do not find that the Export Development Corporation is lending Brazil, specifically, a sum of $26.5 million but is to lend it to Light-serviços of Brazil. What kind of a corporation or a company is Light-serviços which is known, by the way, in Brazil simply as Light. The Portugese name of this company covers a firm which is owned to the extent of 83 per cent by Brascan, a massive company controlled in Canada although the majority of its shares are held in the United States. We have an inkling now of what is really happening. What appears at first to be a loan to a country in need of development money that it may buy our Canadian products turns out to be a loan to a private company. Then, we discover that that private company in turn is owned by a rather large Canadian company, a rather well-known company, which has acted from time to time in the past as a farm club for putative Liberal cabinet ministers, or vice versa for Brazilian Traction directors.

So far we are beginning to receive some information which is of value to us. However, the thought of Canadian money going to Brazil still might strike some compassionate hearts as a good thing because Brazil is a country which is in need of development. Let us look at the social development there has been in Brazil over the past ten years. There is a certain gentleman named McNamara who could not be counted as one of the world's subversives, a friend of the late President Kennedy, who now, I think, is involved in an institution called the World Bank. He noted that in Brazil the richest 5 per cent of the population saw its share of the national income rise during the 1960's from 29 per cent to 38 per cent, while the poorest 40 per cent saw its share drop from 10 per cent to 8 per cent. I know that we cannot make a direct connection between Canadian activity in Brazil and what is going on internally in that country, but it should be obvi-

ous to us that our activities in lending money to a private company in Brazil, which in turn is owned by a Canadian company, are not necessarily helping out in respect of the problem of social equalization in Brazil.

I could mention a number of other countries to which the Export Development Corporation directs its largesse. I think if we added up all these countries we would not be able to put many of them in the list of the world's progressive, democratic nations. However, I can speak on that point at another time. There is another aspect of the Export Development Corporation with which I should like to deal, apart from its being a branch of our own Canadian imperialism. I refer to its function in carrying out our role as a nation in helping out the underdeveloped parts of the world. We have several entities in this country which appear to direct their interests to trade and to aid with the under-developed parts of the world. Several of these entities are government or government-controlled or government-owned entities.

Indeed, a few years ago there was a certain amount of concern in the cabinet of the time about co-ordinating the activities of these various entities because it appeared that some of them could be working at cross purposes. There was what I think was called an interdepartmental committee structured to bring all the external activities of the Canadian government together so that they could be co-ordinated. To give an idea of what was involved here, there was some consideration, for example, given to co-ordinating the activities of the Canadian International Development Agency with that of the Export Development Corporation because both agencies are involved in the matter of economic aid and economic assistance, as I believe it is called.

I shall give an example of the amount of involvement of CIDA. I have the report for 1970-71 of the Canadian International Development Agency before me. In a column at page 10 entitled "Appropriations and Authorizations" for 1971-72, we find these appropriations and authorizations broken into two major parts. First of all, we have appropriations and authorizations to multilateral agencies in such matters as international emergency relief and food aid. The total of these multilateral contributions is some $204 million, which is a respectable amount by world standards. Multilateral contributions are broken down fairly extensively later on in the publication in other columns. Below that, however, we have a second section which deals with bilateral assistance and there are two items: technical assistance in an amount of $43 million and economic assistance in an amount of $178.8 million. That is a large amount of money.

As a matter of fact the bilateral total, talking about economic assistance, amounting to $221.8 million exceeds the total of the non-bilateral contribution of $204.6 million. Even in terms of the amount we are talking about for the Export Development Corporation which has of course, a limitation on its lending capacity which is not what it will lend in any one year, we realize that this figure is indeed very large. The activities of CIDA in large measure are very much like the kind of activities in which the Export Development Corporation is supposed to be involved.

[Mr. Harney.]

• (1740)

If we hesitate to believe that this is the case, we have the recent word of the president of the Canadian Export Development Corporation, Mr. Paul Gerin-Lajoie. I quote from an article which recently appeared in one of the newspapers in Canada, the *Globe and Mail*. I see it is a CP article so every newspaper carried it. It reads:

> Paul Gerin-Lajoie, president of the Canadian International Development Agency, told the Montreal Board of Trade yesterday that "particular Canadian business enterprises would find it difficult if not impossible to remain economically viable without the purchases CIDA makes from them".

He goes on to point out exactly what CIDA has been able to do in order to help Canadian business. Indeed, he goes on to chide Canadian businessmen for not being as ready as they could be to trade with the third world, particularly the developing world. I will not go on to quote any more from Mr. Gerin-Lajoie because I think the point has been made that this CIDA function is very much like the function of the Export Development Corporation. If the EDC is designed to increase industrial expansion in Canada by increasing industrial expansion abroad, that is fine, I suppose, because it is working within its terms of reference, but we really should wonder whether CIDA is working within its terms of reference or indeed whether or not both corporations are working to those kinds of ends that are so often mentioned in speeches that come from cabinet ministers, especially when they are out of the House, ends that have to do with aid to developing countries.

I am sure that many heads in cabinet nodded with agreement, not with sleep, when they were addressed in these terms by the churchmen of Canada the other day. I quote from their brief as follows:

> Today, there is a growing resistance against the economic growth model for development in the third world. Several developing countries are increasingly resisting the pressures of modern industrialization, especially where the cost is another form of economic colonization and dependence.

I suggested a while ago that a lot of the effort of the Export Development Corporation is our own form of Canadian imperialism in the third world. The brief goes on to read:

> The realities of this resistance force all of us in the western industrial countries to critically re-examine our models for development. The third world resistance is telling us that the human cost of the economic growth model is too high. As an alternative, the third world is advocating development models based on the goal of balanced growth with an equitable distribution of income across the board.

So, if we are to co-ordinate our external economic activity, what we really should do is, first, bring the various entities, such as the EDC and CIDA, under one roof and preferably not under a Crown corporation roof, rather under the control of one minister so that we in the House can actively criticize the programs of these agencies. It is all very well to say that we are given reports with very pretty pictures indeed, but in most cases we have no idea from these reports exactly what the nature of these foreign involvements is and what these loans amount to.

For example, one of our agencies will tell us very religiously, as they do in the estimates for this year, exactly what kinds of grants and contributions to multilateral and

international assistance programs they are making. We can read down the list and find, for example, that we propose this year to give to the Society for International Development $5,000. It is herewith listed so that all members of this parliament and indeed the citizens of Canada can know exactly where our international development aid is going. But if we look on the same page, we find under grants for economic and technical assistance, $144,340,000 with no specification whatsoever, no clue at all as to where this money is going.

So, when it comes to aid, we can go over the program with a magnifying glass and we can question every detail. We know exactly what little church in what country is getting whatever bit of money to buy food. But when it comes to economic assistance, all we are given are lump sums without detail. We are not given details, we are given flossy reports with multi-coloured pictures but no breakdown of what the purpose of the economic assistance is or exactly to what kind of venture it is going. I think in the near future we should seek to bring together under one roof, as I suggested, all our external programs, programs of aid and of economic assistance and programs involving loans to foreign countries or foreign corporations, which in turn perhaps are simply corporations in Canada whether they be foreign or Canadian owned. Second, what we need is much more detail so that we know what is going on.

I should like now to go back to the report for 1971 of the Export Development Corporation. On pages 23 and 24, there is a listing of the countries and of the borrowers within those countries who have been helped by the Export Development Corporation, a list of the products, finance, exporting in Canada, date of contract, repayment terms, amount of financing, and so on. Some sums amount to $12 million, others to $9 million, one to the Union des Transports Aériens in France for $2,700,000, and to the President of India $1,500,000. But then, at the end of page 24, under section 31 of the Export Development Act it says: "to the Imperial government of Iran, products to be financed". What are they? Various. What exporter? Various Canadian suppliers. What is the amount? $100 million. What other details? None. So what kind of scrutiny can we give this program in the House when we are only given such scanty information? One thing I can say now is that when this matter comes to committee we will expect to see just what kind of detail is available for members of the House.

There is another aspect of the export development program that we should consider. Where exactly in Canada are these exports produced? It is a very important question, because we have spent several hundreds of millions of dollars over the past few years to rid ourselves of the problem of economic disparity in Canada—I should say, "in order to rid ourselves" because we have not done it yet. The ministry in charge of that program is a little stunned right now because all the money it has spent over the past few years has not brought about the result that was expected; indeed, regional disparity is still with us. But this parliament went into the program in good faith because it believed that it was essential for reasons of natural and social justice, and essential for the principle of Canadian unity, that the wealth and productivity of this country should be directed equally to satisfy the needs of all sectors of the country.

We have here the Export Development Corporation. In the 1960's it dished out some $800 million—a fairly sizeable sum. Were these $800 million spent evenly across Canada with some respect for the needs of the less developed regions of our country? Not at all. Of the $800 million, $650 million went to Ontario and Quebec. I wish I had the breakdown for the two provinces because I suspect that the lion's share of the $650 million went to Ontario which is more in a position to take advantage of this kind of largesse than the province of Quebec. Here we have an aspect of our government in Canada acting at cross purposes with a ministerial program called DREE. We can call the Export Development Corporation our contra-DREE program or anti-DREE program. I tried to reverse or juggle the letters around a few days ago and I came up with EERD, and I only wish I could find some way of putting "W" in front, because then we would have something very telling and informative, for certainly something "WEERD" is going on here.

• (1750)

In this parliament we do not have a real understanding of what our economic ventures and economic activities add up to, and there are several accounts under which we could challenge the worth of the program of the Export Development Corporation. I know that some of my colleagues to my right dwelt at some length on the fact that multinational corporations were involved as recipients of the largesse of the Export Development Corporation. However, if you do not mind, Mr. Speaker, I will add just one more element. It is not even my own. It comes from the brief presented by the church leaders to the cabinet the other day, and I quote:

> It is becoming increasingly evident that multinational corporations are having a dominant impact on development planning and trade patterns. We are acutely aware of this problem since Canada is a country with a large percentage of foreign control. This trend must be counterbalanced by other measures. For example, could the Canadian government expand our public importing systems in order to encourage imports from those countries that lack the sophisticated marketing systems of the giant corporations?

Let us talk for a moment about imports as well as exports. It is useless to pretend that we can only be dealing with exports in this world where import from and export from must be a two-way street.

I come back again to that country to which I referred a while ago, to look at our activities in terms of import and export trade between Canada and Brazil. For example, in 1970 imports to Canada from Brazil amounted to $49.3 million. Exports from Canada to Brazil in 1970 amounted to $87.4 million. Certainly next year, by the time Brascan gets its assistance from the EDC, exports from Canada to Brazil will be in even larger imbalance than the imports we get from that country.

You see, what we are doing essentially with the EDC is dealing with the top tenth of the world's industrial activity. We are doing almost nothing with that nine-tenths of the world that is submerged out of reach of that industrial activity, and not only out of reach of that activity, but out of reach of the benefits that come from it. So how can we, when it comes to speech-making time here, the equivalent

of convocation time in university, stand up and make all these beautiful speeches about how we are out to help develop the underdeveloped world, when all we are doing is simply shoring-up the kind of industrial enterprise which suits the industrial giants of this country. We do nothing effective, in real and lasting terms, to help the third world, and those parts of the third world that are sorely affected, to pull themselves up from the economic desperation in which they find themselves?

I will end fairly soon, Mr. Speaker, and I am sure some people will be glad to hear that. But there is one point I wish to make now. It is not a particularly new point, but it is a point worthwhile making over and over again. What we have here really in the efforts and activities of the EDC is a sample of that very old capitalist technique—there, I have used the word—of running to government to get cheap money, of running to government to insure the risks when it is rather difficult or rather expensive to get money for investment on the normal investment market, or when there are no insurance companies that will take the risks, simply because they are bad or chancy risks.

This has always worked very well for those who understand the nature of the capitalist system. As economist Frank Park put it some years ago:

> The ingenious idea was to finance on government advances and on the sale of government-guaranteed bonds while the promoting group kept all the common stock (absolute ownership and control) in return for 'services rendered.'

That is an ancient principle, and it has always worked very well for that sector of our economy which is in definite control of the economy as a whole. Here again we have the same procedures going on. Brazilian Traction—I am sorry, it is now called Brascan, that is its new avatar, but it is still the old Brazilian Traction—rather than going out on the market to borrow money at the going rates gets a loan, indirectly mind you, from the Export Development Corporation at very good rates indeed, at 6 per cent or 7 per cent. With this loan, it can develop the capitalization it needs in Brazil, and can carry on its form of imperialism, and bring back very good dividends to its Canadian as well as American shareholders. And we, the people of Canada, have taken the risk, but we have none of the control.

You know, Mr. Speaker, in most of the provinces in this country we do not let private interests control the development of hydroelectric power. Even Conservative Ontario many years ago adopted the principle that the development of hydroelectric power should be in public hands. As a matter of fact, private development of hydro-electric power cannot be undertaken very much more in Canada, although it was done in the case of Churchill Falls a few years ago. But we allow and encourage our Canadian companies to go and do it elsewhere, and we, the public, take on the capitalization and all the risks, while they make the profits.

Just recently there was an announcement to the effect that the British Columbia government would get into some kind of joint enterprise with Brascan to develop resources in northern British Columbia. But at least the British Columbia government had the wisdom to say, "For our part of the investment we want joint control. We want a piece of the action so that the people of British Columbia can get part of the return." Now, Mr. Speaker, if we are going to be involved in foreign enterprises could we not ask that the people of Canada get a piece of the action, get a piece of the control? Mr. Speaker, I notice that you are about to rise from your chair, and if you are going to call it six o'clock, may I do it for you?

The Acting Speaker (Mr. Boulanger): Order. It being six o'clock this House stands adjourned until two o'clock tomorrow afternoon.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 15, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

BUSINESS OF THE HOUSE

TABLING OF OUTLINE OF GOVERNMENT'S POSITION RESPECTING NOTICES OF MOTIONS FOR PRODUCTION OF PAPERS

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, pursuant to Standing Order 41(2) I am tabling copies in both official languages of an outline of the government's position with regard to notices of motions for the production of papers.

* * *

MANPOWER

ANNOUNCEMENT OF NEW DIRECTIVE ON JOB PLACEMENT PRIORITIES REPLACING THAT OF MARCH 9—STATEMENT BY MINISTER

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, further to my statements yesterday and Tuesday I wish to tell the House the outcome of my review of the departmental directive on placement priorities, issued on March 9.

As pointed out on Tuesday, suitability for work is the overriding criterion for referral to jobs, and any directive issued must be read in the context of the Unemployment Insurance Act and regulations which govern the operation of the employment service of the Department of Manpower and Immigration.

Yesterday I indicated my understanding that the reason for issuing the directive had been related to the very specific policy announced some time ago for the local initiatives and training-on-the-job programs. In those cases unemployment insurance and welfare recipients were to be given priority in placement.

Further to the undertaking I gave to the House yesterday I have reviewed the March 9 directive with my senior officials of the department. Because its wording could be and has been misunderstood—

Mr. Stanfield: Let us have it.

Mr. Andras: —my officials have recommended to me that it be withdrawn and replaced by a new directive. dispatched today by the deputy minister to all directors general of the department, and which more accurately expresses my intent and that of the government.

Mr. Baldwin: Let us see the first one.

Mr. Stanfield: Let us see the Friday one.

Mr. Andras: I believe that the new directive is clear and straightforward, and I would like to quote it in full.

Mr. Hees: Just like the one last Friday.

Mr. Andras: It reads:

> This cancels and replaces my telex of March 9th.
>
> The purpose of that telex was to emphasize the importance of aggressive, affirmative action by CMCs to utilize emerging employment opportunities, especially those created by the local initiative and training-on-the job programs for those people who are definitely unemployed and in need.
>
> As you are aware, priority in referral to jobs is governed by Regulation 27 to the Unemployment Insurance Regulations. Consistent with Regulation 27, all job orders will be checked as soon as they are received against existing live files of registrations to ensure that preference in referral is given to qualified registrants as required by the regulation. The telex of March 9th was not intended to change this basic procedure.
>
> In the case of the LIP and training-on-the-job programs it has been publicly announced as government policy that priority in placement would be given to those who are unemployed. Within that priority emphasis must be given to those on unemployment insurance, welfare or otherwise unemployed and actively seeking work.
>
> A special effort must be made to complete recruitment for LIP and training-on-the-job, particularly the latter, as quickly as possible and in accordance with the foregoing policy.

Mr. Speaker, looking at Regulation 27 of the Unemployment Insurance Regulations which was written many years ago, I am advised that it could be construed so narrowly as to prohibit special action on behalf of almost any category of disadvantaged groups including youth, native workers, the handicapped, women returning to the labour force and those who have been chronically bypassed in the labour market. We are trying to do a better job for all Canadian workers, but in particular to ensure that the procedures do not inadvertently penalize certain groups. I am going to review Regulation 27 and, if necessary recommend updating it, in order to guarantee that we are permitted to help those who need help most.

In summary, while I regret the misunderstanding caused by the unfortunate wording of the earlier departmental directive, I want to indicate my strong support of the administrative objective, which was to generate a more positive and dynamic effort to put unemployed people in jobs.

Some hon. Members: Hear, hear!

Mr. Hees: Now tell us about the Friday directive, Bob. Let us go back to square one.

Manpower Placement Priorities

• (1410)

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I am pleased to have the minister's statement. But let me tell him, through you, Sir, that there is something that stinks around here. I can only put it that bluntly.

Some hon. Members: Hear, hear!

Mr. Alexander: Mr. Speaker, what I think has happened is that the minister, in error, brought about a directive that was totally unacceptable and, having found out what had occurred, he is now trying to weasel out of that directive. The unfortunate part is that, although he mentioned the directive of last Friday by way of date, March 9, he at no time referred to it in his statement in total nor has he indicated that that directive would be laid on the table. I think this is an irresponsible attitude for him to take.

There is something else that bothers me with respect to the minister's statement. I quote from the third paragraph which begins with the words: "Yesterday I indicated my understanding". This leads us on this side of the House to think that the minister is not running his department. It appears to me, after having read certain quotes in last night's paper, that he is apologizing on behalf of the deputy minister. It is the minister himself, Mr. Speaker, who is responsible for the mess in which he has placed himself. I cannot understand how the minister can take that attitude when this matter was published in the *Globe and Mail* of Tuesday, March 13. That gave him ample time to understand what the problem was going to be in terms of questions in the House. He now says that he did not even see the directive. If he did not see it, I do not know why he answered the questions that were posed to him from this side of the House at such length.

I just want to refer to this matter, Mr. Speaker. On Tuesday I asked the minister the following question:

> Has the minister instructed his department to give absolute priority in referrals for all jobs, including on-the-job-training, to unemployment insurance claimants in the first instance, welfare recipients in the second instance, and other unemployed persons in the third instance? If so, does this mean that the policy of the department is now one of high selectivity, seemingly ignoring suitability of skills and the needs of employers as well as of other Canadians?

From that question on, Mr. Speaker, the minister led the House to believe that he knew what we were talking about, and I respectfully suggest that he did. He knew just what was happening but when he ran into flak then came the problem.

An hon. Member: He ran for cover.

Mr. Alexander: I do not understand the minister either when in this new telex he refers to the telex of last Friday in the following words:

> The purpose of that telex was to emphasize the importance of aggressive, affirmative action by CMCs to utilize emerging employment opportunities, especially those created by the local initiative and training-on-the-job programs—

Do you remember that yesterday, Mr. Speaker, the minister was emphatic in stating that this directive applied to the local initiatives program? He was emphatic in the House, and outside the House on radio, television and in the press he was emphatic again. But I notice he has now included the training-on-the-job program. I question the minister's credibility in this regard. I also question it because the telex states "especially". When you use the word "especially" it means that it was not referred to at all before, nor was it in the minister's mind to devote this directive to LIP. I am not even happy with the telex that he has now sent out because he questions whether he is doing it in the right way because regulation 27 leads him to believe that he cannot do what he is doing right now. The minister says in his statement:

> I am going to review Regulation 27 and, if necessary, recommend updating it, in order to guarantee that we are permitted to help those who need help most.

I recall that the hon. member for Peace River (Mr. Baldwin) asked yesterday whether the minister had the approval of the Governor General in Council with respect to this directive, but he has not indicated to date whether he had that approval. He probably did not sign it. He has also indicated, Mr. Speaker, that what he is doing is wrong because he is saying, by implication, that he does not know if he can do it when he has to review Regulation 27.

I still question the directive because it is my understanding that manpower services are for the need and use of all Canadians. I think that what the minister is doing is being done because of the embarrassment of high unemployment and the high unemployment insurance costs. It is being done for the benefit of the Liberal party to the exclusion and disadvantage of the people of Canada. Manpower services are to be used without selectivity to any great extent, if at all, nor are they to be discriminatory. This same directive excludes people undergoing on-the-job training, those who for some reason or other will not go on welfare or collect unemployment insurance benefits because of their pride, workers who are anxious to work and believe they can find jobs without the involvement of the commission, our young people who are being ignored, and housewives and veterans. What about the landed immigrant? In what position has he now been placed?

I have indicated by sufficient background material that I take great exception to what the minister is attempting to do. He is trying to weasle out, as it were. I hear the minister is a nice guy. We are all nice guys, but when you make a boo-boo, you must be chastised. There is no way that our feelings of friendship can affect the attitude that we on this side of the House must take.

I hope, after I sit down and other statements have been made, that the minister will say, all right, here is the directive that was issued on March 9, so that hon. members can look at it and see what it is all about.

I suggest that what the minister and the department were trying to do was wrong. They were attempting to make a very significant change in policy contrary to the UIC legislation and contrary to manpower policies. When they found that this was not acceptable the minister and the deputy minister had a tête-à-tête, and this unacceptable statement that the minister has made is the result.

Mr. David Lewis (York South): Mr. Speaker, I suggest to the minister that it would have been better if he had not made the statement he made today. Yesterday he seemed

simply foolish. Today he appears devious. I am not sure that the combination is a wise one to show the House.

His statement was not an exercise in clarification; it was an exercise in obfuscation. It was an exercise in total failure on his part to have the necessary guts and humility to say to the House that he and the deputy minister had made a serious error. His failure to put on the table the directive of March 9 leaves the House in exactly the same position as before. I suggest, Mr. Speaker—the matter is in your hands—that as the minister referred to the statement of March 9 and then said that the new telex replaces the earlier telex it is obligatory for him, under the rules, to place the telex of March 9 on the table for all hon. members to see.

He talked in his statement today about the earlier telex having been misunderstood. If the report in the newspaper was correct, and I have not heard the minister question it, there was no misunderstanding. It was perfectly clear that the deputy minister, presumably with the minister's authority, had issued a statement that he had no right to issue, that was contrary to the provisions of the Unemployment Insurance Act, contrary to the regulations of the Manpower Department and contrary to justice and decency to the unemployed people of Canada.

Some hon. Members: Hear, hear!

Mr. Lewis: I suppose I have been guilty of the same thing at times in my political life.

Some hon. Members: Hear, hear!

Mr. Lewis: I note from the applause of many hon. members that they are never guilty of that.

Mr. Hees: The hon. member supports the government, and must share some of the guilt.

Mr. Lewis: I know from experience that that is a misunderstanding of the same kind as the minister was guilty of. The minister is obviously ashamed of the March 9 telex. So he ought to be, but he ought to have the courage to place it in our hands. We in the New Democratic Party are disturbed by the whole exercise of the Unemployment Insurance Commission, the minister and the department at the present time. This is merely one little part of that exercise.

• (1420)

I agree fully that it is important for the Unemployment Insurance Commission to weed out those claimants in receipt of benefits who are abusing the unemployment insurance program. I am entirely in agreement with that. Indeed, I have said many times in the past number of months that if the Unemployment Insurance Commission were not governed by confusion, mismanagement and arbitrariness it would have taken steps long ago, and the habit of abusing the unemployment insurance program would not have developed to the point it has developed. My colleagues and I agree fully that it is necessary for the Unemployment Insurance Commission to weed out the chiselers on unemployment insurance, but I condemn without qualification the way in which it is being done, hurting thousands of innocent Canadians.

Some hon. Members: Hear, hear!

Mr. Lewis: For example, the other day the minister seemed to indicate that after the computer print-outs were available people were interviewed before they were disqualified. I want to make this categorical statement in the presence of the minister and, if I am wrong, I invite him to contradict it. There is no interview of these poor, unemployed people. They merely shove information into the computer—this is based on information that I am sure is accurate—and when they find that they are people in receipt of unemployment insurance benefits in certain categories of work and there are vacancies for those categories, the required number are sent a letter stating that they are disqualified without any personal interview. The personal interview only takes place after the person who has been declared disqualified indicates an appeal to the board of referees. I can think of nothing more unfair and more dehumanizing than this kind of treatment of thousands of people across Canada.

I say to the minister that he is doing the program a very great disservice by listing the number of people who are disqualified and giving the impression that 65 per cent of claimants are getting benefits without right when it is 65 per cent of about 10 per cent, which is only about 6 per cent. That 6 per cent will not remain 6 per cent because there may well be results after the appeals which will show that a large proportion of them are indeed entitled under the law to the benefits which they have received. The kind of zeal now being exercised by the Unemployment Insurance Commission and the minister, much too belatedly, is being exercised at the expense of thousands of Canadians who are entitled to unemployment insurance benefits and who are unemployed because of the past policies of this government. They should not be treated in the way the are now being treated.

I say to the minister that he has a duty to place the telex of March 9 on the table. He should have the courage to say to this House of Commons that he and his department made an error and that from now on they will behave in accordance with the law and in accordance with the dictates of humane treatment of unemployed people.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, according to the directive of March 9, which the minister, for reasons which we would like to know, is apparently refusing to table in this House, there would be in Canada some unemployed, young and old, educated and uneducated, males and females, who receive benefits and others who do not and finally some welfare recipients. A few unknown officials of the department decided on March 9, seemingly in collusion with the minister, to send a directive to Manpower centres asking to classify the unemployed in the order in which a job would be offered to them.

Mr. Speaker, the members of the Social Credit Party of Canada are vehemently protesting against the way the government is classifying the Canadian people as we say that all Canadians are entitled to work and the government has no right to classify them, granting to some the right to live and to others the right to die.

Manpower Placement Priorities

Mr. Speaker, today, the minister, in his statement—his telex—does not clear up the confusion which exists in the Unemployment Insurance Commission, or concerning Section 27 or the Canada Manpower Centres.

It can be seen today even more clearly that the government is embarrassed, that he does not know anymore what to do with the unemployed. And while it is playing at classifying them, interviewing them and numbering them, these people are not getting their benefits.

Mr. Speaker, the prime responsibility of the minister is not to classify the unemployed by order of priority, but rather to find work for Canadians so that each can live in freedom and security in his own country.

Mr. Speaker, pursuant to Section 27, officials may classify the unemployed according to age and distinguish between people who are entitled to a job and those who are not. The minister says that he is going to consider this section and see whether it should be amended.

First, we want him to table the directive that he issued on March, 9 and to undertake forthwith to change this Section 27.

Likewise we ask that he change Section 25 of the Unemployment Insurance Regulations prohibiting a recipient from receiving benefits on the ground that he has failed to give proof that he was seeking work. One might think, Mr. Speaker, that each Canadian should submit papers, loads of them, in order to prove that he was fit to work. He says so. This is quite ridiculous and is but a pretext to refuse payment of unemployment insurance benefits.

As for us, we consider that this act should be revised by Parliament so that Canadians should not only have the right to work but that those who are unfortunate enough to become unemployed may at least benefit from a true unemployment insurance plan.

Mr. Speaker, we are disappointed at the minister's explanation today, which explains nothing since he ignored the problem caused by the improvised tax slips that do not tally with Ottawa's figures, so that the unemployed are being asked to pay tax on unemployment insurance benefits that they have not had. It seems to me that this is a most important problem, and a statement this week by the minister to clarify the situation would be most welcome.

I repeat, Mr. Speaker, that unemployment is still a crucial matter. The workings of the Unemployment Insurance Commission are still obscure and inefficient, while the government, instead of coming to grips with the problem, continues issuing vague orders and making life difficult for working people.

We have heard talk of a just society for Canada, for the purpose of the elections, Mr. Speaker; to our way of thinking, a just society is one in which every Canadian, regardless of race, religion or age, and whether or not he is on welfare, has the right to live in his own country, the right to fulfill himself freely in his country, and to be treated as a human being and not as a number devised by some obscure civil servant.

That is how we see the just society, and as long as the government continues to classify Canadians it will be contributing to disagreement and discontent.

[Mr. Fortin.]

Mr. Speaker, the government will have to act sooner or later.

I should like to conclude by saying that equal opportunity for all Canadians means that, instead of continuing to create confusion with his directives the minister stand up and state that henceforth there will be no priority lists of any kind in connection with the treatment of the unemployed and those on welfare, and that all Canadians, whatever their situation in life, will get the same treatment as far as the Local Initiatives Program, the Unemployment Insurance Commission and the Manpower Centres are concerned.

• (1430)

[*English*]

Mr. Speaker: Is the hon. member for Winnipeg North Centre rising on a point of order?

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker. I rise on a point of order which is based on citation 159(2) of Beauchesne's Fourth Edition. I shall read from Beauchesne, but it is word for word as it appears on page 421 of May's 18th edition:

> A Minister of the Crown is not at liberty to read or quote from a dispatch or other state paper not before the House, unless he be prepared to lay it upon the table. This restraint is similar to the rule of evidence in courts of law, which prevent counsel from citing documents which have not been produced in evidence. The principle is so reasonable that it has not been contested; and when the objection has been made in time, it has been generally acquiesced in.

I realize that on many an occasion members have asked for documents to be laid on the table because reference has been made to them. Your Honour, relying on the authorities, has replied that this requirement applies only when a document has been cited in the legal sense, or as would be the case in court.

I suggest that today the Minister of Manpower and Immigration (Mr. Andras) has cited the telex of March 9 in two or three ways. I might say, as one minor point, that we are supposed to believe that the new telex differs from the telex of March 9, but how can we tell unless we see the text of the telex of March 9? The minister also makes it clear in his statement that the reason for the new directive is that the original directive could be, and has been, misunderstood. Some of that misunderstanding has, of course, been here in the House itself.

Now that we have been told that there was something wrong with the original telex, with the result that it had to be replaced, I submit that we have every right to insist that the original directive be tabled so that we can make the necessary comparisons and ascertain whether this matter has been cleared up. After all, that was the purpose of the minister in making the statement he did today—to clear up the confusion that has arisen in the last couple of days. But we will not know whether the confusion has been cleared up unless we see both documents.

I submit that the requirement for the tabling of this document is based not just on the premise that the minister has referred to it or quoted from it—as a matter of fact, he did not quote—but that he has cited it in the sense of providing it as the basis for the action he has taken

today. As I say, this is clearly covered by the words in citation 159(2):

This restraint is similar to the rule of evidence in courts of law, which prevent counsel from citing documents which have not been produced in evidence.

The minister has cited the telex of March 9 as the whole basis for what he has done today, and I suggest that his having cited the document means that the Chair should rule that he is called upon to table it in the House.

I made a brief reference to the fact that the citation in Beauchesne is taken from page 421 of May's 18th edition. In that citation May has a few extra words, some of which are to the effect that the tabling must take place provided it can be done "without injury to the public interest". I certainly cannot see any injury to the public interest or injury to the state as a result of tabling the former document. Therefore, on the basis of this citation I suggest that Your Honour should advise the minister that he should now table the document known as the telex of March 9.

Mr. Speaker: Is the hon. member for Gander-Twillingate rising on the same point of order?

Mr. Andras: I rise on the point of order, Mr. Speaker.

Mr. Speaker: I believe the hon. member for Gander-Twillingate is also rising on the same point of order. Perhaps it might be more orderly if the Chair were to hear the minister first.

Mr. Andras: Mr. Speaker, I always tremble a bit when I take exception to what the hon. member for Winnipeg North Centre says on a point of order or on a point dealing with the rules, but I disagree with his views about the requirement under the rules to table the document of March 9 by virtue of my having referred to it in my statement today. Nevertheless, although not from the point of establishing a precedent, I am quite willing and really welcome the opportunity to table the telex that is going out today, to table the telex of last Friday, March 9, to table an interdepartmental memo of October 2 and the telex that accompanied that memo to the field, and also the press release of December 6 referring to these programs. I think that is the documentation I now have. I regret that at this stage I do not have sufficient copies, but I will ensure that all members get copies tomorrow, if they will give me that opportunity.

Mr. Fairweather: We want to make some comment on them.

Mr. Speaker: Order, please. Is the hon. member for Hamilton West rising on a point of order?

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

Mr. Speaker: The hon. member is rising on a question of privilege.

Mr. Alexander: Mr. Speaker, I question the entire motives of the minister at this time.

Some hon. Members: Oh, oh!

Mr. Alexander: It appears to me that the minister has used some very devious methods here, not only in order to confuse and frustrate the members of the House of Commons but also the people of Canada. The minister had every opportunity to refer to these matters in their entirety in the comments he made but he chose not to do so. Then, after we on this side of the House had prodded and harassed him, he suddenly realized the error of his ways and he now says: "Here is the telex". I question the minister's motives. I think he is using some very devious tactics to frustrate the members of this House.

Mr. Speaker: Order, please. The Chair is in a difficult position. There was a suggestion that certain documents would be tabled. I was prepared to make a ruling, or to give some thought to making a ruling, one way or the other. Now the hon. member says he questions the motives of the minister. Certainly members are not entitled to question the motives of other members of the House. So far as the point of order raised by the hon. member for Winnipeg North Centre is concerned, I do not think the Chair would be required to make a ruling. Is the hon. member for Winnipeg North Centre rising on a point of order?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I merely rise at this time to suggest that the documents the minister says he is now prepared to table should be printed as an appendix to today's *Hansard.*

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Editor's note: For the documents above referred to, see appendix "A".*]

Mr. Baldwin: Mr. Speaker, as a result of the initiative shown yesterday by the hon. member for Gander-Twillingate the minister has now tabled these documents. I want to say as strongly as I can that the statement made on motions by the minister and the responses can only be construed as a farce without there being some opportunity to include in those comments reference to the documents that have been tabled. I would urge upon the government House leader that the order, "Motions", be called again later today to permit hon. members to make comments dealing with the directive of last Friday. I suggest it is imperative, part of the res gestae and essential that this directive be before hon. members before they can make reasonable comments. If that is not done, what has been done here today is a complete farce so far as the proceedings of this House are concerned.

• (1440)

Some hon. Members: Hear, hear!

Mr. Fairweather: "The land is strong".

Mr. Hees: And the Liberal government smells strong.

Mr. Lundrigan: The minister in three statements made in the House has referred to two items. I am completely satisfied that the first one has been dealt with as far as tabling of documents is concerned. We do have the directives in question. The minister in his statements this week

referred to the directives and also to the policing of the unemployment insurance regulations. Hon. members raised questions about the fact that what was originally intended to be a job placement wing of the manpower offices was converted into what now has become a witch hunt in the policing of the regulations to the extent that the regulations and the act are not being carried out. I have received evidence today from my province that would indicate that a goon squad—

Mr. Speaker: Order, please. The hon. member for Gander-Twillingate has risen on a point of order. We have been considering a number of points of order and, although it seems to me we have made some progress, perhaps we might have an indication as soon as possible as to what the hon. member's point is. Perhaps he might refer to the citations for the guidance of the Chair on which he bases his point of order.

Mr. Lundrigan: Thank you, Mr. Speaker. I will do that, but before doing so I wonder if I might draw Your Honour's attention to yesterday's record toward the end of the oral question period. We heard a statement by the hon. member for Winnipeg North Centre (Mr. Knowles) which filled two full columns of *Hansard*, had a lead-in, and was a four or five minute speech. At that point Your Honour did not see any relevancy in my argument, and I accepted that.

Some hon. Members: Hear, hear!

Mr. Lundrigan: I just want to remind Your Honour, and I will get to my point as fast as I can, that I am being guided by the expertise of the hon. member to whom Your Honour pays so much attention.

Mr. Speaker: Order, please. I will hear the hon. member, but it seems from reading *Hansard* of yesterday that he received quite a bit of latitude.

Mr. Lundrigan: I thank you for that and appreciate it very much, realizing that experts on procedure need a fair amount of latitude. I have simply risen to say that I should like to know whether there were other memoranda sent to the unemployment insurance or manpower offices having to do with the policing of the unemployment insurance regulations, which has caused even more concern than the directive, and whether the minister would now co-operate with Your Honour and the House by tabling these memoranda so that hon. members on this side of the House will not be compelled to continue questioning on this matter at length in the weeks ahead, and it will continue.

Mr. Speaker: Order, please. As I suggested a moment ago, that might not be a point of order but rather a question. Perhaps the hon. member might be recognized during the question period to ask this question of the minister. In that way he might ascertain if the minister proposes to table or refer in one way or another to the documents mentioned by the hon. member.

[Mr. Lundrigan.]

POWER

JAMES BAY HYDROELECTRIC PROJECT—TABLING OF AGREEMENT WITH DEVELOPMENT CORPORATION ON ENVIRONMENTAL STUDIES

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I am pleased to table a copy of the agreement dated November 24, 1972, between the federal government and the James Bay Development Corporation covering environmental studies in the James Bay area, as well as copies of the press release, in both official languages, which was issued on November 28, 1972.

* * *

HOUSING

PROPOSED RENT INCREASES FOR OLD AGE PENSIONERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I rise under the provisions of Standing Order 43 to move, seconded by the hon. member for Scarborough West (Mr. Harney):

That this House directs the Minister of State for Housing and Urban Affairs to meet personally with appropriate officials of the municipality of metropolitan Toronto and the government of the province of Ontario to ensure that proposed rent increases which will affect some 1,500 pensioners living in senior citizens' apartments in Toronto, and which are attributed solely and directly to the raise in the old age security pension, are not proceeded with.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Toronto-Lakeshore. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

OFFICIAL LANGUAGES ACT

PRESENTATION OF BILL GUARANTEEING LANGUAGE CHOICE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. René Matte (Champlain): Mr. Speaker, pursuant to Standing Order 43 I ask the unanimous consent of the House to propose a motion in a case of urgent and pressing necessity, the text of which has already been received by hon. members.

In view of the right each Canadian citizen has to communicate with various federal departments and to be informed, instructed and administered in the official language of his choice, and of the unfavourable status of francophone Canadians compared to their anglophone fellow citizens, a situation which can jeopardize the very future of the country, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That this government bring forward here within 60 days a motion of its intention to introduce a bill ensuring administration in both languages through setting up of parallel francophone and anglophone administrative departments in all areas, in direct ratio to requirements and needs.

Mr. Speaker: The House has heard the motion brought forward by the hon. member for Champlain under Standing Order 43. It requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimity. Therefore the motion cannot be put.

* * *

INDUSTRY

REVIEW OF ASSISTANCE PROGRAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to introduce a motion under Standing Order 43, concerning a very urgent economic problem.

Since the federal assistance program for industry, which is expanding in the province of Quebec, is going to expire soon and since a new economic development program is to be established in Quebec, I propose, seconded by the hon. member for Portneuf (Mr. Godin):

That this House review the assistance program for businesses so that the development of large centres be not detrimental to smaller centres.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Compton under the terms of Standing Order 43. As this motion requires the unanimous consent of the House, is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There being no unanimous consent, the question cannot be put.

[*English*]

ORAL QUESTION PERIOD

MANPOWER

PLACEMENT PRIORITIES—INQUIRY AS TO APPROVAL BY MINISTER OF MARCH 9 DIRECTIVE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to clear up a couple of matters in respect of the statement by the Minister of Manpower and Immigration in which he referred to the directive of March 9. Was that directive released with the approval of the minister, or did his deputy issue it contrary to the instructions or directions of the minister?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I had a conversation with the deputy minister on Thursday last based on discussions regarding finalization of approvals of local initiatives program. We wanted to ensure that instructions issued earlier with regard to hiring of employees for local initiatives programs and on-the-job training were in fact going to be adhered to. I left instructions with him that this reminder was to go out. That was the basis on which I thought the telex was going out in the next few days. It did go out on Friday without my seeing it. In fact, I saw it just before I came into the House on Tuesday, I believe.

Mr. Alexander: Mr. Speaker, I have one simple supplementary question for the minister. I take it the minister did see the directive and that the answers he gave me in respect of my questions on Tuesday meant in fact that he was aware that the directive did not refer to LIP or on-the-job training programs. Is that true?

Mr. Andras: Mr. Speaker, I have indicated that I was in error on Tuesday in my assumption which was based on a rather superficial examination of papers I had in my possession before coming into the House for the question period. I have tried to clear that up to the best of my ability before the House. I really have nothing further to add to my statement yesterday and my statement today on this matter.

* * *

• (1450)

UNEMPLOYMENT INSURANCE

POSSIBILITY OF DISQUALIFICATION OF RECIPIENTS AS A RESULT OF COMPUTER PRINT-OUTS AND WITHOUT INTERVIEWS

Mr. David Lewis (York South): Mr. Speaker, I want to ask the minister to inform the House, if he can, briefly, and if he cannot do it briefly to undertake to inform the House by way of a statement on motions, whether the inquiry or search regarding those who abuse the unemployment insurance program is being done in the manner I described earlier this afternoon, namely, that people are disqualified as a result of computer print-outs and only after disqualification has been sent to them by way of a letter are personal interviews undertaken?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I should like to check carefully into the precise sequence about which the hon. member is asking me before I reply, but I will inform myself of the sequence in absolute detail and give it to him at the earliest opportunity.

Mr. Lewis: Mr. Speaker, I am glad to hear the minister say that he will look into it. May I ask the minister whether he would undertake that this method of disqualifying people before they have had a chance to be heard, thus making them guilty before they have had a chance to tell their side of the story, will be stopped if he finds that the information I have suggested to him is valid? I think the House is entitled to such a promise from the minister without any reservations.

Mr. Andras: The only reservation I would put on it, Mr. Speaker, would be that I would want to be assured that every reasonable opportunity had been given to the claimants dealt with to examine the evidence, or whatever you wish to call it, before discontinuation or disentitlement. If a claimant did not avail himself or herself of that opportunity, then I could not give an absolute commitment that disqualification would not follow, always allowing for the appeal system to take over from that point. I am saying that because some claimants are disqualified in absentia. There have been a couple of cases where they could not be found.

BENEFIT CONTROL—REQUEST FOR TABLING OF DIRECTIVES

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a supplementary question. May I ask the minister if the offices are acting on any directive or any over-all policy position of the government on this issue, and would he be prepared to table any documentation that relates thereto immediately?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I made a statement on motions on Tuesday, I believe it was, with regard to the benefit control operation. I think it was as elaborate and as complete as I was capable of making it, and I think I have to rest on that at the moment. We will be before a committee before very long with the main estimates, and detailed questions can be answered at that time.

Mr. Lundrigan: Mr. Speaker, I will not reword my question but I ask Your Honour to tolerate repetition of my question. I will put my question to the minister when he finishes his discussion with his leader.

Mr. Hees: No coaching now, Pierre.

Mr. Lundrigan: My question is whether the minister has sent any specific directions to UIC offices, because there has been a complete change of heart and change in procedure right along the lines indicated by the hon. member for York South and these people are being judged guilty before an opportunity is given to them to tell their side of the story. If there has been a directive, would he table it?

Mr. Andras: I have asked all hon. members to give me specific examples of where there has been abuse by benefit control officers. I have also referred this matter to the advisory committee of the Unemployment Insurance Commission which met Tuesday morning and is going to delve into the whole matter as an independent body and make a report. I will advise the hon. member of the details of that report when it is available.

Mr. Lundrigan: Mr. Speaker—

Mr. Speaker: Order, please. We are getting into difficulty. The hon. member for York South, I gather, has supplementaries to his previous question, and so has the hon. member for Gander-Twillingate. I will recognize the hon. member for Gander-Twillingate for his supplementary, then return to the hon. member for York South for his supplementary, and then go to the hon. member for Peace River.

Mr. Lundrigan: Your Honour, I am trying to co-operate with you and the House because this question is very important. He can clear it up and help the House considerably if he will agree that there was a directive, if there was, and table it? It is a simple question. Why can he not answer it?

Mr. Hees: If there was, will you?

Mr. Andras: The general rule, I believe, is that internal memoranda are not tabled.

Some hon. Members: Oh, oh!

Mr. Andras: I made an exception to that today but very precisely. I said at the time that I was not intending to establish a precedent.

Mr. Lundrigan: This is not the last you will hear on that.

BENEFIT CONTROL—REQUEST THAT OFFICERS BE INSTRUCTED TO INTERVIEW RECIPIENTS BEFORE DISQUALIFICATION

Mr. David Lewis (York South): Mr. Speaker, my supplementary question to the minister arises out of his answer to my earlier supplementary. If I understood him correctly, he said that he cannot give me the assurance I asked for without reservation because some people might not be available for interviews and therefore nobody can be blamed for having failed to interview them. Of course I accept that. I want to put this question to the minister so that there can be no misunderstanding: will the minister undertake to investigate this situation to make certain that the officers make an effort to interview applicants before they are disqualified as a result of the computer exercise, and if in the past no such effort has been made will he see to it that this practice is terminated forthwith?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I will be glad to give that undertaking, Mr. Speaker.

* * *

MANPOWER

PLACEMENT PRIORITIES—APPROVAL OF GOVERNOR IN COUNCIL OF DIRECTIVE OF MARCH 9

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration this question. In light of the fact he has now admitted that the document of March 9 was in fact a directive changing the priority with regard to referrals to jobs and as such clearly a regulation, was the approval of the Governor in Council obtained for this as required by the Unemployment Insurance Act?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I am informed that it is not a directive of a nature that would require such approval.

Mr. Baldwin: If it was any other Minister of Justice, Mr. Speaker, I would ask him if he would consider the legality of this action, but I will ask instead the chairman of the Statutory Instruments Committee if he will consult with his co-chairman with a view to having this very serious situation considered by the committee so as to discover what was in these directives, the extent that they were in fact regulations, and whether they were regulations which interfered with the operations of the act, so that we can arrive at the truth and the facts in this whole situation.

Mr. Fairweather: I will be delighted to do so, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Before pursuing the supplementary questions that a number of hon. members wish to ask, the Chair will call on the hon. member for Shefford.

* * *

• (1500)

[*Translation*]

OFFICIAL LANGUAGES ACT

ESTABLISHMENT OF FRANCOPHONE AND ANGLOPHONE ADMINISTRATIONS WITHIN PUBLIC SERVICE—FREE VOTE ON RESOLUTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the Prime Minister.

Can he tell the House whether the resolution on bilingualism that he intends to table in the next few days will guarantee parallel administrations in French and English in the federal public service, so that justice will be done to every Canadian?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am afraid that I did not understand the start of the question, but I shall attempt to reply, and the hon. member will ask a supplementary if I miss the point.

The legislation that we will put on the order paper two weeks from now, as I said yesterday, will concern the application of the Official Languages Act in the public service.

Mr. Rondeau: Mr. Speaker, I thank the Prime Minister for his answer to one part of my question.

Will this item include a commitment to a francophone and anglophone administration in the public service, so that service may be given to all Canadians?

Mr. Trudeau: Mr. Speaker, the hon. member and all his colleagues know the basic principle of the Official Languages Act, which is that any citizen be able to communicate with the government in either one of the official languages, and also that any citizen may work in the public service in the official language of his choice. These instructions are aimed at applying this principle on official languages and the government's policy.

Mr. Rondeau: Mr. Speaker, I wish to ask a supplementary.

Could the Prime Minister be more specific and say whether a parallel administration, French and English, will be set up in the public service?

Mr. Trudeau: No, Mr. Speaker, we do not intend to set up two parallel administrations. I repeat that we just want to make sure that the citizen can be served by and communicate with the government in the official language of his choosing, and also that he can work in the federal public service in the official language of his choosing.

Mr. Speaker: Order. I recognize the hon. member for Charlevoix who wants to ask a supplementary question, after which we will go back to the first question put this afternoon to allow for supplementaries on that matter. The hon. member for Charlevoix.

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, this is my question.

Will the Prime Minister authorize a free vote after introducing this measure?

Mr. Trudeau: Mr. Speaker, I hardly think the House intends to obtain my permission to have each member vote according to his conscience. The members of our party, I am sure, will unanimously want to support the government's policy. As to the opposition parties—

* * *

[*English*]

INCOME TAX

ALLEGED ISSUANCE OF INCORRECT TP4U SLIPS BY UNEMPLOYMENT INSURANCE COMMISSION—REQUEST FOR EXPLANATION

Hon. Robert Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Minister of Manpower and Immigration arising out of the reported discrepancy in some 2,000 out of some 28,000 cases investigated in connection with the Delorimier unemployment insurance office in Montreal, in which TP4U slips issued by the unemployment insurance office in Ottawa showed higher payments during 1972 in some 2000 cases compared with the records of the Delorimier office. As I did yesterday, I ask the minister whether he can give the House any explanation of this discrepancy, and can he tell us why there are no records, no microfilm records in Ottawa either to prove or disprove the accuracy of the TP4U forms issued by Ottawa in these instances?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, my understanding with respect to the particular forms that are being discussed is that there was an error discovered in early January when they were being posted manually, and there were some 28,000 cases investigated in the Quebec area, although only a few thousand of them in the end actually had errors. The Delorimier office was set up to work on this job and the errors were all corrected before they went out. There are records kept and there is microfilm data available. The regional computer centres hold the microfilm

records at Moncton, Montreal, Belleville, Winnipeg and Vancouver. They would not be kept in Ottawa, but they are in the appropriate computer centres.

Mr. Stanfield: Can the minister give the House any explanation of the discrepancies in these 2,000 cases in connection with the Delorimier office, in some cases amounting to tens of dollars per person and in other cases running into hundreds of dollars per person? Can the minister give an explanation of these discrepancies, and has he any information as to how this can be verified one way or another?

Mr. Andras: Mr. Speaker, the Unemployment Insurance Commission had to issue some 1,917,000, I believe—at least it was in excess of 1,900,000—T4 slips, in addition to which they had to process the special slips for the province of Quebec. The margin of error, based on the number of appeals made to the commission where claimants can go and verify every fact with respect to these TP4U slips, has been extraordinarily small. I think the 2,000 were caught before they went out. They were caused through some problem of transposing from a manual to some form of electronic record in Montreal. As I say, the sampling across the country uncovered these before any harm was done.

Mr. Stanfield: Mr. Speaker, the minister takes the position that no harm has been done, but is it not correct that some 2,000 workers in Montreal associated with this bureau, clients of this bureau, received forms from Ottawa showing that they had received amounts very substantially in excess of the amounts that the records in Montreal show? Is that not a fact, and can the minister gloss over such a fact simply by talking about the law of averages?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair has no objection to the minister replying to this question, but I must say that the question as asked is not correct procedurally. It is obviously asked in terms whereby the question suggests its own answer, and is asked in the form of an argument. But again I say that the Chair has no objection to the minister replying to the hon. member's question.

Mr. Stanfield: Mr. Speaker—

Mr. Speaker: The hon. Leader of the Opposition.

Mr. Stanfield: Mr. Speaker, I have sat here for several days watching this minister issue statements—

Some hon. Members: Order!

Mr. Stanfield: —issuing statements, Mr. Speaker—

Some hon. Members: Order!

Mr. Stanfield: —and giving different explanations. I want to ask him, Sir, whether he has caused any inquiry to be made into what appears to be a very substantial discrepancy between the records of the Unemployment Insurance Commission in Ottawa, as to the amounts set out in forms sent to some 2,000 workers in the Montreal area, and the records of that bureau. Is the minister simply going to ask the House to accept the assurance that this is something that is bound to happen according to the law of accidents, or is he going to cause any inquiry to be made? If he is just going to sit there, then I am going to tell him, through you, Sir—

Some hon. Members: Oh, oh!

Mr. Andras: Mr. Speaker, I have had a report. I have had an inquiry caused to be undertaken. I received the report just before the question period. I sent a message to the hon. gentleman's office begging his indulgence in that I would not be able to give him massive detail, but I did get the preliminary information I have now given him in the House. If there is any change in that, which I do not think will take place, I will most certainly advise him. But as it stands now, this is the preliminary information I have, and further information availability will be subject to the time it will take to digest the full report.

Mr. Speaker: I notice that a number of hon. members have supplementaries, but first the Chair will recognize the hon. member for Toronto-Lakeshore.

* * *

HOUSING

TORONTO—STEPS TO PREVENT RENT INCREASES FOR SENIOR CITIZENS

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. I thank the minister for the communication he sent me just at two o'clock. Would he advise the House what steps he has taken to prevent the announced rent increases in senior citizens' housing in Toronto?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I thank the hon. member for his question. He has referred to the fact that apparently because of our increase in the old age pension some pensioners will be moving up the rent to income scale, and some provincial housing agencies have consequently increased their rents. I refer particularly to the metropolitan Toronto agency which has sent its tenants a letter that I must say I find extremely bureaucratic—

Some hon. Members: Hear, hear!

Mr. Basford: —and one that is guaranteed, it would seem to me, to disturb the old age pensioners who are the recipients of it. Consequently, I have written to all of the provincial ministers today asking that they freeze the rental rates applying to senior citizens in public housing developments, and I have indicated that officials of CMHC will be going to the provinces to consult with officials about a review of the senior citizens rent to income scale. I would be happy to table that letter as soon as I have sufficient copies, and also a list of the people to whom it has been sent.

Mr. Speaker: We will now return to supplementaries to the first question.

MANPOWER

PLACEMENT PRIORITIES—REQUEST FOR ASSURANCE THAT INTENT AND SPIRIT OF MARCH 9 DIRECTIVE ALSO WITHDRAWN

Mr. J. R. Ellis (Hastings): Mr. Speaker, I wish to direct a supplementary to the first question to the Minister of Manpower and Immigration. Now that he has finally withdrawn the directive of March 9 and has agreed to table the document, can the minister assure the House, and most importantly, the unemployed of this country that the intent and the spirit of that directive in fact have been withdrawn?

Some hon. Members: Oh, oh!

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I can requote my statement made earlier on motions if the hon. member wishes, but I think I should leave it to him to read it in *Hansard.*

* * *

UNEMPLOYMENT INSURANCE

REQUEST FOR RE-OPENING OF OFFICES IN RURAL AND SMALL TOWN AREAS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, since the current confusion in the administration of manpower and unemployment insurance offices is creating very definite hardship in rural and small town areas across the country, will the minister now speed up the program of re-opening local UIC offices that were closed in rural and small town areas over the past number of years, in order that this hardship can be rectified as quickly as possible?

• (1510)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I indicated the other day that the whole question of decentralization of Unemployment Insurance Commission offices is under further examination and I hope to make a decision fairly soon.

* * *

[*Translation*]

SOCIAL SECURITY

MEASURES TO ASSURE BALANCE BETWEEN DIFFERENT ASSISTANCE PROGRAMS

Mrs. Albanie Morin (Louis-Hébert): Mr. Speaker, I have a question for the Minister of National Health and Welfare.

Since the minister is concerned with the welfare of all Canadians and since 150,000 needy mothers abandoned by their husbands receive less social assistance than older people, could the minister tell us what he plans to do in order to ensure an equitable relation between the various social assistance programs?

[*English*]

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, this whole question is under review by the department in conjunction with the provinces. Meetings are scheduled for the month of April—

An hon. Member: What year?

Mr. Cafik: —so that we can discuss this whole problem of social security, welfare and aid to people in need. When that is completed, of course, a complete report will be given to the House.

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MANPOWER

PLACEMENT PRIORITIES—STATEMENT BY MINISTER THAT MARCH 9 DIRECTIVE TO BE READ IN CONTEXT WITH OTHER REGULATIONS AND INSTRUCTIONS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is supplementary to a previous question to the Minister of Manpower and Immigration. In response to a question on Tuesday by the hon. member for Hamilton West with respect to the Friday memorandum in which it was stated that absolute priority would be given in referral to all jobs, the minister said that this memorandum should be taken in context with other regulations and manuals of instruction. Can the minister indicate under what arrangement that information was conveyed to the various manpower offices?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think I have tabled some of the documents which will throw light on that subject when the hon. member has had an opportunity to examine them.

Mr. Speaker: Order, please. I will recognize the hon. member on a supplementary but I would point out that to some extent we are still on the first question and I hope we can pass on to the second question eventually. The hon. member for Egmont can ask a supplementary.

Mr. MacDonald (Egmont): In view of the minister's tabling of this document of March 9, which says that as of now all CMCs will give absolute priority in referral for all jobs only when these sources have been thoroughly reviewed or exhausted and that it will be implemented without fault and every effort will be made to fill vacancies forthwith as per above order, can the minister indicate in the context of that memorandum where such a provision was in fact indicated to CMC offices?

Mr. Andras: Mr. Speaker, in the first place that memorandum of March 9 has now been withdrawn and the one I read today has been substituted. There are literally thousands of communications giving instructions to CMCs across the country. There is no dead silence between Ottawa and the field. There were instructions to recruit for LIP and to recruit for training-on-the-job through manpower offices. I have disclosed that and they were instructed to follow through. I may be missing what

the hon. member is seeking, but I really do not see what the point is.

Mr. MacDonald (Egmont): A point of privilege. I think that once again, perhaps inadvertently or in some other manner, the minister has misled the House in his answer Tuesday by suggesting that other regulations and manuals of instruction would be considered when, in fact, there is no reference in this document to such a provision.

Mr. Speaker: Order, please.

* * *

OLD AGE SECURITY

DELAY IN TAX REBATES TO ONTARIO PENSIONERS—ALLEGED FAILURE TO PROVIDE PROVINCE WITH LIST OF THOSE RECEIVING GUARANTEED INCOME SUPPLEMENT

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of National Health and Welfare and I will ask his parliamentary secretary to take note of it. It deals with the delay in payment of the $50 tax rebate to old age pensioners in Ontario who receive the guaranteed income supplement. In view of the fact the delay is caused by the failure of the department to provide the province of Ontario with a list of pensioners receiving GIS, would the minister inform the House whether he is taking steps to correct this situation?

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I shall draw this matter to the attention of the department and a report will be given.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

ASSISTANCE PROGRAM FOR MONTREAL—ECONOMIC PRIORITIES FOR QUEBEC

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion.

Since the minister has announced outside the House his ideas concerning an assistance program for Montreal, could he tell the House if he has received from the Quebec authorities what he has requested one month ago, that is a complete list of the economic priorities of Quebec, or if he has consulted with the Quebec authorities before announcing his views on the matter?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I have been a journalist long enough myself not to fall back on the old argument that I was misquoted, but I can only say that the news story was to some degree incomplete—entirely inadvertently, I am sure, on the part of the reporter. The position with regard to the hon. member's question is that there has been considerable discussion at the official level with regard to an exchange of ideas and proposals which will in some cases be substitutions for those projects which will expire in the province of Quebec in the present year. There have also been discussions with regard to over-all plans for the future. My reference to the end of March was that before that date or around that date we would begin discussions government to government, and I believe that is the understanding of the government of Quebec as well.

[*Translation*]

Mr. Wagner: Mr. Speaker, I wish to ask a supplementary.

Can the minister indicate to this House whether the program now made public takes into account the interdepartmental work done in Quebec and in Ottawa or if it is only based on a report prepared by economists from the University of Montreal?

[*English*]

Mr. Jamieson: Mr. Speaker, it includes a great deal of information from a number of sources, including the studies from a Quebec university, but these were only one part of the series of consultations and studies that were under way. I would hope that within a matter of some weeks I would be able to make available in pretty comprehensive form to all members the results of this compilation of the various points of view and the various assessments that have been made. I think it is fair to say that we have tried to get as many inputs as possible, including most of the sources to which the hon. member has referred.

[*Translation*]

DESIGNATION OF SHERBROOKE AND EASTERN TOWNSHIPS AS SPECIAL AREA—STATUS OF NEGOTIATIONS

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a supplementary for the Minister of Regional Economic Expansion.

As the Eastern Townships have been neglected, as their industries have not benefited much from the department and as unemployment in this area reaches alarming proportions, is it the intention of the minister to make this a designated area, as he did with Montreal?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, this is, of course, one of the matters to which I referred in reply to the hon. member for Saint-Hyacinthe. We will be discussing with the government of Quebec just which areas of the province may be entitled to or may be by mutual agreement assigned special area status or in some way or other assisted by DREE programs. I have also had representations from the hon. member for Sherbrooke on this point and these have been taken into account.

UNEMPLOYMENT INSURANCE

POSSIBLE REINSTATEMENT OF THOSE CUT OFF BY COMPUTER PROCESS WITHOUT AN INTERVIEW

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, to return for a moment to the question of unemployment insurance, may I ask the Minister of Manpower and Immigration if procedures will be established to reinstate the benefits of unemployment insurance recipients who have been cut off by the computer process without an interview?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will examine that matter. I do not know the volume of such cases that may exist, but I will examine it.

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HARBOURS

ATLANTIC AREA—REQUEST FOR IMPROVED FACILITIES FOR FISHERMEN

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of the Environment and Fisheries. Has his department yet assumed responsibility for the provision and maintenance of harbour facilities in Canada? If so, in view of the high rate of unemployment in eastern Canada and the neglect of many of the public works facilities in eastern Canada, is it his intention to recommend that more money be put into that program to accommodate fishermen and others who need these facilities during the coming fishing season?

Hon. Jack Davis (Minister of the Environment and Minister of Fisheries): Mr. Speaker, the present program is being managed co-operatively by the Department of Transport, the Department of Public Works and the Department of the Environment. There is a move under way to shift the administration more to the fisheries service.

• (1520)

Mr. Carter: As this program is being administered by the Department of Public Works, would the Minister of Public Works tell us if he plans to ask his colleague, the Minister of Finance, to supply funds to enable him to provide some of these badly needed facilities in the Atlantic area?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, we have been spending millions of dollars in the past few years on repairing wharves and constructing new wharves. I agree that much more could be done. We are continually trying to obtain more funds to repair more wharves and build more of these facilities. Of course, the resources of this country are not unlimited. We are trying to do the best we can with the resources available.

Mr. Carter: A further supplementary, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member will be recognized for a last supplementary. There are only seven minutes left before the end of the question period.

Mr. Carter: Mr. Speaker, the Minister of Public Works referred to the lack of funds. I suggest that if he can afford to spend $26 million in the Ottawa area to provide cafeterias and air conditioning equipment, he should be able to provide money for the Atlantic area where these facilities are so badly needed.

Mr. Speaker: Order, please.

* * *

THE CANADIAN ECONOMY

POSSIBLE USE OF LOCAL INITIATIVES AND OPPORTUNITIES FOR YOUTH PROGRAMS TO KEEP UNEMPLOYMENT FIGURES LOW

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the warning by the Economic Council of Canada about too much reliance being placed on make-work projects, and as unemployment in Canada would still be well above the 6 per cent level if it were not for the 93,000 jobs created by LIP at a cost of $165 million, will the minister state whether the government intends to institutionalize the LIP and OFY programs in order to keep the unemployment percentage as low as possible?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, if we decide to do so we will make a statement in the House in due course.

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REGIONAL ECONOMIC EXPANSION

REASSESSMENT OF PROGRAM IN ATLANTIC PROVINCES

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary question is directed to the Minister of Regional Economic Expansion. I would ask the minister if a similar reassessment of the DREE program is taking place in the Atlantic provinces? Is the minister having consultations with the governments of the four Atlantic provinces similar to the kind of reassessment currently taking place in the province of Quebec?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Yes, Mr. Speaker. This is happening not only with the Atlantic provinces but with each of the provinces of Canada, and there are also sub-studies in the sense that they concern various regions within the provinces. It is a very comprehensive analysis and covers the whole country.

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POWER

JAMES BAY HYDROELECTRIC PROJECT—OBLIGATIONS OF FEDERAL GOVERNMENT UNDER NAVIGABLE WATERS PROTECTION ACT

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Minister of the Environment. In light of the statement to the House by the Minis-

ter of Transport on March 9 to the effect that he was not clear about federal obligations under the Navigable Waters Protection Act concerning provincial construction in the James Bay area, did the Minister of the Environment sign the document tabled in the House today without knowing what obligations the federal government has under that act?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, the agreement to which the hon. member refers relates to services normally provided by the Department of the Environment, involving fishery experts, oceanographers, mineralogists and so on. It is a service we are providing and it does not rest on the division of powers between the province and the federal government.

* * *

TRADE

INQUIRY AS TO GOVERNMENT POLICY FOR TEXTILE, LEATHER AND SHOE INDUSTRIES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Would the minister inform the House if it is government policy that Canadian businessmen should not be active in the textile, leather or shoe industries and that those fields should be left to the emerging nations, as has been suggested by an official of his department?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not think that is the proper way to put a question of this kind.

Some hon. Members: Oh, oh!

Mr. Hees: Why? Is it too embarrassing?

Mr. Gillespie: Mr. Speaker, it is government policy to support all elements of Canadian industry regardless of what industry it is and where it may be in Canada.

Mr. Stevens: Would the minister then indicate when he will do something for the tanning industry of this country to relieve it from the plight caused by the importation of foreign goods?

Mr. Gillespie: Mr. Speaker, on previous occasions in the House I have indicated, in answer to a similar question, that the tribunal is in the process of completing its report. I have heard that it has completed its report. This problem was assigned to the tribunal.

An hon. Member: When will you do something?

Mr. Gillespie: I am hoping to receive that report shortly. As soon as I receive the report I will study it and make a statement to the House.

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INQUIRY OF THE MINISTRY

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, may I direct a question and a supplementary question to the Minister of National Revenue. Would the minister inform the House whether or not expenses for dinners held for the benefit of political parties are deductible for income tax purposes?

Mr. Speaker: Order, please. The question is out of order. The hon. member cannot ask for a legal opinion or a legal interpretation. Therefore he cannot have a supplementary to that question.

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CANADIAN CULTURE

MULTICULTURALISM—PROVISION OF PROGRAMS BY CANADIAN BROADCASTING CORPORATION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is directed to the minister responsible for multiculturalism. A short time ago the minister was asked whether Canadian broadcasting rules were being adjusted in order to allow more time to be devoted to multiculturalism on the broadcasting media. The minister replied that he was awaiting a report from the CBC on its multicultural programs. Has the minister now received such a report and is he doing anything or is anything being done to allow multicultural programming on the CBC?

Hon. Stanley Haidasz (Minister of State): Mr. Speaker, I am glad to report to the hon. member that we are considering a program and a policy for multiculturalism and multilingualism in broadcasting. To date, I have not received a report from the chairman of the CRTC, who held a hearing in Montreal on February 19, I believe.

POSSIBLE AMENDMENT TO BROADCASTING ACT TO PERMIT CBC TO USE OTHER THAN OFFICIAL LANGUAGES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Secretary of State. I hope he will be able to answer it. In view of the fact that sections 3(e) and 3(g) iii of the Broadcasting Act specify the use of English and French only on the CBC, does the minister intend to introduce amendments to the Broadcasting Act in order to clear the way for use of other than official languages by the CBC? If not, why not?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I have no amendments prepared at this point.

MULTICULTURALISM—CONFLICT BETWEEN OFFICIAL LANGUAGES ACT AND BROADCASTING ACT—POSSIBLE ACTION TO REMEDY

Mr. Jake Epp (Provencher): Mr. Speaker, may I direct a supplementary question to the minister in charge of multiculturalism. In view of the fact that CRTC hearings regarding the CBC takeover of CKSB, St. Boniface, were held some weeks ago, can the minister tell the House what decisions have been made which would be in keeping with the intent of section 38 of the Officials Languages Act, which in this case is in conflict with the sections of the Broadcasting Act referred to by the hon. member for

High Park-Humber Valley? When this matter was referred to on February 22, the minister replied that it was a matter of government policy and would be announced in the House in the usual way. Is the minister now prepared to give his reply?

Hon. Stanley Haidasz (Minister of State): Mr. Speaker, before developing policy in this matter I should like to have the benefit of the report of the chairman of the CRTC.

* * *

CANADIAN PACIFIC RAILWAY

INCREASED PASSENGER FARES—REQUEST FOR REPRESENTATIONS TO TRANSPORT COMMISSION FOR DISALLOWANCE

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a question for the Minister of Transport. Since the Canadian Pacific Railway Company has applied for increased passenger fares and is to bring in fares along lines used presently by Canadian National, that is, bargain, economy and standard fares, and since it is the intention of the Canadian Pacific Railway Company to have almost no bargain or economy fares during the summer months, will the minister make representations to the Canadian Transport Commission in order to disallow the increase proposed by the Canadian Pacific Railway?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the increases which will be reviewed by the Canadian Transport Commission are related to several factors. They are meant in part to put the Canadian Pacific on the same footing as the Canadian National, that is there will be from now on three ticket series corresponding to the weekly traffic volume and similar to those now designated as red, blue and white rates by the Canadian National. Tickets issued by the Canadian Pacific will be gray, black and probably blue.

At any rate, the only significant increase, Mr. Speaker, would apply to sleeping cars and not to ordinary cars which are designated as third class transportation.

[*English*]

Mr. Benjamin: Since passengers, if there are any left in June, will be black and blue from this increase, and since standard fares are to be increased, as perhaps the minister may be aware, between 14 and 21 per cent, in view of the fact Canadian Pacific Railway Company has already printed and distributed the new tariffs will the minister ask the Canadian Transport Commission, in the light of this discourtesy if for no other reason, to disallow the proposed fare increases of CPR?

• (1530)

[*Translation*]

Mr. Marchand (Langelier): This is not new, Mr. Speaker. Since the new Transport Act was passed, it is well known that all the company has to do is to submit its request for a tariff increase to the Canadian Transport Commission, and then apply it. Companies are under absolutely no obligation to inform either the government or the public of increases, and thus invite representations. That is the law as passed by this House.

* * *

INQUIRY OF THE MINISTRY

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the Prime Minister.

Could he tell us what attitude the government intends to take on the statement by the Prime Minister of Quebec, Mr. Bourassa, who implied yesterday that he would be interested in giving evidence before the Committee on Indian Affairs and Northern Development, provided that the committee have a sitting in Quebec City?

Mr. Speaker: The hon. member is clearly referring to committee procedure, and his question is therefore not in order.

* * *

[*English*]

ENERGY

OIL AND GAS—REQUEST THAT STUDY BY CANADIAN SOCIETY OF PETROLEUM GEOLOGISTS ON NEW TECHNOLOGY BE REFERRED TO COMMITTEE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Has the minister received a copy of the 800 page study published by the Canadian Society of Petroleum Geologists in which they suggested that, in light of new technological know-how, it is possible to increase the recovery potential by seven times of oil and gas left in wells as well as that recovered from new wells? Has the minister received this? When he does receive it, will he make it known to the Standing Committee on National Resources and Public Works?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my recollection is that the society was planning to deliver copies to all interested parties. I will have to check to see whether a copy has been delivered to my department. I, personally, have not received it. With regard to the second part of the question, I think that would be a useful addition to the committee's considerations. If individual members do not receive copies, I will make sure the committee does.

Mr. Speaker: Before calling orders of the day, I will recognize the hon. member for Pembina.

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INCOME TAX

POSSIBLE ESTABLISHMENT OF REAL ESTATE DATA BANK IN CONNECTION WITH CAPITAL GAINS TAX

Mr. Dan Hollands (Pembina): Mr. Speaker, I want to thank the Minister of National Revenue for replying to the

question I asked on February 28, 1973. My question today concerns that reply. In your letter of March 7, 1973, you mentioned that following the tax reform and the introduction of capital gains tax, it becomes administratively necessary to establish a real estate data bank. My question to you is, what is a real estate data bank and the purpose of it?

Mr. Speaker: Order, please. The minister may reply to the question briefly. I take this opportunity very kindly to remind all hon. members that an effort should be made to address questions to the Chair rather than to ministers. This having been said, perhaps the minister might be allowed to reply, if he can do so briefly, to the question asked by the hon. member for Pembina.

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, hon. members will understand that it will be useful, both to the taxpayers and the Department of National Revenue, to have some accumulation of information about properties which may in future be disposed of and be subject to capital gains tax. Therefore, any information which is gathered at this time will contribute to a fair settlement of the capital gains assessments in the future.

Mr. Stanfield: Mr. Speaker, I rise on a question of privilege arising out of the suggestion of the Minister of Manpower and Immigration that I was either ignorant of or ignoring a message sent to my office by him during the noon period with regard to a question on the subject of TP4U slips. I wish to say, Sir, that the message received by my office from a member of the minister's staff was that his statement would not include any comment on the Montreal TP4U's because the minister had just received his briefing material. The minister, therefore, asked for indulgence in this regard, that this would not be included in the statement. The representative also said that the minister would answer questions. He did not in any way suggest that the answers might be limited.

Mr. Speaker: The hon. member for Peace River rises on the traditional point of order.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, now that we have escaped from the question period, I wish to ask the government House leader what will be the business for this week and next. Also, can he possibly give us a list of the legislative proposals which he has in mind for the next 10 days or two weeks.

Mr. MacEachen: Mr. Speaker, today we will continue with the debate on the Export Development Act. This will be followed by the housing legislation and that, in turn, will be followed by the foreign investment review legislation. On Tuesday and Friday of next week, we will have opposition days. The final opposition day will be Monday, March 26. I wish to advise the House that if it appears possible to deal with the Old Age Security bill and the War Veterans Allowance bill quickly in the report stages tomorrow, I will be quite agreeable to having them called tomorrow. However, in the event that they would not pass relatively quickly, I would continue with the business I have outlined to the House.

Mr. Baldwin: Mr. Speaker, on that point, I can advise the government House leader that if this is of any concern, we in this party are prepared to indicate that we will see that these bills are facilitated. I notice there are some amendments which might have to be considered at the report stage, but apart from that, we are quite prepared to facilitate their passage.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I simply indicate that we, too, are prepared to expedite the final passing of the bill to amend the Old Age Security Act and the bill to amend the War Veterans Allowance Act.

[*Translation*]

Mr. Fortin: Mr. Speaker, I also should like to state that our party is willing to co-operate in every way to speed up the passage of Bill C-147 on the old age security pension. We have proposed some most important amendments concerning the age of eligibility and the amount of the pension. We will propose them and defend them for the principle of the thing, but we will not oppose the passage of this legislation.

[*English*]

GOVERNMENT ORDERS

EXPORT DEVELOPMENT ACT

INCREASES IN AUTHORIZED SHARE CAPITAL AND IN CEILING ON LOANS AND GUARANTEES BY CORPORATION

The House resumed, from Wednesday, March 14, consideration of the motion of Mr. Gillespie that Bill C-3 to amend the Export Development Act be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. John Harney (Scarborough West): Mr. Speaker, I just have a few points remaining in my series of remarks on this bill. One of them relates to a matter which I raised yesterday, namely, the question of the economic and administrative co-ordination which does or does not exist in the Export Development Corporation and the internal development corporation which we have in this country, that part of the ministry which we call the Department of Regional Economic Expansion.

Yesterday I said that it appears from the allocations of funds made by both these entities or agencies, if I may call them that, that they may be working at cross-purposes. I am glad to see from reports in the newspapers today that I am not the only one in this country who thinks that. I read in this morning's *Gazette* some remarks made by an official of the province of Quebec. He said and I quote:

"The only thing I can think of is that there is a rivalry between DREE and the industry, trade and commerce department in Ottawa about which one will have the key say in development plans for the country,"—

I simply repeat this point to underline what I think is an extremely important matter. It is this. We have a series of agencies in this country, whether they be ministerial, Crown corporations or what have you, that are not working together to obtain the greatest economic development of this country.

I wish to conclude my comments on this matter by referring to some remarks which were made on this topic generally by the Minister of Industry, Trade and Commerce (Mr. Gillespie). I may have, not wittingly I will say, caused him to infer yesterday that I associated him rather directly with other and former Liberal cabinet ministers who had been involved very closely with Brazilian Traction, now Brascan. As far as we can tell, the minister's connection with that company is nil. At any rate, in the past he expressed views and attitudes which had been stated candidly and which should be repeated in this House. If we repeat them for the edification of this House, we are in a better position to understand what kind of presuppositions, premises and controlling principles he brings to his thinking on the matter of export development and multinational corporations. Last year he was quoted in the *Financial Post* as having said, and I quote:

"Multinationals are important and they produce results," ... "Do you know that in the U.S. the multinational corporations produce more jobs and more foreign earnings than the purely domestic companies? They do, and we can do the same here."

• (1540)

So, the minister's basic philosophy had been put on the line. It is clear. We shall know exactly what we must take into account when we deal with this legislation more specifically.

I think the minister should be reminded that when he was in charge of another ministry, the Science Council of Canada caused a report to be prepared by Mr. Arthur Cordell. The report stated very simply that Canadian-based multinational corporations were no more inclined to act in the Canadian interests than were foreign-based multinationals. This is something we would do well to keep in mind.

In closing, I should like to refer to one of the companies about which I spoke yesterday—Brascan. Brascan is informative. It tells us exactly where its interests lie. The company has produced advertisements telling us, for example, that in Canada it had assets in 1971 valued at $135 million and that in Brazil its assets were valued at $103,000,000. So, the activity of this corporation seems to be centred in Brazil. The important thing is this. We should not kid ourselves we are helping a developing country when we advance generous loans to multinational corporations, even to our own multinationals, such as the loan of $26.5 million to Brascan.

Mr. Douglas: Which they do not need.

Mr. Harney: We ought to remember that we are dealing, here, with a tight, closed circuit of corporate control. We could save ourselves an enormous amount of time and trouble in future if we were to send the cheques covering these loans not all the way to Brazil, as in the case of Brascan, but directly from Ottawa to 25 King Street West, Toronto.

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, I do not intend to take up much of the time of the House. Most of the points have been made, and well made, and there is no need for repetition.

It does strike, me, however, that what the government is attempting to do by way of this piece of legislation is an example of philosophy they tend to adopt throughout—to use another patch in the quilt. They do not bring out any forthright long-term policy suited to the development of this country either in the Department of Industry, Trade and Commerce or, particularly, in the EDC. It bothers me that they should come here to present legislation before we have even seen any kind of financial statement. There is no audited statement of what they have done last year so that we can properly assess the progress being made by EDC. In other words, the government presents another hodge-podge of legislation. They show no clear evidence of developing any long-term programs, any policies. Surely, the trials and tribulations of the economy of this country are such that a new minister, particularly, should settle down and assess where we are going in this respect.

Looking at the supplementary estimates, it is obvious what goes on in this department. Throughout, there are one dollar items, indicating there has been a change of policy, modification and alternation of legislation. It is well known that what they are attempting to do is get in through the back door what they cannot get through the front door. In other words, they are trying to pass legislation by way of supplementary estimates rather than do it in the parliamentary way by bringing in bills which say what they want to do. Oh no, this is so much easier. There is that little automatic cut-off applied in the case of supplementary estimates, and debate is generally limited when considering items the department has in mind. Throughout these supplementary estimates B, we find these one dollar items thrown in, which means they really do not have a plan in the department or in the EDC to cover what is required. They put in another patch. This I deplore. Surely, a government which has been in power since 1962, throughout the last 11 years, should do better than that. They come here and ask for a little money, not taking time to present a proper bill, but dealing with one item only.

Since we are dealing with EDC, I will ask this question: how would that Corporation consider an application from a company which came to them and said "We need some money, gentlemen, to finance this project." The banker would say "Let me see the financial statement and I will consider it." "Oh no, I don't have a financial statement, just take me as I am." This is exactly what the government is asking us to do, accept them in good faith at face value. Surely, there is some business code parliament should look at when dealing with things like this. The expert Export Development Corporation comes here and asks parliament to bail them out of a situation, having overspent, having made commitments. I am reminded of the minister in charge of the Wheat Board who came to parliament seeking for an out-of-court settlement in order to avoid being sued, if the term is not too lewd, for all the

money he had spent. I suggest to you, Mr. Speaker, that this is the real reason for this legislation. There is no program. There is no policy. We look at what goes on within that department.

We look at Michelin Tires, for instance. The minister responsible for EDC said the other day, of course, that their only recourse was to bring a law suit in the United States if they do not get what they consider to be justice from the United States Government. I want to ask the minister in what state would the law suit be brought? Would that law suit be brought in the name of the Government of Canada or in the name of Michelin Tire? And if in the name of Michelin Tire, as it obviously must be, who would pay the court costs? This is very interesting question, and I wonder whether the minister will ever find time to reply to it. These are the types of things, this woolly, cottony attitude which this government presents to parliament every day, day after day. Surely, the people of Canada can expect a good deal more than this. And they deserve much better than this.

• (1550)

What has been the situation with the auto pact? We have had changing attitudes and stances, the government not knowing where they are going, or why or how. I wonder whether this is the type of government to which we are entitled. I suggest it is not.

I was under the impression—obviously mistaken—that the EDC was designed for the benefit and for the growth of Canadian industry. But as pointed out by the hon. member for Oxford (Mr. Nesbitt), loans to certain countries which would have benefitted the interests of certain Canadian industries were turned down. I wonder whether this had anything to do with the politics of Chile and whether the United States of America has still got its thumb on what this government does. Is this government afraid to act in its own right and to stand on its own feet? Certainly, its actions do not bespeak of a government with courage and foresight, one that knows where it is going.

I have said that the EDC is supposedly designed to be of benefit to Canadian industry. I notice a very curious item—I think it is item L17b in supplementary estimates B—concerning a loan to Canadair for the sale of water bombers to Spain. On the surface that is fine. If I may digress for a moment, I suggest there are too many non-lapsing loans in supplementary estimates B for this particular department. This department, with one other exception, is the only one with these non-lapsing items, these items of $1, and I suggest this is because they have no concrete policy. They know not where they go. I wish they had a light to guide their path; but there is too much heat over there and insufficient light.

With regard to this loan to Canadair to which I have just referred, it looks fine. But what was the quid pro quo that the EDC agreed to? The importation from Spain, primarily into the province of Quebec, of about $6.5 million worth of Spanish wine. I am informed that in the year 1971 the total consumption of Spanish wine in the whole of Canada was less than $2 million worth, and that the grape growers in the province of Ontario actually shipped about $1.75 million worth of wine to Quebec. Therefore, the market for the Ontario grape grower is going to be vitally affected by this little deal.

I wonder whether there was consultation between the Export Development Corporation and the Canadian Wine Institute or the Ontario Wine and Grape Growers Association before this little deal was made, a deal supposedly for the benefit of Canada. This is what it has done for a local industry, one of the few wine producing areas of this nation. Some grandiose statements were made about saving local industry, yet with the stroke of a pen and the grant of a loan to another nation, the potential of this industry has been greatly reduced, to the point where they find it difficult to compete in Canada for a Canadian market.

Surely, it behooves this government, through this department, to formulate a plan so it knows where it is going. It should have consultations with local industry and business that might possibly be adversely affected by some of these so-called policies that the government chooses to adopt. I urge that some kind of action be taken to amend the legislation under which this particular department operates so that this non-lapsing funding is discontinued and the department does not do by supplementary estimate what it should do by legislation. Then, the people of the country will be given a clear picture of what the EDC is doing for their benefit.

Mr. Joe Hueglin (Niagara Falls): Mr. Speaker, I am rising as the final Conservative speaker on Bill C-3, and I should like to sum up the arguments put forward by my party. Upon my summation, we are reluctantly willing to see this bill go to committee; but we do so on the strict understanding that we will require an intensive examination of the operations of the Export Development Corporation during this committee stage. Indeed, we may feel it necessary to suggest some amendments to the Export Development Act.

Let me sum up first. The Minister of Industry, Trade and Commerce (Mr. Gillespie) has been guilty of shameful misrepresentation to this House. On February 2, while presenting the bill, the minister stated that the Export Development Corporation had the capacity to sign agreements for over $200 million to provide for the requirement of over $500 million. At that point the minister clearly considered signed agreements to be part of the corporation's liability under section 30 of the act that restricted such liability to $850 million, which liability restriction the minister has asked to be raised through this bill to $1.5 billion. Subsequently, however, the minister's parliamentary secretary stated on March 9 that signed agreements were not to be taken into account, although he did point out that signed agreements amounted to $865 million as of January 31, 1973. The parliamentary secretary said that it was only instruments that were to be taken into account, and that on January 31 they amounted to only $500 million.

I ask you, Mr. Speaker, who is right? The minister told us in February that he had only $200 million free; his parliamentary secretary in March indicated there was $350 million. The truth is that they know they are caught. There is a December 31, 1972 statement due from this corporation, and the minister is pressing to get this bill through the House because he does not want to be embar-

rassed by what that statement may show. To be more specific, the 1971 statement, in note 2, included an item as follows:

The uncommitted authority to guarantee and lend was $212 million.

If the forthcoming statement contains the same note, it would show that the uncommitted authority as at December 31 is only $9 million. Based on the parliamentary secretary's statement, therefore, they would have no uncommitted authority. Indeed, they would have exceeded it by $15 million by January 31, 1973 when the parliamentary secretary stated there were signed agreements totalling $865 million.

Let me make a prediction, Mr. Speaker. I predict that note 2, as it appeared in the 1971 statement, will not appear in the 1972 statement. They will duck the issue, and by doing so they will hope not only to duck but also to dupe this parliament. As a new member to the House, I believe it is disgraceful that the type of deception that is practised is tolerated by the House. At the very least the minister must apologize for the deception carried on by himself and his parliamentary secretary.

• (1600)

Let us look at how ridiculous their position is. Section 30 initially provided a ceiling of $600 million. In 1971, the ceiling was lifted to the present $850 million, because at that time it was represented that the amount committed would go over the ceiling if it was not so increased. Now, in 1973, the parliamentary secretary to the minister asks us to believe that only $500 million in notes is involved when you are determining the ceiling. If he were to be believed, why was it necessary to lift the ceiling, first of all from $600 million to $850 million back in 1971, when right now we are $100 million below what the ceiling was in the beginning, $350 million under the present ceiling and only one-third of what the government is asking for today has been committed? In other words, the corporation would be a full $1 billion under the limit they are presently asking for in order that the program can be continued. If I could effectively stop this charade I would do so, but unfortunately our right to amend this bill is limited.

Let me outline in point form the other matters affecting this bill which concern myself and my party greatly. This corporation has become the softest touch in the international financial world. It is serving in the main multinational corporations which are able to finance their operations out of the federal treasury. Out of the total capital of over $1 billion, only 43 Canadian companies benefited, and the majority are United States or foreign-controlled. In fact, over one-half a billion dollars of this financing has gone to only eight of these 43 companies.

Surely, it is ludicrous for a government to be bringing in a foreign takeover review act, while at the same time it is handing out money to the benefit of these same corporations at an interest rate of 71/8th per cent, on the average. The minister, in his rebuttal, stated that our members believe the Export Development Bank should discriminate against foreign-owned corporations, and that the job it is doing is terrible because it lends money to foreign corporations. While he admits that there could be a problem in respect of foreign ownership, he follows the usual tact of accusing our party of being anti-American or anti-foreign. This is an old pattern the former hon. member of my riding used to try to discredit me when I was working within the area to unseat him. It did not work then, and I do not believe it will work now.

The people of Canada know there is a difference between discriminating against foreigners and actively encouraging Canadians. I do not believe we should discriminate against foreigners, be they American, British, German or whatever, but I do believe that we should have a government which will favour in all its actions, and through its many vehicles, including the CDC, the IDB and the EDB, Canadian-owned and controlled companies that will make their decisions based upon Canadian concerns and priorities alone. This is not the policy of the present government. It has not been its policy, and we have as yet no clear indication that it will be in the future. Surely, the Michelin fiasco should have taught this government a lesson, but that is now unlikely. Surely, the sale of that formerly all-Canadian company, which still advertises as such, Supertest, the all-British company, BP or British Petroleum, owned 50 per cent by the British government, illustrates their lack of concern.

This government's lack of concern not only for Canadian company growth but for small business is shown by what we know of this corporation's operation, and we still do not have full knowledge yet, since the accounts have not been fully audited and reported. Once again the parliamentary secretary, because of our concern for small businesses, businesses which, if given incentive and assistance, can become large, accused us of saying the corporation does not do anything at all for small business. We are not saying that it does nothing. We do say that the Canadian companies getting assistance through the EDB pay 11 per cent, while the large foreign-owned corporations pay 7½ per cent. Surely, this is a policy out of balance with our needs.

This corporation has no guidelines in respect of the amount it can lend to any single country. Surely, it would be prudent to draw up requirements that may not be violated. As it now stands, one-quarter, one-half or even a whole $1 billion could be lent to one country alone. The fact is eight countries right now have over $600 million from this corporation.

Next, I would point out that much of this financing is being utilized by these foreign countries to build transportation systems. That, in itself, is good and a valuable thing, but up to the end of December, $360 million has been pledged to such transportation systems. If our urban centres approach the federal government for funds to improve their urban transportation systems, they are told there is no money. Our priorities are wrong under the present government when a Crown corporation that is virtually out of control is allowed to dole out hundreds of millions of dollars to others, while our own people are told there are no funds available.

This corporation has many facets yet the minister, with this narrow bill, is trying to slip through only one facet of the corporation's operation without giving parliament an opportunity to look at the entire operation. If all the facts were known concerning the operation of this corporation, including its insurance of foreign investment to the extent

of 150 per cent of the actual investment, it would be a national disgrace. As far as possible, we intend to bring out these facts before the committee, and we give the minister notice that we will expect him to table audited financial statements for the corporation at the committee hearings.

The government has put the gun to our head, however, in that it has indicated the passage of this bill is a priority. It certainly has top priority, because the Liberal government realized it had been embarrassed by still another bungle, having still another ceiling illegally exceeded, and by still another minister having no clear understanding with his subordinates of what constitutes fact or fiction.

The government has said it will not bring on its housing legislation until this bill has passed second reading. We do not wish to hold up whatever good there may be in the housing legislation. That, and that alone, is the reason we are submitting. What it could not achieve by persuasion, it is achieving once more by using as blackmail our known and rightful concern about the wellbeing of Canadians. We therefore will agree to allow this bill to go to the committee, but our stand in opposition to it and the tactics used by the minister in respect of this corporation is far from ended. I sincerely hope this bill will not be allowed to return to this House without significant amendment.

Mr. Deputy Speaker: The Chair recognizes the hon. Minister of Industry, Trade and Commerce (Mr. Gillespie). If he speaks now he will close the debate on second reading.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I welcome this opportunity of winding up the debate on second reading. From my vantage point, this debate has taken a considerable period of time. We started second reading six weeks ago. I think it is worth reflecting on the length of time considering that we have before us a straightforward amendment to the Export Development Corporation Act. Normally, it might have been expected to be sent to the standing committee after a day's debate, where it would have been considered in some detail. I think we have lost six weeks of valuable time.

An hon. Member: Not so.

Mr. Gillespie: I have listened very carefully to the points raised by hon. members opposite, and have wondered whether they are aware, as most of us are, that any debate on second reading is a debate on the principle of the bill.

Mr. Baker: Mr. Speaker, I rise on a point of order. With the greatest respect to the minister, I question his right to leave the impression that we have lingered over this bill for six weeks. He knows full well that the government has discretion as to what legislation will be introduced and with what legislation we will proceed. We are not suggesting the bill is not important, but I do not think it is proper for the minister to mislead the House in this way. As a matter of fact, I believe the record will show that we have considered the matter for little better than three days, which is not unacceptable.

[Mr. Hueglin.]

• (1610)

I think the record should be clear that it has not been a six week debate. If they had chosen to proceed with the bill in the usual way, the debate could have been over in three days, three and a half days, or perhaps four days. But I think that, under the circumstances, it is improper for the minister to leave that impression on the record.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: This is not a point of order, it is really a point of debate. I think we have made this point from the Chair over and over again in this parliament, and Mr. Speaker had some extra words of advice to the House on this point the other day. I really think that hon. members should not use the rules and, under the guise of a point of order, bring in matters which can be dealt with in the ordinary debating process.

Mr. Gillespie: Thank you, Mr. Speaker. I was just trying to recall for the benefit of hon. members opposite that this Crown corporation was created by an act of parliament in 1969. At that time, the bill went through a very considerable consultative process and process of examination at second reading, but more particularly in committee. That is where the detailed examination of the bill took place and should take place. It was reported out and passed, I think, with the support of virtually all members of the House. Subsequently, there was an amendment with respect to the particular item with which we are dealing today, namely, to increase the ceiling on direct loans. Again, that went through very rapidly without nearly four days of debate as we have had on this occasion. That was the point which I thought was well worth recording, that if there had been a serious interest on the part of Conservative members to examine this bill, they would have sent it to committee six weeks ago.

An hon. Member: That is before you fouled it up.

Mr. Gillespie: I would ask hon. members opposite whether they are more interested in talking about policy, about problems, or doing something about them. This bill and these amendments are aimed at increasing the basic ceiling on direct loans to foreign purchasers of Canadian equipment, loans which will very directly increase the employment levels of this country in the capital goods producing industries.

An hon. Member: By how much?

Mr. Gillespie: I will get to that point, Mr. Speaker. If I am not able to answer all the bootlegged questions this afternoon, I am sure I will have an opportunity to do so in committee, and I look forward to that. But talk is one thing, action is another. I would hope that hon. members opposite will consider it their responsibility to deal with the export potential, with the health and viability of the Canadian manufacturing industry in a forthright way because that, in a very real sense, is what the bill is all about.

As the hon. member for Oshawa-Whitby (Mr. Broadbent) said in his remarks to which I listened very carefully, the Conservatives cannot have it both ways. Either they want to support the manufacturing industries or they

do not, and if they cannot make up their minds—and that is the position they are in—

Mr. Baker: Sophistry.

Mr. Gillespie: —I hope they will be forthright enough to say so.

Mr. Stevens: Worry about your own position.

Mr. Gillespie: As I indicated, we will have plenty of opportunity in committee to examine the procedures provided in this bill and the lending practices of the corporation. The officials of the corporation are looking forward to the same process themselves. They feel that their success story is a success story which all hon. members should hear, that through the committee, the Canadian people can come to understand how the export industries of Canada have been supported.

Mr. Baker: That is not what they are saying internally.

Mr. Gillespie: I should like to deal with one or two criticisms that were raised in the course of debate on second reading. The first category is that of an unplanned bill or unplanned action, and the hon. member for Trinity (Mr. Hellyer) led off with a statement that he thought, in the circumstances existing at that time,—he was referring back to last summer—the full co-operation of all opposition parties would have been cheerfully given to the expediting of a bill such as this. In other words, his argument was that we should have introduced this measure last September. Well, I ask hon. members, can we really accept this as a serious question? I think the simple answer is, no. All political parties at that time were adopting an election posture and the hon. member for Trinity was in his own search for a new election posture.

An hon. Member: Is that your strongest point?

Mr. Gillespie: An allegation was made by the hon. member for St. Catharine's (Mr. Morgan) this afternoon who said something like this: they ask us to bail them out, they have overstepped the work. The last Conservative speaker said something about a shameful misrepresentation to the House and the hon. member accused me of this shameful misrepresentation.

An hon. Member: That is putting it mildly.

Mr. Gillespie: He was referring to the matter of the authority on the lending ceilings. I am sure that the hon. member will be generous enough in committee to withdraw that statement when he is confronted with the facts.

An hon. Member: No way.

Mr. Gillespie: He will not have an opportunity perhaps until that time to make such a withdrawal, but I think it might be useful at this point—

Mr. Stevens: We know what your legal authority says.

Mr. Gillespie: —to read to members of the House an answer to the allegation which has been made, the question of exceeding the authority under the act.

Export Development Act

Under section 30 of the act, which fixes the limit for section 29 loans and guarantees, the corporation may not have instruments outstanding at any time in excess of $850 million. At February 28, 1973 the level of instruments outstanding totalled $502 million.

Mr. Stevens: Under what definition?

Mr. Gillespie: I ask hon. members opposite to listen carefully.

Mr. Basford: They don't want to listen.

Mr. Gillespie: If they listen, they should learn something, but who can be sure of that? The answer goes on to read:

Instruments become outstanding only when disbursements are made under signed financing agreements.

Mr. Stevens: Who said that?

Mr. Gillespie: It goes on to read:

Disbursements take place over an extended period after the signing of financing agreements. Concurrently during this period instruments are being retired as repayments of principal are made on loans outstanding. The corporation may, therefore, sign financing agreements somewhat in excess of the ceiling applicable to instruments so long as this never obligates the EDC to purchase instruments exceeding the statutory ceiling.

Hon. members opposite, or some of them, may have their own legal interpretation, but they will have an opportunity of putting it forward at a later date.

• (1620)

Mr. Stevens: A point of order, Mr. Speaker—

Mr. Gillespie: But I can assure you, Mr. Speaker, that those are the facts.

Mr. Deputy Speaker: The hon. member for York-Simcoe on a point of order.

Mr. Stevens: Thank you, Mr. Speaker. The minister has referred to a legal opinion. I would like him to table that in this House since it relates to the point he has just made.

An hon. Member: Sit down. You are not in a boardroom now.

Mr. Deputy Speaker: I do not think that is a point of order.

Mr. Gillespie: Mr. Speaker, the urgency of Bill C-3, to amend the Export Development Corporation Act, to raise the lending ceiling, is therefore not because the corporation has exceeded the ceiling but because its capacity to sign new agreements under the present ceiling falls considerably short of the anticipated requirements for new financing in 1973, estimated to be in the order of $500 million. Now, Mr. Speaker, that is new business for Canada, and it represents new Canadian jobs. That is the reason we have brought this bill forward at this time.

There were other references with respect to the operations of the Export Development Corporation. There was a suggestion that in some way this was a Canadian corporation which was subsidizing big business, or subsidizing the foreign-controlled multinational corporations in Canada, that in some way it was oriented to bigness and

oriented to foreign control. The basic reason I think hon. members made a mistake and misjudged the situation is that they are unaware—or if they were aware they chose to overlook it, even though on occasion they were reminded by myself—that the direct loans are not made to the vendors, to the Canadian corporations. The direct loans are made to the buyers.

Let us just consider the situation for a moment. Here is a country. We will call it country X.

Mr. Stevens: No, call it Chile.

Mr. Gillespie: It is a country in a different part of the world. That country is concerned with capital goods, maybe locomotives. It may be building a railway and wants locomotives. When you are looking for locomotives there are perhaps a number of countries you would consider, and perhaps a number of companies within those countries that you might consider. The Export Corporation in the United Kingdom, the ECGD, and the Ex-IM Bank in the United States, and similar types of export financing corporations in various countries would support their own industries in such a case. They would say to this country X that is looking for a supplier of locomotives, "We build good locomotives in the United States." "We build good locomotives in the United Kingdom," or in France, or wherever it is. "We would like you to buy British locomotives."

For a long time Canada was not part of this game. For a long time we let the more sophisticated export industries of the world take the cream off without Canadian initiative. But with the passage of the 1969 act, an act that was passed by the last parliament of Canada without the kind of—I don't want to use the word filibuster but at times that comes to mind—

Some hon. Members: Come off it.

Mr. Gillespie: —by hon. members opposite, it dealt with a situation of real need. There is still a real need. Those loans are made to the buyer if he purchases Canadian locomotives. If the buyer purchases Canadian locomotives he gets a loan. If he purchases British locomotives he does not, but then he gets a loan from the British government agency to buy the locomotives. This is putting Canadian capital goods producers on a competitive basis with foreign capital goods exporters.

The EDC direct loans are oriented towards capital goods, and they are oriented to countries outside Canada. Further, they are oriented to all the businesses of Canada, because unless there is 80 per cent Canadian content there is no deal. The point which I think was often overlooked by the Conservative spokesmen is that there are literally thousands of small Canadian businesses which participate, each time one of these contracts is written.

Take the Northern Electric Company of Canada that has supplied capital equipment to countries like Turkey. It has 4,000 suppliers, and for the most part they are small suppliers. I mentioned locomotives a moment ago. Montreal Locomotive Works, I understand, adds about 20 per cent of its own content, and purchases 80 per cent from manufacturers all over Canada. In other words, these direct loans spread the benefit back, through the buyer and the major Canadian supplier, to all corners of Canada that are involved in the manufacturing industries.

Another aspect of the EDC, that is to say, the export credit insurance aspect, is worth noting.

Mr. Stevens: That isn't before us today.

Mr. Gillespie: I know that, but it was raised and referred to by hon. members, and that is why I am mentioning it in order to put the record straight. Thousands of policies have been issued under this provision. At the present time, I understand that roughly 1,000 are outstanding, and that 70 per cent of those are for amounts of less than $250,000, which is obviously an assistance to the smaller businesses in Canada. Further, they are not related just to capital goods or just to manufactured goods. They also involve consumer goods, so that this widens the application.

In committee we will have an opportunity to talk about relending loans, which is yet another aspect of the EDC's activities which brings in small business. But to suggest that through the EDC we are charging small business 10 per cent, and subsidizing big business with a 7 per cent loan, is a patent distortion of the facts.

Other questions were raised with respect to directors, the proportion of private sector directors and of public sector directors. There was a reference to the make up of the private sector directors, with the suggestion that in some way they represent only the big interests of Canada. I believe that the men who are serving from the private sector are distinguished Canadians who, in their position as directors of the EDC, are making an important contribution to the growth of Canada.

Lest there be any suggestion that there is conflict of interest, and this was raised by one of the hon. members opposite with reference to an aluminum contract, I have been informed that the President of the Aluminum Company of Canada, who is a director from the private sector, declared his interest and abstained from the vote. We can discuss whether the majority of directors should be from the private sector or from the public sector, but we are dealing with public funds and it seems to me this parliament would want to reserve unto itself the right to appoint not a majority of directors from the private sector but a majority from the servants of this parliament and this government.

Questions were raised with respect to the support of the attractive looking resort in the Caribbean. Reference was made to this as being the type of project which the EDC should not support. I am not sure it was realized that the support for this particular project was an insurance of a direct investment. There was no EDC capital used in the development of that particular resort. No resources were loaned to the developer at the other end. This was an insurance of a direct investment by a Canadian investor, and that particular part of the act is aimed at providing what might be described as political insurance, or insurance against political risk. I think it is important to note in this particular connection that that particular investment had the full support of the government concerned. In fact, the views of the government concerned were sought before the insurance was granted.

• (1630)

I think I have covered some of the main considerations, Mr. Speaker—the question of small business, the question of the allegations with respect to exceeding the ceiling and I have touched on the directors. There will be an opportunity in committee to examine these questions in more detail as there will be to examine the part that the particular firms have played and the important part that these capital goods purchasers have played in terms of development of their own countries according to their own priorities. A foreign country is not going to undertake an obligation to the Export Development Corporation to repay Canada in Canadian funds for the purchase of Canadian capital goods unless it feels that the particular investment will support the development of that country according to its priorities.

Thank you, Mr. Speaker. I look forward to the committee stage.

Mr. Deputy Speaker: Perhaps before I put the question I could deal at length with the point raised by the hon. member for York Simcoe (Mr. Stevens). As I understand it, he was asking for the production of a legal opinion made available to the Minister of Industry, Trade and Commerce (Mr. Gillespie) with reference to this particular bill.

When I listened to the minister make his statement I did not understand that there was any quotation in his speech from that legal opinion. I think the general practice is that if a document is quoted, then it is the practice of the House to ask that the document be made available to the House. As I understand it, the minister, while using the words "legal opinion" in referring to this bill, was not quoting from this legal opinion. Therefore, I think under the circumstances, and considering the past practices of the House, it would not be proper to ask that the opinion be tabled.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: On division.

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

* * *

NATIONAL HOUSING ACT

PROVISIONS RESPECTING NEIGHBOURHOOD IMPROVEMENT, REHABILITATION, OWNERSHIP, NEW COMMUNITIES, ETC.

Hon. Ron Basford (Minister of State for Urban Affairs) moved that Bill C-133, to amend the National Housing Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, it is a great honour for me to begin the debate on Bill C-133 today and to move that it be referred to the Committee on Health, Welfare and Social Affairs. In our discussions today, and during the debate on second reading, I want to deal with the principles of Bill C-133, an Act to amend the National Housing Act. In my view, some fundamental principles are involved in this legislation.

When we talk, as we undoubtedly will, in this debate in a general way about the subject of housing we are talking about an elemental human need—the need for shelter, for physical and emotional comfort in that shelter. When we talk about people's basic needs—the requirements for survival—society and the government obviously have an obligation to assure that these basic needs of shelter are met.

I have already acknowledged this obligation in stating that good housing at reasonable cost is a social right of every citizen of this country. As legislators, as administrators, as a federal government working with the provinces and with the private sector, that must be our objective, our obligation and our goal. The legislation which I am proposing to the House today is an expression of the government's policy, part of a broad plan, to try to make this right and this objective a reality.

The measures presented in this bill are designed, first of all, to give Canadians the kind of help that they have a right to expect in providing themselves and their families with adequate shelter. More particularly, they are directed first at those people whose need is most urgent—the old, the poor and those people who for one reason or another do not have access to the resources which this country can provide.

In considering people's need for shelter, however, we cannot concern ourselves simply with a roof and four walls. Man is a social animal and we must look beyond his house to the community of which it is a part. The community, as well as the house, must be safe and healthy and must allow and encourage man and his family to achieve the fullest possible growth and development, physically, emotionally and spiritually.

The bill is not, however, the government's only response to this challenge; it concerns only those sections which require immediate changes in the National Housing Act and it should be seen in the context of other responses which I have already described in a previous speech to the House. These are such things as the agreement at the federal-provincial conference held in January, to the development of a comprehensive national and local assessment of housing conditions. This will ensure that federal, national and regional policies are sufficiently flexible to meet the needs that exist across the country—things which are very different in different parts of the country. Such things as other parts of a total program of planned intergovernmental intervention in residential land markets—which I will mention in a moment—to reduce land costs and assist in the orderly development of urban communities; such as the growth of new intergovernment relations to assure the fullest possible consultation and co-ordination among all levels of government in developing and planning housing and community policies and programs including important changes that have been agreed upon recently for a three year commitment of funds so that federal and provincial housing agencies can plan for more than one year. As a result of the January agreement, officials of Central Mortgage and Housing are meeting with the provinces to agree upon these forward planning commitments, a part of which will

be the process of getting housing away from the counter-cyclical economic device that it has often been in the past.

In the process of these consultations on agreement for forward budgeting, we will provide for flexibility in the allocating of funds to provinces and their provincial housing agencies to account for regional and provincial priorities and flexibility in allocating resources between the various programs of the National Housing Act.

I might mention also the thorough review which I have already announced of the federal sewage treatment program through which the federal government lends money to provinces or municipalities, their water or sewage agencies or regional governments, for the development of trunk sewers and sewage disposal plants. That program is under intensive review by an intergovernmental committee of the federal government which is consulting presently with provincial governments on their needs. I hope to have an announcement this spring on how that program will continue and in what form. An important development will entail the support of the federal government with respect to sewage treatment services. This will improve the quality of the environment and the quality of our urban life and will, in addition, be instrumental in bringing land on to the open market.

• (1640)

I now want to mention a bill, also on the order paper, Bill C-135, which will bring in certain amendments necessary in this field. It is known as the financial mechanisms bill and will create the federal mortgage market corporation, commonly known as a residential mortgage bank. That will provide for a liquidity of mortgage investment, which does not now exist. The bill will provide for the establishment of mortgage investment companies. I know my friends in the NDP have indicated their resistance to this legislation. I think they ought to re-examine their position on that particular bill, which is designed to make mortgage investment more attractive.

Mr. Woolliams: They will never agree to that bill.

Mr. Basford: I hope all hon. members will examine that bill carefully and, no matter in what part of the House they sit or which party they support, that they will support it. Bill C-135, is complementary to the bill before the House.

May I mention that there is currently under way a reorganization within Central Mortgage and Housing Corporation, as a result of intensive management studies within the corporation. This is being carried out to assure that the corporation, in its operations and management functions, is totally able to carry out and fulfil legislative programs that we have enacted and are enacting. So this bill before us represents only part of the total picture with respect to housing policy and with respect to meeting the housing goals of this country. In terms of legislation, this bill represents, in my view, a major attack on the housing problems that face Canadians in the 1970's. This attack will take place on a number of critical fronts. It might be well to enumerate, briefly, those ten aspects of the bill.

There is to be, first, assistance for the planning and creation of new communities where they are part of provincial plans for dealing with the problems of urban growth—an alternative to the uncontrolled sprawl of our great cities. Second, there are to be resources to plan and finance the public acquisition of residential land, as part of an intergovernmental attack on rising land prices and as an instrument to be used for the orderly development of Canadian cities and Canadian communities. Third, there is to be assistance to low-income families who, with some help, will be able to buy their own homes rather than occupy public housing or other forms of subsidized rental housing. Fourth, there is to be increased assistance to voluntary groups such as church groups and service clubs who are willing to take the initiative in creating housing for low-income people, and particularly the elderly. Fifth, there is to be assistance to co-operative housing corporations, to encourage personal initiative in the development of housing and to offer a wider range of choice, particularly to lower-income and middle-income people, in the kind of housing they will have and the way in which they will occupy it.

Sixth, there is to be a new and imaginative program designed to preserve and improve urban residential neighbourhoods which are a vital strand in the social fabric of Canada but which may be threatened with death and decay. Seventh, there is to be a program of assistance to rescue and restore old, deteriorating housing which, with some judicious investment, could have many more years of usable life. Eighth, there will be provisions to assist Indians living on reserves to acquire existing as well as new housing. Ninth, there is to be the first step towards a full program of protection for some buyers, similar to the warranties and guarantees offered to purchasers of other consumer products. Finally, Mr. Speaker, the last feature of Bill C-133 will be new measures to encourage research and development in housing and community planning.

In recommending this legislation to the House, Mr. Speaker, I do so with the knowledge that it has been the subject of very extensive and thorough federal-provincial consultation and public examination. As hon. members know, a counterpart bill was introduced to parliament last June which had been the subject of intensive consultation with provinces. I have had the opportunity of discussing the provisions of that forerunner bill, and of this bill, in general terms with provincial ministers concerned with housing and with many municipal representatives. The most recent discussions took place at the federal-provincial conference on housing which, as I mentioned, was held here in January, of this year. The official communique of the conference expressed, after the outcome of previous consultations which had gone on at the official level was known, the general support of the provinces for these proposals.

Many of the suggestions made by provincial ministers concerned the implementation of these programs, rather than the legislative provisions themselves, and matters which are covered by regulation rather than statute. This matter will continue to be the subject of continuing consultation at the official level. It concerns not only orders in council and the regulations that support the legislation but the administrative procedures that flow from them.

As well, there has been advice and comment from many public and private organizations, and I should like to

acknowledge now my appreciation of the time and great energy which so many people have devoted to the study and analysis of these important public issues. I think all hon. members have been impressed so far with the briefs and submissions which have been tendered by interested groups of citizens who have concerned themselves with housing policy in this country. All of this advice that we have received has been carefully considered and many of their suggestions have been incorporated in the bill and will result in further changes in detail when we reach the committee stage.

I have been encouraged to find, so far as the principles of the legislation are concerned, that they have received widespread acceptance by those people and organizations who have given them careful consideration. The Canadian Council on Social Development, for example, has described the proposed programs as significant ones, which, if properly funded—and I think we should discuss funding of the programs in Committee—

Mr. Gilbert: If properly funded.

Mr. Basford: —promises to improve the accommodation of many Canadians. The Housing and Urban Development Association of Canada has written, expressing general agreement with the tenor of the amendments. The Co-operative Housing Foundation and the Ontario Habitat Foundation of Toronto joined, I understand—although not in any written form, by the B.C. central credit union which is heavily involved in housing—suggest that this bill, if passed, will represent an enormous advance over the present National Housing Act.

Mr. Gilbert: What about the proposed changes?

Mr. Basford: I will deal with them in a minute.

Having shown in general terms the general nature of the support for the bill, I should like to deal now with the particular aspects of the bill in terms of the principles involved and leave the discussion of the details of programs until we meet in committee, when I and my officials will discuss the bill in detail, go through it clause by clause and be examined on those clauses.

In its broadest sense, it seems to me this legislation is not only an attack on housing problems of the 1970's but is part of the government's response to the development of urban life in Canada during the rest of this century. Great cities are not and need not become disaster areas. We are all aware of the deeply satisfying aspects of life in the country and in country towns and villages. Rural areas of Canada have contributed and continue to foster some of the abiding values that have made Canada and her people great. But cities also have a contribution to make in their rich and exciting social and cultural diversity.

Our concern must be to see that Canadians continue to have a meaningful choice among places to live and work. Our irreplaceable farmland and our rural communities with their unique life styles must not be mindlessly gobbled up by sprawling suburbs. At the same time, those people who prefer an urban life must be accommodated in a way that preserves the advantages of the city while avoiding the congestion, pollution, crime and violence which have made many of the world's great urban centres almost uninhabitable.

In many parts of Canada, an alternative to the continued expansion of the city is the development of new communities, either within urban-centred regions or in remote areas associated with the development of natural resources.

• (1650)

The new communities program, which is new to the National Housing Act, with the co-operation and participation of provincial and local governments will assist in the development of new or expanded centres offering comprehensively planned urban functions, including housing, employment, commercial and community facilities. Measures will ensure that the public retains the benefit resulting from subsequent appreciation in value of land acquired for the communities. Hon. members will note that that is provided in the bill by leasing of the public land rather than by its sale which has invariably been the practice under land assembly schemes of the past.

Very simply, then, it is my expectation that through the new communities program, which is provided for in this legislation for the first time as a federal initiative, we can make a positive contribution by taking much of the pressure off rapidly growing existing cities by creating new and self sufficient communities with the co-ordinated and rational use of existing government programs. This would take pressure off prices, the need for further farmland for development, and the need for urban sprawl and at the same time, by way of the total planning of new communities, engage in a whole series of experiments and demonstration projects using these new techniques in housing, planning and development. One such community was announced for the national capital region, south-east of Ottawa. We will be assembling the land, meeting with the regional district and over many years developing the kinds of plans we need for that community.

Associated with a new community's program is the provision in the existing National Housing Act relating to land assembly which Bill C-133 vastly improves. Land assembly has been mentioned in this House many times during the question period. The price of land is one of the most critical factors in the cost of housing in most markets throughout Canada.

All governments must be prepared to act to increase the supply of serviced land if housing is to continue to be available and financially accessible to Canadians. An over-all land strategy is necessary, and to this end I propose to encourage provincial and municipal governments to become more active in public land acquisition and servicing.

As I announced in January, the federal government is committed to at least $100 million a year for the next five years for the public assembly of land, including assistance to new communities. This figure, of course, has no reference to the vast amounts of money that have been and will continue to be spent under the existing and to be reformed trunk sewer program. Many have argued, and I have noticed this comment in the press, that $100 million per year is not enough for a concerted attack on rising land prices. It happens to be five times more than the Conservative party enunciated as their housing platform.

I want to make it clear, Mr. Speaker, that this amount is substantially more than any government has put forward for this purpose in the past in this country and, indeed, is substantially more than the combined requests of all the provinces in any year to date for the purpose of land assembly. I hope that the opposition, rather than concentrating on some amount, will see that the program is good. Then, we can go out and encourage municipalities and provinces to take full advantage of it and show that in actual fact that that amount is not enough. If it is not enough, we will just have to go out and get some more.

The land assembly provision is only part of the answer to the price of land, the question of land development and bringing serviced land into the market. At the federal-provincial conference, we discussed the question of land in a proposal of mine which was accepted by the provinces, namely that in this country we need a comprehensive co-ordinated land strategy directed at the question of a land policy and a housing policy.

Between the federal-provincial and municipal governments, there are four topics which have to be addressed by them as priority items. This is what I proposed at the federal-provincial conference and which was accepted. The first item is the level and allocation of federal and provincial public investment in land and services. As three levels of government, we must agree as to the level of expenditure that is required to have a concerted attack on the question of land price and land development.

The second item is the objectives and guidelines for public land banking and development. There is no sense in us simply using the taxpayer's resources and support to engage in land speculation. Purchases of land must have a purpose, namely good community planning and an effective intervention on the land market to affect the price of land in that particular market.

The third item is ways and means of co-ordinating federal-provincial and municipal activities directed toward moderating land prices on an individual market basis. If we are going to have a concerted attack on the question of land, it is going to involve all three levels of government for obvious reasons. We have got to develop more effective ways of co-ordinating activities between these three levels of government.

The fourth item is the effects of federal, provincial and municipal taxes on the price and availability of land. This is indeed a very important subject and I invited the other levels of government to address themselves on that with me. I feel that the federal commitment in this legislation, the federal commitment in terms of this budget and the federal commitment we have made to the other levels of government in wanting to develop a co-ordinated plan are in fact important features at the root of this question of land costs.

I now want to deal with a third element of Bill C-133. It is my belief that home ownership is desirable, but obviously for low and moderate income families, this is often impossible. We have to address ourselves to this problem. With some help, however, many of these low income families will be able to buy their own homes. The present bill contains provisions for this kind of assistance.

The amount of help available to a family under the assisted home ownership program is related to the family income and can be given in three ways; by reducing the interest rate on the mortgage, by extending the time over which the mortgage is to be repaid, and by a grant from the federal government to help with the monthly payments. In drafting the regulations necessary to implement this program throughout Canada, local needs and market conditions will be taken into account so that insofar as it is humanly possible, all Canadians will benefit equitably.

The aim will be, within the program regulations, to provide low income families who qualify with the assistance required to bring their monthly payments within 22 per cent of their income. The payment that would be required of them for purchasing a home toward principal, interest and taxes would not exceed more than 22 per cent of their income. For example, a family with two children—

• (1700)

The Acting Speaker (Mr. Boulanger): Order. It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions (papers), private bills and public bills.

Some hon. Members: Continue.

Mr. Basford: I hesitate to ask the indulgence of the House. I am half way through my statement. I should be happy to complete it now, or at eight o'clock.

An hon. Member: Have a good supper.

Mr. Woolliams: We would be glad to co-operate with the minister but if he is only half way through his statement, he would, were he to continue, be seriously cutting in to the private members' hour which is so precious.

The Acting Speaker (Mr. Boulanger): There is no unanimity, so the rest of the statement will have to be postponed until eight o'clock.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

PUBLIC SERVICE

REQUEST FOR TABLING OF BRYDEN REPORT

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That an order of the House do issue for a copy of the so-called Bryden report concerning the revision of the Public Service Staff Relations Act, which was submitted to the then minister of manpower and immigration in June, 1971.

He said: Mr. Speaker, this debate is on a motion which some of us feel is important in itself, namely, that the so-called Bryden Report should be made public. However, the debate takes on an even wider significance today because there have been suggestions that there is less than complete satisfaction on this side of the House, at least, with the way in which the government responds to

motions for papers, and also because earlier today the President of the Privy Council (Mr. MacEachen) tabled a document which, he suggested, listed the guidelines used by the government in responding to these motions. In this instance we are not only debating the desirability of the Bryden Report being tabled, we are also examining the government's general practice with regard to motions of this kind.

I should like to make a suggestion. I do not know how sympathetic a response will be forthcoming from the other side, but I make it very strongly. It is that there could not be a better motion on which to test this whole question and determine whether or not the House is satisfied with the position the government takes—I refer not only to its position on this motion but also to the statement which I believe the President of the Privy Council proposes to make in the course of this debate. I suggest, therefore, that if this debate is not concluded by six o'clock this evening the item before us should remain at the top of the list so that in a subsequent private members' hour the balance of the 90 minutes could be taken up, following which there could be a vote. In this way we could determine what the House felt about the matter. Whether the minister wishes to interrupt me, and respond at this point, remains to be seen. But if there is no response, and if the debate does not end at six o'clock, we shall be asking this—and we shall be asking it not in a casual way, as is sometimes done during private members' hour, but very seriously, because we think this is an important issue.

The document I am asking the government to table is a report prepared on the whole question of revising the Public Service Staff Relations Act. It relates to a matter which is of considerable concern to all hon. members, and one which is of particular concern to members of the Public Service. We, and they, feel that this report which the government has obtained should be made public, and I believe the House should have a chance to vote on this issue.

As for the guidelines the President of the Privy Council tabled at two o'clock this afternoon, copies of which he has supplied to a number of us on this side, I do not quite know how to describe them in polite language. Somewhere in the books on procedure there is a story about a bill which was introduced into the House of Commons at Westminster, one which the House, generally, disliked. At one point an hon. member moved that it not only be thrown out but that it be kicked right out of the chamber. A couple of members, so the books say, did precisely that, physically. I do not know that these guidelines are even worth kicking around. I do not want to take the time to read them all. Maybe the minister will. I do not know how we ever get anything if this is the document the President of the Privy Council has distributed among cabinet ministers as a guide to dealing with members' requests for papers.

As I say, I do not know how we ever get anything. The document consists of two long pages, 8½ inches by 14, in typewritten form. Documents are to be tabled in certain circumstances, but there are exemptions—16 of them, 16 different exceptions to the general rule that documents requested in the House of Commons should be tabled. Then there are paragraphs about ministerial correspondence of a personal nature, or requests having to do with constituency or general political matters. That is an excuse which is probably acceptable. We do not want to go into the personal files of ministers. Then there is another section of four long paragraphs about studies made by consultants. I do not know how anything gets by these guidelines. As a matter of fact, very little does. These motions for papers appear on the order paper by the hundreds. The number to which a favourable response has been given can be measured in tens.

Much better than the document tabled by the President of the Privy Council earlier today is a statement which was made in the House of Commons on October 29, 1969 It is to be found at page 251 of *Hansard* of that date. The person speaking was a new member, and he had the privilege of taking part in the debate on the address in reply to the Speech from the Throne. In fact, he moved or seconded the motion. This is what he said:

> It seems to me that we in this House must devise a better program to provide a more plentiful flow of information, and more meaningful information to the people. Over the years—and I am not attributing responsibility for this to any one government or party—a tremendous amount of unnecessary secrecy has developed in connection with the business of government. It seems to me we have done this: Somewhere, way back, we started from the assumption that everything was secret and that only the minimum information possible should be released. Surely a far better and more democratic approach would be to proceed on the assumption that everything is open, and only to withhold information from the general public when this is clearly necessary on the grounds of public interest or for security reasons.

The next line in *Hansard* reads:

> MR. KNOWLES (WINNIPEG NORTH CENTRE): Let us begin today.

The person who made that excellent pronouncement is today the Minister of Regional Economic Expansion (Mr. Jamieson). I think that is a much better guideline for this whole business than those tabled this afternoon by the President of the Privy Council (Mr. MacEachen).

• (1710)

I also have in my hand a copy of a paper entitled "How Much Administrative Secrecy?", written by Donald C. Rowat of Carleton University and which appeared in the Canadian Journal of Economics and Political Science in November, 1965. This is a very useful paper, in my view, and it deals with the question of how the tendency seems to have grown up that the first thing to do with government papers is to say that they are secret and can only be released under the most extreme circumstances.

The writer of this paper is attracted by the provision in Sweden that actually goes the other way around. Let me quote a paragraph from it:

> This provision is so unusual, perhaps unique in the world, that one immediately thinks of the many circumstances under which secrecy is desirable. How can such a provision work successfully in practice? Are there not serious limitations upon its application? The answer is that of course there are limitations, and these are provided for in the constitution itself. But the important point is that the principle has been reversed: whereas in most countries all documents are secret unless a specific authority is given for their release, in Sweden they are all public unless legal provision has been made for them to be withheld.

This paper goes on to say that the actual wording of that provision is in the constitution, and it is given here in the paper itself.

I do not want to take the time of the House unduly because I should like to hear what the minister has to say, but it seems to me, in the quiet of this private members' hour, that we are discussing something that is very important. I think it is important that the Bryden report be tabled. I think it is also important that we establish the principle that government documents should be open unless there is good reason for their being kept secret—in other words, that we should get away from the present practice which is the very reverse of this.

Therefore, Mr. Speaker, I present this motion in the hope that either before six o'clock this evening or at the next hour that is appointed for this category of motions the House will have a chance to vote on this motion, and in so doing to vote in a way that expresses an opinion on the guidelines tabled today by the President of the Privy Council.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I appreciate the comments made by the hon. member for Winnipeg North Centre (Mr. Knowles). I have been concerned, as have other hon. members, about the increasing use of notices of motions for the production of papers. A very large number of motions have been put down, and in recent years the number has been growing. I have examined the responses of the government to these motions which generally have been quite good. Motions have been turned down because in some cases the papers that were requested did not exist, or there were other good reasons for turning the motions down. However, I felt, and certainly the government felt, that it would be in the interests of the House of Commons to make public the guidelines that we have now circulated to government departments, with the view that a uniform practice with respect to the production of information in the House of Commons will be developed.

I do not believe that up to the present time there has been put before the House in any form the guidelines that the government will use and which hon. members can examine as they frame their notices of motions for the production of papers. My approach and the approach of the government is exactly the approach of the hon. member for Winnipeg North Centre. Our objective is to make as much information available as possible. We believe that Members of Parliament require factual information about the operations of the government in order that they may carry out their parliamentary duties. That statement is included in the general principle. We are also aware that the desire to make available as much information as possible must be balanced against effective public administration, protection of the security of the state and rights to privacy. It is always a delicate matter of judgment to balance the desire to make information available with the effective administration of the government, security of the state and other considerations.

So on the first point, Mr. Speaker, there is no disagreement between the hon. member for Winnipeg North Centre and myself. I endorse fully the statement that was quoted, made at an earlier time by the present Minister of Regional Economic Expansion (Mr. Jamieson). What we have attempted to do here is to declare a general principle and then to say that there are exceptions to that general principle. While the hon. member for Winnipeg North Centre expressed his displeasure with the guidelines, he did not focus on any particular one of them, nor did he give any reason why any of these guidelines should not be invoked. I hope it will be possible to make these guidelines an appendix to *Hansard*, so hon. members will have them available and this debate can be related to the guidelines that have been laid on the table today. I want to make a number of points with respect to these guidelines. First of all, eight of them are soundly grounded on recognized parliamentary authorities. For example, No. 1 is "Legal opinions or advice provided for the use of the government". There is ample authority to support that, and likewise guidelines Nos. 2, 7, 10, 13, 14, 15, and 16. We have not acted capriciously; we have attempted to base our conclusions upon recognized practice, and we have succeeded on relying on parliamentary authorities, both in Canada and in the United Kingdom, in establishing these guidelines.

The hon. member for Winnipeg North Centre referred to practices in Sweden. It is sometimes believed that Sweden has a totally open system of provision of information to the public, but the fact of the matter is that Sweden has a very wide-ranging system of exemptions regarding disclosure of public information. For example, seven of these guidelines that have been laid on the table today are in conformity with modern practices in Sweden. For example, No. 2, papers, the release of which would be detrimental to the security of the state; No. 3, papers dealing with international relations; No. 5, papers containing information, the release of which could allow or result in direct personal financial gain or loss by a person or group of persons; No. 6, papers reflecting on the personal competence or character of an individual; No. 10, papers relating to negotiations leading up to a contract, before the contract has been executed or the negotiations have been concluded; No. 11, papers that are excluded from disclosure by statute and No. 13, any proceedings before a court of justice or a judicial inquiry of any sort.

• (1720)

These guidelines and these exemptions are followed in Sweden which is put forward as having the recognized model, at least by some people, of the open information system. I believe when you examine the Swedish system you will find it has wide ranging grounds and reasons for refusing information, and in those areas where information is available what happens is that instead of putting this material on the record there is a much greater use of full discussion in private meetings so the information will not get on the record and, therefore, it is by that fact excluded from public disclosure. Whether we want that kind of a system in Canada is quite questionable in my judgment.

We have examined also the practice in the United States and found that nine of the guidelines which have been proposed here are in accordance with United States practice. I may refer to them just by number so that hon. members can have them available. They are Nos. 2, 3, 5, 6, 10, 11, 13, 15 and 16. The purpose of that particular line of argument is to establish that the government has not

acted capriciously, but has made extensive research into practices in other countries and into other parliamentary authorities in order to bring forward a system that might be generally acceptable.

I suggest to hon. members that if they object to these guidelines they ought to object to particular items. Do they, for example, believe that legal opinions or advice provided for the use of the government should be made public? If that is their position, and we could go down through each of these guidelines, then it seems to me the opposition should take the responsibility for telling the government and the country that it believes papers reflecting on personal competence or the character of individuals in government should be made public, and that they believe government documents which include Privy Council confidences—

Mr. Knowles (Winnipeg North Centre): How does that become involved?

Mr. MacEachen: This is a series of guidelines that have been adopted as a basis for public disclosure and use—

Mr. Knowles (Winnipeg North Centre): That is a Cabinet document.

Mr. MacEachen: No, it is a Cabinet directive in respect of the approach the government will use in dealing with this important question of freedom of papers. I do not regard it as a Cabinet document at all.

Mr. Howard: Would the minister permit a question?

Mr. MacEachen: I will at the end of my statement.

The hon. member for Winnipeg North Centre referred to an article by Dr. Rowat of Carleton University. This is an interesting article which promoted the response from Professor Knight of the University of Queensland in 1966. In that interesting article there is strong defence for not disclosing internal departmental memoranda. That is one of the main areas of interest in notices of motions asking departments to produce internal memoranda.

I refer hon. members to that article and, if I may quote one or two paragraphs of some interest to this particular discussion, I will do so. I refer to the suggestion that internal departmental memoranda ought to be made public. Professor Knight said:

> The civil servant may feel, too, that he must avoid placing on record anything which is likely to offend or cut across the interests of any individual or group in the community. This could affect not only the generalist administrator having a policy advisory role, but also the large body of officials whose work is concerned essentially with matters of a technical or professional nature. An officer who prepared a report on, say, the relative merits of butter and margarine, might well find himself the centre of a political controversy long before any decision about subsidies or production restrictions had been reached at the political level. Even if he wished to defend himself and had the ability as a controversialist to do so, the means open to him to do so would hardly be adequate.
>
> In my view it is both unwise and unfair to expect civil servants to engage in public controversy; but under conditions of open access they may be forced to do so, especially since not all ministers accept the obligation to assume sole public responsibility for departmental policies and to defend permanent officials who cannot defend themselves.

Public Service

> Whenever a minister did not accept the advice of his departmental officials this would be known and it would be possible for political capital to be made of it. In these circumstances ministers would surely be tempted to fill senior posts with their political sympathizers or with officials prepared always to be acquiescent. The career civil servant would thus be jeopardized and there would be a stifling of frank criticism within departments.
>
> If officials know that what they write is to become available to the public immediately or in the near future, many will be inclined to produce public records with an eye to history. That is to say, they are likely to put into their documents only what they believe will reflect creditably on them personally or upon the administration with which they are associated.

It stands to reason that if an individual or a particular departmental official, assistant deputy minister or deputy minister was to provide confidential advice for the use of the government, then he would present that advice in a much more frank and open way than he would if he knew the advice was to be made public. That principle was stated many years ago, even though it was restated in 1966 by Professor Knight. It was stated many years ago by Disraeli who said:

> The system of laying upon the table of the House reports from officers addressed to particular departments of the executive government is most objectionable. And the House ought not to insist upon the production of papers and correspondence which concerned the preparation and preliminary consideration of measures; they would thereby put a stop to that freedom of criticism which was always invited on such occasions, and which contributed so much to the perfection of public measures." If the House were to insist upon the production of such documents, "instead of the government getting what we get now, confidential reports, containing the most minute details of the opinions of officers, given frankly and freely, for the heads of departments, we shall have a system of reports framed for laying upon the table of the House of Commons, and those will be accompanied by 'confidential reports for the head of the department alone'." There have been cases in which reports of a confidential character from officers of the government have been laid upon the table of the House, to prepare the public mind and also that of Parliament, to consent to some large measure, or perhaps some considerable vote of public money; but, generally, I think it is a course which the House ought not to sanction".

• (1730)

Perhaps the hon. member for Fundy-Royal (Mr. Fairweather) would say that that is 100 years old, but it was restated recently by Professor Knight.

Mr. MacDonald (Egmont): How old is he?

Mr. MacEachen: Recently we had the Royal Commission on Security. I refer hon. members to paragraph 223 of its report, which reads:

> We believe the process of policy-making implies a need for wide-ranging and tentative consideration of options, many of which it would be silly or undesirable to expose to the public gaze.

I could cite other examples, but that is the case for refusing to make public internal departmental documents. Any man who is writing for the public at large, who is writing for history, who is writing to have his views aired in public, is bound to couch this words in a different manner than if they are to be confidential and detailed. I doubt whether anybody can successfully contest that conclusion.

The argument for maintaining, so to speak, the protection of internal departmental memoranda has been stated and restated by this government and its predecessor. I

believe it is a sound principle because it contributes to effective public administration. I believe that hon. members who take another view are entitled to do so, and certainly their views would be considered by the government. But I know that the hon. member for Peace River (Mr. Baldwin) put a private member's bill on the order paper during the last parliament and he, too, laid out a fairly complete list of exemptions, matters that in his view should not be made public. Hon. members can compare this list of exemptions with those contained in the guidelines and they will find considerable similarity in substance between the approach we have taken and the approach in the private member's bill of the hon. member for Peace River.

The hon. member for Surrey-White Rock (Mr. Mather) has introduced for several years a private member's bill and he, too, has laid down certain exemptions, certain areas of information which in his view should not be made public. So it seems to me there certainly is general agreement that certain documents cannot be made public. Certainly there is no quarrel about refusing to release papers which would, if released, be detrimental to the security of the state.

Mr. Knowles (Winnipeg North Centre): Who decides that?

The Acting Speaker (Mr. Boulanger): Order, please. I regret to inform the minister that his time has expired. Is it agreed that the minister should continue?

Mr. MacDonald (Egmont): Within reasonable limits.

Mr. Howard: Mr. Speaker, I think it would be quite agreeable for the minister to proceed by unanimous consent. Of course, there are only 25 minutes left in private members' hour. I wonder whether as a companion to such unanimous consent we could agree to leave this item at the top of the order paper so that we could debate it further next time it comes up.

Mr. MacDonald (Egmont): We would be agreeable to giving the minister a reasonable extension of time as well as to leaving this bill on top of the list so that we could complete it, if not in this session, in the next.

The Acting Speaker (Mr. Boulanger): I have two points of order before me. First, I must obtain the unanimous consent of the House to allow the minister to continue his exposé; second, I need the unanimous consent of the House to give priority to this bill. Is it agreed?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Boulanger): But shall the minister continue his remarks?

Some hon. Members: Agreed.

Mr. MacEachen: Mr. Speaker, I appreciate the indulgence of the House in giving me a few additional minutes. This is a very extensive subject and I have not done justice to it. There is a great deal of information in connection with the studies made on this subject which I can possibly make available to the House.

What we have done in the interest of making available more information, not less, and to produce it more expeditiously and uniformly, is to present these guidelines. We expect hon. members to read them and to consider them individually. If good arguments can be brought forward why any particular guideline should not be in effect, then we would certainly consider the views of hon. members because I believe it is important to have some public paper that tells us why a particular minister rises and says, "I refuse to produce a document". We can do that now and hon. members will know the grounds.

Mr. Knowles (Winnipeg North Centre): Would the minister permit a question? Will he tell us the value of these guidelines, particularly the one that says a cabinet document is not to be tabled, when it is left to the minister to say that one document is a cabinet document and another is not? How do we know where we stand?

Mr. MacEachen: Every announcement made by a minister in the House on orders of the day, for example, or a statement on motions, issues from a cabinet decision and a cabinet document. There is no question that many of them do. But when a minister tables a statement or makes a statement, he is not producing a cabinet document. As the hon. member knows, when cabinet documents are presented by ministers to the cabinet, some of the proposals may be accepted, some rejected or the whole thing may be rejected.

What kind of a system would we have if cabinet documents were made public and a particular minister would have the world know that he was unsuccessful, for example, in having his policies accepted by his colleagues? In my opinion it would lead to the breakdown of our cabinet system. Who decides what is a cabinet document? It is not a difficult question, because cabinet documents are visible; we all know what cabinet documents are when we see them.

Mr. Knowles (Winnipeg North Centre): Who decided that this one was not?

Mr. MacEachen: As I have said, this is a statement of policy adopted by the government, and of course it issued from cabinet and cabinet committee discussions. But all the documents that were prepared and considered have not been produced. I do not think that, as such, this is really a statement of policy by the government. If the hon. member saw the original documents, he would see them in a somewhat different form. I presume that a government could decide to make public a cabinet document if it wished, but what we are doing here is trying to establish guidelines that are generally acceptable and are sound.

• (1740)

Then it comes to the question of administering the guidelines. Are they properly administered? There can be difference of opinion on that score. For example, what are "papers relating to negotiations leading up to a contract until the contract has been executed or the negotiations have been concluded?" One must presume that the minister or the government is playing fair with the House if he

or it makes a refusal on the basis of guideline No. 10. One must assume that the truth is being told. If the government was not telling the truth, it would ultimately be found out. Whether it is the present government or any other government, in all these cases it would be found out.

The question really is: are these guidelines sound in principle? If we accept that they are sound in principle, the next question is: are they being administered properly? In the last few months I have taken considerable interest in this particular question because I wanted to make sure that when papers were refused they were refused on grounds that were solid in principle and that the principle was being properly applied. I have gone to various departments and ministers on occasion and asked, "Are you sure?" I think that is about the best we can do. I do not know of any other alternative.

I do not want to speak any longer, Mr. Speaker, except to suggest to hon. members that it would be useful to look at these guidelines, to consider them, to make argument about them and to determine whether they are sound in principle. If they are sound in principle, then we should attempt to administer them properly. If they are unsound in principle, then we should change them. That is why we have taken the effort to produce the guidelines and to make them available to the House. I hope this will result in a uniform practice and that hon. members will get more information rather than less. The purpose is to establish in general the principle that we give as much information as possible, with these exceptions. If this is sound in principle, it should be adhered to; if unsound, it should be abandoned. That is the gist of my argument.

The Acting Speaker (Mr. Boulanger): Order. Before I recognize the hon. member for Egmont (Mr. MacDonald) I would remind hon. members that during his speech the minister suggested that a document tabled today should be printed as an appendix to *Hansard*. Is this agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): It is so ordered.

[*Editor's Note: For document above referred to, see Appendix "B".*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Athabasca (Mr. Yewchuk)—Canadian Culture—Multiculturalism—Maintenance of rights of cultural groups following takeover of radio station CKSB by Canadian Broadcasting Corporation; the hon. member for York-Simcoe (Mr. Stevens)—Export Development Corporation—Possible exceeding of ceiling on loans—Request for audit.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

PUBLIC SERVICE

REQUEST FOR TABLING OF BRYDEN REPORT

The House resumed consideration of the motion of Mr. Knowles (Winnipeg North Centre):

That an order of the House do issue for a copy of the so-called Bryden report concerning the revision of the Public Service Staff Relations Act, which was submitted to the then minister of manpower and immigration in June, 1971.

Mr. David MacDonald (Egmont): Mr. Speaker, first let me say that I think the House is very grateful to the President of the Privy Council (Mr. MacEachen) for taking the initiative in producing these regulations or criteria with respect to the production of papers.

Ever since I have been a member of this House it has been a continuous frustration to me that it has never been quite possible to know the guidelines by which notices of motions for the production of papers were either accepted or rejected, and which qualifications on occasion were enforced. Due to the shortness of notice I have not had time to examine the record on this, but I do not think it would take much effort by any hon. member to go back over the record of the past few years, look at the reasons given for tabling and for not tabling documents and to realize the sheer inconsistency with which the guidelines were enforced. I can remember one or two instances with respect to papers that where the same documents involved two departments, a motion for their release would be accepted by one department and refused by the other. One department would say that on basis of the beliefs of its officials it was not in the interest of the department to have the papers put on the record, and the other would say that according to its officials it did not see anything to prevent publication of the documents.

The hon. member for Fundy-Royal (Mr. Fairweather) has said the problem that arises far too often is not really the basic question concerning security of the state, but the basic question concerning security of the government, of individual members of it, of government departments or of departmental officials. As I say, I commend the minister for bringing this matter forward but I am a little amazed that he has gone only this far.

He has asked for comment. Considering the brief time we have had to look at this document, we can make only initial comments. If he is sincere in this matter, and I hope he is, it should not be left just for a few minutes' debate in this hour or in any subsequent private members' hour. It deserves exhaustive examination, and the place for that examination would be the appropriate committee of the House. I can think of few more important tasks that committees could undertake in this parliament than to examine the detailed nature of this document and to consider the qualifications necessary for the release of infor-

mation in a public way. Following that, the document should be returned to this House, either in its present form or amended, for final approval.

In this way we would at least be dealing with criteria established as acceptable to hon. members of this House, and not with criteria put forward by the present government just for this period of time, to be altered without anyone's particular knowledge at a subsequent date. We have no knowledge of how long these particular criteria have been in effect. Presumably, this document is a compilation of previous regulations that have existed and it is the latest document of that type.

Mr. MacEachen: Mr. Speaker, I do not want to interrupt the hon. member, but these criteria were formally approved and put into effect, I believe, in the month of February. We are trying to work our way forward from there, within these limits.

Mr. MacDonald (Egmont): Mr. Speaker, let me again commend the minister for at least getting to this stage with this volume of criteria. As I say, the House appreciates receiving them, but this is just a first step. It is not really enough to say that these are adequate just because in other domains similar criteria are exercised with some merit.

The minister, perhaps inadvertently, gave the essential criteria that have existed for many years in terms of the tabling of papers under notices of motions for the production of papers when he said—I think I quote him correctly—that papers, in the final analysis, are not tabled either because the papers do not exist or for other good reasons. He has given us some reasons that now have been approved by cabinet and I am somewhat wondering, with the hon. member for Winnipeg North Centre (Mr. Knowles), just what papers could be tabled as a result of these criteria. As I have said, the President of the Privy Council has asked for comment. I do not want to speak at length because I do not think it would be appropriate at this time to comment on this document in detail. But let us look at the second guideline which refers to "papers, the release of which would be detrimental to the security of the state." That is an inadequate definition in terms of what might be described as security of the state. Volumes have been written on what is in fact detrimental or otherwise to the security of the state.

Guideline No. 3 suggests that "papers dealing with international relations, the release of which might be detrimental to the future conduct of Canada's foreign relations" should not be made public. I ask, detrimental according to whom? Obviously, this implies a very subjective judgment. One only has to realize the complexity and difficulty in achieving consensus on a whole variety of issues relating to foreign relations to realize that this is an impossible criterion. What the minister is really saying is that the government is free to pick and choose those documents that it feels would be harmless and not detrimental to its own security.

The same thing applies to guideline No. 4 dealing with "papers, the release of which might be detrimental to the future conduct of federal-provincial relations or the relations of provinces inter se." Again I ask, detrimental according to whom? The whole nature of federal-provincial relations has been, for over 100 years, and will continue to be as long as this country exists, a very complicated, argumentative, disputative area of governmental activity and of political activity. Again, who will make the decision as to whether papers would have a detrimental effect on the future conduct of federal-provincial relations?

• (1750)

Consider guideline No. 7 which reads:

> Papers of a voluminous character or which would require an inordinate cost or length of time to prepare.

Again, there is latitude there for a variety of positions to be taken as to length of time for preparation. Guideline No. 10 reads:

> Papers relating to negotiations leading up to a contract until the contract has been executed or the negotiations have been concluded.

My goodness! The degree to which government departments are involved in continued rounds of negotiations is well known. Negotiations and contracts are not defined and the percentage of documents or of material that might be excluded from public scrutiny under this guideline is mind-boggling. Then we have guideline No. 14:

> Papers that are private or confidential and not of a public or official character.

Again, we need a great deal more elaboration as to what constitutes private and confidential documents and not documents of a public or official character. Guideline No. 15 is a real whopper. If anyone has any doubt about a document being private or public, this guideline in effect provides carte blanche. It is an invitation for the government to make its own decision on each and every issue which arises, without regard to any criterion which could be enforced. It merely reads:

> Internal departmental memoranda.

I submit that guideline covers a multitude of material much of which it might be in the public interest to make public. Of course, any documents that are missed under other guidelines might come under No. 16, which reads:

> Papers requested, submitted or received in confidence by the government from sources outside the government.

Presumably, the person who drew up that guideline knew something about guideline No. 10 which talks about papers relating to negotiations leading up to contracts, and so on; in fact, covering all options. If the President of the Privy Council will examine these guidelines and relate them to requests for the examination of documents, I think he will find that they are unsatisfactory. It may be that he is justifying the present criteria on the basis of what some political scientists have said in recent years or what Disraeli said 100 years ago. Although I welcome the minister's adherence to the doctrines of Disraeli, I think it ought to be realized that government responsibilities are much greater now than they were in Disraeli's time. Even in the British House, responsibilities are different in the 1970s than they were 100 years ago. I was intrigued, when talking to British parliamentarians on this subject, to have my own experiences of the last few years confirmed. Indeed, when they want information or a variety of documents dealing with matters which transcend national

activities or interests, my British colleagues have to rely on an outside source, the United States Senate.

The guidelines the minister has adopted are similar to those used in Westminster. When information is not available in the British parliament, the members there may more readily obtain it from United States congressional documents which often deal with questions similar to those asked in Great Britain. I know, from reading a document as recently as this morning on the matter of defence industries, about which there has been considerable interest in recent years, that information has been made available to political scientists and others, not from their own government but from another agency, in this case the government of the United States and its agencies.

Although what the minister put forward today is useful, he missed the essential point, that put forward by the hon. member for Winnipeg North Centre in the latter part of his remarks. The burden of proof for not producing documents surely should be on the government. Instead of issuing these 16 qualifications or exemptions, the procedure should have been reversed. There ought to be a clear statement on when it is in the public interest to put documents on record if and when the production of papers is called for.

It has been apparent to me from the very beginning that when papers have been requested the government has avoided making clear its reasons for refusing certain documents; these reasons have never been fully explained. I think the entire reason for this debate on the production of papers is that no criteria have been agreed upon in this field, not only by members of the House but by the general public to whom we are essentially responsible.

Two things need to be done. I have already suggested the first, which is fundamental: criteria must be established. We need to establish such criteria. That matter will involve the consideration of a committee of this House. Second, there needs to be a continuing review procedure. It is not good enough, as happens now, for the parliamentary secretary to say that such and such a document is not available for this or that reason. There needs to be an effective review or appeal procedure which hon. members might use. The debates which take place to not indicate whether in the final analysis it is in the public interest to disclose documents. Therefore, I feel we need to establish such criteria.

In addition, we need to establish a review procedure. That ought to function on a continuing basis. When any conflict arises, the public ought to know clearly the grounds for refusal. The public ought to know that the refusal is not based on some subjective whim or criterion which can be used, as at present, to cover a whole multitude of sins but, rather, on certain rights. It should be known that the government was well within its rights in refusing to produce certain documents. At present there is not an appeal procedure.

In the words of former Prime Minister Lester B. Pearson, it is not only important for governments to do right; they must appear to do right. That is not the case with respect to the tabling of government documents. I suggest that the motion before the House be amended in order to facilitate the procedures I have suggested. I therefore move, seconded by the hon. member for Norfolk-Haldimand (Mr. Knowles):

That the subject matter presently before the House be referred to the Standing Committee on Privelege and Elections and, in particular, the guidelines for the production of papers tabled by the President of the Privy Council, these guidelines to be examined, with a view to accepting, rejecting or amending the same.

Mr. MacEachen: Why not send it to the statutory instruments committee?

Mr. MacDonald (Egmont): I am flexible; I do not mind which committee considers it.

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member has raised something new in procedure. I do not think what the hon. member proposed ought to be considered as an amendment. It may be a request of some kind. Does the House unanimously agree to accept it?

An hon. Member: No.

The Acting Speaker (Mr. Boulanger): Before presenting this matter to the House I must ask if there is unanimous consent.

An hon. Member: No, Mr. Speaker.

Mr. MacDonald (Egmont): I rise on a point of order, Mr. Speaker. We are now in a somewhat unusual situation. We are dealing specifically with a motion for the production of papers moved by the hon. member for Winnipeg North Centre and we are, in effect, dealing with the broad question of the criteria to be applied to the tabling of papers. Therefore, may I suggest, as I have moved an amendment asking for the subject matter of our discussion to be referred to a committee, that perhaps the committee on privileges and elections is not suitable: the committee on statutory instruments, or the committee on procedure and organization might be more appropriate. I would certainly be agreeable to any such suggestion. I think the intent of my amendment is clear. The exhaustive work necessary for producing a document or guidelines with which we can live can more properly be undertaken in a standing committee of this House.

Mr. Knowles (Winnipeg North Centre): On the point of order, Mr. Speaker, I wonder, despite the negative response we had 20 minutes ago, whether we could not agree to let this item stand at the top of the list of this category of items on the order paper, on the understanding that between now and the next time it comes forward we will, through the usual channels, find a device for referring the subject of the tabling of documents to an appropriate committee. In other words, I am not trying to put the government on the spot but, rather, trying to find a way in which we can get the subject of the tabling of documents referred to a committee. All I am asking now is that it stay at the top of the list on that understanding.

• (1800)

Mr. MacEachen: On the point of order, Mr. Speaker, I think we have already expressed the view that it would be useful to have an examination in a committee. I would be happy to discuss, through the usual channels, how and when that can be done. I would agree to having this

motion stay at the top of the list on the understanding that it would provide for additional time to debate, but not necessarily a vote.

Mr. MacDonald (Egmont): Mr. Speaker, I rise on the point of order with one final point. I purposely drafted this motion so as not to embarrass the government with respect to the question of a vote either on this motion for the production of papers or on the approval or disapproval of the guidelines put forward. I merely wanted to give the House a further opportunity to do its work well on this matter. I am hopeful that we can accept this motion or one similar, because I think that is the intent of all hon. members.

The Acting Speaker (Mr. Boulanger): Order. The hour appointed for the consideration of private members business having expired, I do now leave the chair.

Mr. Howard: Mr. Speaker, a request has been made for unanimous consent to do a certain thing. Your Honour has not put that proposition to the House. I would appreciate it if you would do that.

The Acting Speaker (Mr. Boulanger): I must say that the Chair already put the question once and I heard a "no". It is now after six o'clock. I do not know if the Chair would even be in order to now ask for unanimous consent, because it is well past six o'clock.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, this is a different proposition. This is leaving it at the top of the list so that there can simply be negotiations, not a way of dealing with the Bryden report. It is finding a way to deal in committee with the subject matter of the tabling of documents. I think the government might be willing to do that.

[*Translation*]

The Acting Speaker (Mr. Boulanger): I see no objection to asking the House again for unanimous consent to give motion No. 86 the priority and have it rank first on the list of notices of motions for papers.

[*English*]

Mr. MacEachen: Mr. Speaker, I do not want to be difficult about this. I am ready to accept the notion of a discussion in the usual channels and have a further period for debate on this subject. However, if this motion stays at the top of the list I would like to hold in abeyance the question of coming to a decision on it. I agree, with that qualification.

Mr. Knowles (Winnipeg North Centre): Agreed.

The Acting Speaker (Mr. Boulanger): The minister is asking that it be under that condition, if it is agreed. The Chair has only to ask whether there is unanimous consent. Is it agreed?

Some hon. Members: Agreed.

[Mr. MacEachen.]

[*Translation*]

The Acting Speaker (Mr. Boulanger): The hour allotted for the consideration of private member's business having expired, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

NATIONAL HOUSING ACT

PROVISIONS RESPECTING NEIGHBOURHOOD IMPROVEMENT, REHABILITATION, OWNERSHIP, NEW COMMUNITIES, ETC.

The House resumed consideration of the motion of Mr. Basford that Bill C-133, to amend the National Housing Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, before the House turned to private members' business I was moving the second reading and reference to the Standing Committee on Health and Welfare of Bill C-133, the government's proposed amendments to the National Housing Act. I had placed those proposals in the context of our national housing policy, our national housing strategy, and I had dealt with certain features of the legislation, namely, the new communities program, the land assembly provisions and the proposals for assisted home ownership which offer low income people a means of purchasing houses for themselves and their families rather than living as tenants in low-income housing developments.

I am not sure whether I gave an example of the way in which this would work. But as a result of federal assistance, the payments for principal, interest and taxes would be reduced to 22 per cent of the family's gross income. For example, a family four, including two children, with an income of $7,500 could receive help to purchase a modest home at a purchase price, shall we say, of $19,000. With the help available under this program, their monthly payments would be reduced to $137, compared with the $170 or more they would need to pay if they were buying their house on the open market without federal assistance.

As many hon. members are aware, most of the provinces now provide some form of assistance toward home ownership, either by way of down payment assistance, interest assistance or assistance by way of a monthly subsidy to people with low incomes who are purchasing their own homes. Federal assistance and the grants we propose making are not dependent upon the provincial programs to which I have made reference and there is no requirement that our programs be matched. The programs will, of course, work together to benefit those who

are entitled to assistance under the provincial programs as well as under the federal program. To use the words of the pension people, they will be "stacked on" to it. The two programs can mesh together in this way.

I turn now to the provisions of Bill C-133 relating to non-profit housing assistance. I think you and all hon. member will agree, Mr. Speaker, that one important agency providing low-rental housing to people has been the hundreds of non-profit housing associations formed throughout the country of volunteers who in either service clubs, church groups, union groups or veterans groups have been providing housing to low income people, particularly to senior citizens. The work done in this area has made a very valuable contribution to providing housing for those who need it. The bill now before us takes assistance to those non-profit housing associations one step further than at present.

These non-profit organizations have over the years been encouraged and assisted by Central Mortgage and Housing Corporation as part of the senior citizens' housing policy. I say this program is important because I am aware, as I am sure all hon. members are, of the very great debt this country owes to our senior citizens in all parts of the country who have worked so hard to build Canada and who are now, in their retirement years, entitled to decent housing within their income means. In so far as the non-profit housing program eases the burden on those who have grown old, it is an important repayment of the debt which the country has acknowledged it owes to them and which we, in this legislation, also acknowledge.

I think we have acknowledged this need to assist senior citizens in many ways, not only by what we are now proposing to do by way of assistance to the non-profit housing groups to provide senior citizens, housing, but also in the other measures which were proposed in the Speech from the Throne which opened this session, as well as in the budget speech, relating to increases in senior citizens pensions, increases in the guaranteed income supplement and increases in tax exemptions which my colleague, the Minister of Finance (Mr. Turner), has talked about.

• (2010)

In our desire to provide low-cost housing to senior citizens, over the past five years more than 37,000 units of housing have been built under the National Housing Act for elderly people, more than two and a half times the number of such units built in the previous 20 years. I want to put that fact on the record. I repeat that during the last five years of the life of this government more senior citizens' housing has been built under the National Housing Act than in the previous 20 years.

The present bill, Bill C-133, makes it clear that the policy of the federal government is to assist and encourage this work to the greatest possible extent. We propose in the bill to make available to these non-profit organizations, low-cost loans to the full value of the housing they propose to build or acquire and, in addition, to make them a contribution of 10 per cent of the capital cost of the project. That is to say, if a church or ethnic group or union wishes to build a senior citizens' housing development or low-cost housing development, apart from any provincial assistance that is available we will provide a mortgage at a beneficial interest rate for the full cost; and if the organization concerned needs a grant of 10 per cent to get them going, we will provide that.

Furthermore, as many members who have become involved in this program are aware, many of these organizations need money just to get started. They require funds to develop their plans to the point where they can apply for a loan, for getting architects working on the project, worrying about where and how to acquire property, how to develop a strategy for the project, and so on. In such situations we are proposing by this amendment to give up to $10,000 in what are called "start up funds" for this purpose.

In addition, these non-profit housing groups can receive the loans and grants available under the residential rehabilitation program contained in Bill C-133 and which I shall mention in a moment. That is to say, rather than a non-profit group building a new senior citizens' housing project or a new low-rental housing project, a non-profit group can acquire older houses or older multiple unit buildings and repair them, get the repair grants that are provided under the legislation and in this way provide low-cost housing. I am going to maintain an active program of encouragement in this regard. There have been some small developments of this kind in Winnipeg, Edmonton and a few other cities, but this must be encouraged to every extent possible.

I am persuaded that giving money by way of mortgages, grants or loans to non-profit groups is not, however, the whole answer. I am very much aware of the tremendous amount of work, effort and worry that is involved for the volunteer workers in these organizations in planning and organizing low-rental housing projects, making them reality and managing them thereafter. I fully appreciate the magnitude of their contribution and I assure these groups that the skills and resources that they need will be made available within the capability of Central Mortgage and Housing Corporation. The reorganization of CMHC which is now under way will make it much more able to respond to local needs of this kind by setting up a special group to assist them.

I should like to make one further proposal which I shall implement when the legislation is passed. There is within these public service organizations a great wealth of expertise and experience which has been dearly bought over the years in making these housing projects a reality and, among the membership, a great willingness to be helpful and to share their experience with others. I hope that when the legislation is passed and we are ready to get this program going, when the budget and the legislation have been set, we will be able to convene a national meeting of all volunteer groups involved in non-profit housing activity in order to intensify the efforts that these groups are making in providing housing, particularly, as I say, for senior citizens' groups. I think there is a need for pooling the experience and knowledge which they possess so that full advantage can be taken of these new provisions which I hope parliament will pass as expeditiously as it can.

Also related to the provisions concerning the non-profit housing association groups are the amendments relating

to co-operative housing in this country. I mention that they are related because I look to the co-operative movement and to co-operative housing developments to involve themselves with the provision of housing for those of low and moderate income. Members from western Canada, where I come from, and from the Atlantic provinces who are represented in this House will be particularly aware of the part that co-operative organizations have played in the past in improving the economic condition of families both in the west and in the Atlantic provinces. In fact, in many areas of Canada co-operatives have been not just an economic instrument but part of the whole social and cultural development of the community. This is particularly true if one remembers what has come out of St. Francis Xavier University and from people who have worked there for many years. Housing co-operatives of one kind or another have a long, creditable and proud history in Canada, but for a number of reasons they have never realized, in my view, their full potential as a means of providing housing for people of low incomes.

I have sensed among co-operatives in Canada in recent years a growing awareness of the possibilities of this method of creating and owning housing, especially for the needs of people of low and moderate incomes. I feel that these organizations, which are capable of meeting the needs of many special groups of people, deserve all the encouragement that we can give them in this legislation, and the legislation is couched so as to give them that encouragement.

While assistance to co-operatives has been available in the past from Central Mortgage and Housing Corporation, they have not benefited from a single and concise section in the National Housing Act outlining the programs available to them. I now propose that a separate section of the act be created—as it is created by Bill C-133—in order to encourage to the maximum possible extent development of co-operative housing, to use their own words, as "a third force in the housing market". Under this section co-operatives, depending on their type of operation, will benefit from the provisions of the assisted home ownership program or the non-profit housing assistance program.

I might mention in passing that I have had an opportunity to discuss these proposals contained in Bill C-133 with representatives of co-operative organizations. As I think some hon. members are aware, they have expressed some concern about provisions regarding non-profit housing. They were concerned that references to corporations constituted—and I quote the bill—"exclusively for charitable purposes" might exclude co-operatives from assistance under this section. As a result, I will be proposing changes when the bill reaches committee stage so as to make it perfectly clear that bona fide non-profit co-operatives will in fact be eligible as charitable organizations, so they can take full advantage of these provisions.

While I am on the subject of co-operatives, I should also like to mention credit unions. In my view, they are playing an increasingly important part in the financing of housing and, as rapidly as they are able to qualify themselves—

Mr. Blenkarn: Why don't you join them, Ron?

[Mr. Basford.]

Mr. Basford: I can understand my hon. friend from Peel South (Mr. Blenkarn), being a land developer himself, not being much in favour of the co-operative movement. I take some credit for the passage of the first national co-operatives act this country had had for 97 years. It didn't take me that long; it took me only two years. I find some support in the fact that it only took me two years, and I take a great deal of hope from the fact that co-operatives and credit unions are playing an increasingly important part in the financing of housing in this country and should be used to the maximum extent possible to build houses for Canadians.

• (2020)

The credit union movement is amassing a great deal of savings through its members and is playing, as a result of these savings, an increasingly important part in financing of housing. As rapidly as they are able to qualify, we have been happy to designate them as approved lenders under the act and to extend to them benefits of the mortgage insurance fund. I strongly urge more credit unions, and particularly the central unions operating at the provincial level, to get on the bandwagon both in the interest of their membership and in the national interest to increase the flow of capital available for house building in Canada. If I may put in a plug here, the credit unions which may have some doubt as to how best to organize themselves should take advantage of the National Housing Act by getting involved in the provision of housing; they should go to my own city of Vancouver and talk to the central credit union which is one of the leaders in this regard.

My colleague, the Minister of State for Science and Technology (Mrs. Sauvé), says that in her province of Quebec the caisses populaires are ackowledged as an important element in the collection of savings for the provision of housing. I am happy to tell my colleague that only yesterday we approved a central unit of the caisse populaire as an approved lender in that province.

I mentioned at the beginning of my speech that we were concerned not only with the building of houses and the provision of four walls; we were concerned, and must be concerned, with the nature of the communities we are building in this country. Therefore I turn now to the provisions of Bill C-133 which relate to the kind of neighbourhoods and communities we want in this country and how we as a parliament can assist in assuring that we have good neighbourhood and community planning.

I mention, first, the neighbourhood improvement program and the neighbourhood improvement provisions of Bill C-133. There are many neighbourhoods in Canada occupied by low and moderate income people where the housing is deteriorating, community facilities are lacking and the sense of community is in danger of being destroyed. The federal government believes that many of these neighbourhoods, with some financial help and some encouragement for the local residents, could be saved and could become healthy and satisfying places in which to live. At the same time, this program will have the effect of maintaining and improving existing housing—particularly for low-income people—improving the quality of the urban environment and relieving the growth pressure on the urban fringes.

Working with and through provincial governments, the federal government will provide grants and loans to improve and rebuild selected neighbourhoods, to assist in planning and acquisition of land and to create parks, recreational and community facilities such as day-care centres where they are needed. It is in the older neighbourhoods that these kind of community facilities are lacking to a very serious extent. The program will be subject to federal-provincial agreements which will spell out how the funds are to be paid out, how the residents of the neighbourhood will take part in the development and planning of the scheme and how new homes will be found for people who may be displaced because of activity arising from the program. This program is put forward in this bill as a replacement for the old urban renewal program under the National Housing Act which turned, in many cases, into a program under which bulldozers were brought in to bulldoze neighbourhoods and people out of the way. There are, surely, better ways of dealing with older areas in our cities and the neighbourhood improvement program is designed to meet that need.

Coupled with the neighbourhood improvement program is the residential rehabilitation program which is intended to be used in repairing and improving homes for people of low and moderate income. We are all aware of the unnecessary disruption and suffering that results when families are uprooted and forced to leave older homes in which they have lived for years, or perhaps generations, because these homes have deteriorated below the minimum standards of health and safety.

The moving of families and the destruction of older housing represents not only an emotional loss to the individuals involved but also an economic loss to society through the reduction of existing housing stock. I believe that considerable leverage can be gained, not to mention the avoidance of unnecessary dislocation, by allocating money to the repair of deteriorating houses and the upgrading of their plumbing, electrical and heating systems. Loans and grants are also available to landlords provided they enter an agreement to control their rents. Generally, this program will be used in conjunction with the new neighbourhood improvement program but it also can be used, as I have mentioned, for non-profit housing projects and co-operatives. Under special federal-provincial agreements it may apply outside neighbourhood improvement areas.

I mentioned that we were concerned with a program to improve the equity in our housing. The CMHC and the government of Canada over a period now close to 20 years has promoted research into housing and community planning. It has provided assistance to individuals and groups, fostered development and carried out some in-house research. There seems to be a need for the development of a program under the National Housing Act which will complement these purely research activities, motivated by active promotion and an improved program provided for under this amendment which will include experimental projects, administrative projects and pilot projects, all to improve the design of our housing and the quality of housing and neighbourhoods.

The proposed resolution, as hon. members will see upon reading it, will empower the CMHC to finance its own development activities and to enter jointly into such activities with others, as well as to accept risks associated with agreed innovative development projects undertaken by private and public groups. The corporation proposes to collaborate closely with industry and other levels of government in initiating and conducting experimental endeavours.

It is hoped that as soon as possible upon passage of the legislation, a structured series of experiments can be undertaken jointly with industry and other government agencies across the country. More specifically, because this is a new program several areas of activity are considered essential, in my view, within the scope of a development program. These would include physical projects to be initiated or undertaken either within or outside CMHC; technological developments by way of encouraging the development of new products, and efforts dedicated to improved productivity.

• (2030)

It is not only a physical type of thing that we need in developing new techniques. Money must be allocated and developmental projects must be initiated which concern themselves with the encouragement of the social and environmental aspects of housing by which to encourage the public to participate in the organization and the design of projects, in initiating demands upon the government and industry for new types of planning and new types of building.

To maintain and to improve the very high standard of housing in Canada there is a continuing need for a program of this type, a program of research and development. One unavoidable element of any experimental or innovative undertaking is the element of risk. Not everything you try is going to work. Experiments, no matter how well conceived and planned, which fall short of the mark, cost money and someone must be around to pick up the bills. While the private sector can be expected to shoulder a substantial part of the cost of research and development, in the public interest, should be prepared to underwrite its share of high risk innovative developments. The changes proposed through the present bill will encourage a systematic program of experimentation and will authorize Central Mortgage and Housing Corporation to undertake developmental projects or share the risks of experiments undertaken by others.

There are two sections of the act with which I will deal in more detail in the committee. One relates to housing for Indians and is almost in the nature of a technical amendment. Its purpose is to assure that all the provisions of the National Housing Act are available to individuals or groups of individuals.

Mr. Speaker: I apologize to the minister, but the hon. member for Pembina (Mr. Hollands) is seeking the floor to ask a question.

Mr. Hollands: Would the minister accept a question?

Mr. Basford: Mr. Speaker, I will only be about five minutes more, I wonder if I may answer the question after completing my statement.

Mr. Speaker: The minister has the floor.

Mr. Basford: The purpose of the amendments relating to Indians is to ensure that all provisions of the NHA which give benefits to individuals or groups of individuals are available to native people whether they are living on or off a reserve; whether they are, to use the language of the Indian Act, status Indians or not. It is simply to make sure that whatever individuals receive by way of co-operative housing, low-rental housing or assisted home ownership programs, it can be obtained off the reserve as well as on the reserve.

The last feature of these amendments related to purchaser protection of homes. As hon. members know, for most families a home is the largest and most expensive single item that they will buy during the course of their working lives. Yet generally speaking home buyers do not enjoy the same kind of protection and warranties as do purchasers of less costly items such as cars or television sets. As I said in a speech a while ago, you buy a $5 or $10 steam iron and you get more warranties and guarantees than when you buy a house for the rest of your life.

You will realize, Mr. Speaker, that to me, a former minister of consumer and corporate affairs, this seems incongruous and it is a matter to which I am devoting my attention. I expect to be able to announce before many months a national system of warranties for house buyers. In the meantime, I propose amendments to the National Housing Act to deal with two aspects of this matter. Under the provisions, if accepted, if a builder goes bankrupt or becomes insolvent before completing a house which he has sold, the funds necessary for completion of the house will be advanced to the buyer through the mortgage insurance fund. The other provision is one to make sure that when the home protection development plan is announced we will have the authority of the NHA to ensure that it is implemented.

Mr. Baker: What was the name of that fund?

Mr. Basford: The mortgage insurance fund. The bill which we have before us and which I am moving for second reading is an indication of the concern which this government holds for the housing needs of all Canadians. I think the provisions which I have outlined demonstrate very clearly our particular concern for the needs of low income families and represent a substantial effort to solve many of the problems which these families face. They represent a substantial advance on the present provisions and programs under the NHA. As many groups have said, we can pass legislation but if there is no funding behind it the amendments will not be very useful.

With regard to funding, the point has been made that without the necessary resources the proposed legislation will not have the desired impact in solving Canada's housing and community problems. I would like to point out that during the past five years the federal government has been responsible for the provision of sufficient funds to construct more than 170,000 units of social housing—more than two and a half times as much as was produced in the previous 20 years.

We have allocated—I will obviously want to discuss this matter in the committee when we get there—for the first year of operation an amount which we think realistically can be spent under those provisions, considering that many of these programs will be in the start-up stage. If the provinces, municipalities and industry were able to use up the funds which I will be proposing for this fiscal year once the legislation is passed, further amounts could be transferred from other programs to meet the need. So far as I am concerned, the first job is to get the legislation passed and then to ensure that sufficient funds are available to carry out in an effective way the program which the legislation provides. I will be very happy when we reach the committee stage of this bill to discuss budget figures with members of the committee. I have tried, in accordance with the rules, to confine myself today to the principles of the bill but I will discuss in committee the budget matters.

As I mentioned at the outset of my remarks, this legislation is a key element in the government's over-all thrust to meet the legitimate expectations of all Canadians to be well housed in healthy and satisfying communities, whether they be in the country, villages, towns or the great metropolitan centres. This bill provides some of the legislative instruments to achieve this goal. They will be backed up by all the dollars that are needed to get the job done. I will close my remarks by repeating what hon. members have heard me say many times before, namely, that these measures deserve and require the support and participation of all governments in Canada and of people everywhere who have ideas, energy and enthusiasm to bring to the task of providing housing at reasonable cost to all Canadians.

In moving second reading, I hope we will have a constructive and useful debate on Bill C-133 and that it can be expeditiously moved to the committee where we can start to deal in detail with the provisions of the legislation, because CMHC, the government and those in the country who want to provide housing cannot deal with any of these proposals until they are passed by parliament and given royal assent.

Mr. Speaker: The hon. member for Pembina may now ask his question, if the minister will accept it before he resumes his seat. The hon. member will be recognized for that purpose.

Mr. Hollands: Could the minister tell me why CMHC refuses to lend money to the many thousands of young families moving out of large cities onto acreages in the country?

• (2040)

Mr. Basford: I imagine the hon. member is referring to the fact that the acreages they want to move onto are not on sewer systems but have septic tanks. I think the hon. member is familiar with this policy which was initiated by a Conservative government the last time that party held office. In fact, it was one of the few things the Conservatives implemented that has worked well. However, as I announced in my speech and as I announced earlier, Mr. Speaker, we are reviewing the whole program of assistance to sewer systems and sewer works. Contained within that review would be the lending policy of CMHC so far as the present septic tank policy is concerned. There are cases, however, where we do lend money for the construction of septic tanks, and if the hon. member has particular

cases in mind I would be happy to have the corporation review them.

Mr. Hollands: As a supplementary—

Mr. Speaker: Order, please. We are not in committee and I am not sure how many questions we should have at this time. However, if the minister wishes to receive the question, the hon. member may be allowed to ask another question.

Mr. Hollands: Could the minister tell me where the legislation has been in effect under which CMHC has loaned money on acreages?

Mr. Basford: Mr. Speaker, CMHC has lent money on non-sewered lots, non-sewered houses in the country. It is not lending money in what are generally called rural subdivisions that are still on septic tanks.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, after listening to the minister for an hour and 15 minutes paint such a beautiful picture of urban affairs and of the housing situation in Canada, I cannot help reminding him of a Latin expression, *caveat emptor*—let the buyer beware. In this case he was the salesman selling a package to the Canadian people, and the Canadian people should beware the package that was sold them. I am reminded that in one of the most famous stories by Dickens, "The Cricket on the Hearth", it was said that four walls and a ceiling never made a home. I suppose, Mr. Speaker, the most important thing today is to get four walls and a ceiling into such a position that the average Canadian can afford them.

The first problem, as I see Bill C-133 and the statement which the minister made on Monday, March 12, as recorded at page 2095 of *Hansard,* together with his contribution to the throne speech debate, is that all the changes made since the passage of the National Housing Act in the first instance have been made on an ad hoc basis. The minister admitted in his opening remarks that he had part of his plan in Bill C-133. He also had a plan when he spoke in the throne speech debate, and he had a plan last Monday as set out on page 2095 of *Hansard.* He is trying to remedy the housing situation and improve the quality of life for Canadians on an ad hoc basis.

When we come to grips with the general philosophy, the first questions we must ask ourselves is, what kind of housing policy do we really want in Canada? Where are we going with that policy? Will we get there on an ad hoc basis? What should be the objective of a housing program acceptable to our national urban development? In a nutshell, the objective of any national housing policy, within the terms of the constitution of Canada, should be an attempt of the government to plan, to adopt and to create a program whereby during their lifetime every Canadian family should be able to afford a house wherein they can gradually build up an equity, with an area of grass around the house and the kind of environment which provides a good quality of life, so that some day they can achieve either ownership or a substantial equity which would be an incentive to own a house. It may be that people will start out in apartments or town houses, as it were, and end up with such an equity ownership in a house, or vice versa.

Every Canadian is entitled to a home with a landscape. This should be the national thrust. This should be the national purpose of housing. This should be the urban jurisprudence of any housing project. I must say, as I read the bill, that on an ad hoc basis it falls far short of that kind of philosophy guaranteeing Canadians that during their lives they will have substantial equity in a home in which they can raise their families. I was hoping to hear that kind of philosophy from the minister.

Although the bill before the House has many good amendments to the National Housing Act and is great for propaganda purposes and for talking points, it falls short of achieving any real, long-term, long-time planned project for housing in order to improve the quality of life in our larger urban centres such as Montreal, Toronto, Vancouver, Calgary, Edmonton, Winnipeg and other cities. If we start now at this stage in our history, we can prevent the failures, the frustrations, the ghettos and the absolute poverty that have become part of the cities of the United States and of many European and Asian countries which I have seen, which you have seen, Mr. Speaker, and of which the members of this House are aware. Canada, a young country and a new country, full of resources, can do better.

Hence, first, the main objective is to put within the pocketbook of every Canadian the right to build up an equity in a house, where a family lives in a house with a little landscape, like a touch of wilderness, in peace, happiness and dignity, where the beauty of life is magnificent, rather than in an environment where the germs of crime breed on ignorance and illiteracy, without enlightenment to lead to the goal of a way of life to build a vigorous, strong and intelligent people and, therefore, a healthy nation.

A new national policy for housing cannot be brought about by a band-aid bill, and I call this a band-aid bill. The minister has admitted that it is a band-aid bill. He says, "Well, I have got some of my policy in this bill. I have some of my policy in the other bill. I have some of the policy that I set out in the Speech from the Throne debate, and some of my policy that I set out the other day on motions." It so happens, Mr. Speaker, that on that last day I was in Alberta at a political meeting, but when I read his announcement as reported at page 2095 of *Hansard,* I found it strange that the same kind of policy was announced in the province of Ontario. What he really did on that occasion was to promote a provincial program.

I say that this is a band-aid bill prepared on an ad hoc basis. The band-aid method will for a short time help to cure the wound; certainly it will help ease the housing crisis but in the final analysis the wound will become more infected for the crisis will remain within and will deepen until a sociological problem will develop, a revolutionary tendency will mature and violence and unrest will fester in our midst.

We will support this bill going to committee. But the facts of the bill must be laid naked in the hope that out of the committee's study there will be created, for the first time since World War II, a national housing development policy, an integral part of a national urban affairs policy

which will solve the crisis, a crisis that I will deal with in a few moments, that of housing and all the problems facing people in urban centres.

• (2050)

What kind of crisis am I talking about, Mr. Speaker? It has become, and continues to be, the major tragedy everywhere. A new national development and urban affairs policy with emphasis on housing, rapid transportation and the quality of life is the only answer. I should like to read again from the Toronto *Star* which I quoted when I was questioning the minister in the House some time ago. To relieve the conscience of my friends across the way, I will also read from the *Globe and Mail*. As my friend says, it will even it up. The article in the Toronto *Star* reads in part:

Major social tragedy. Less than 4 per cent of Toronto wage earners can afford a new home says a study by the urban development institute—

Not any newspaper, not politicians, parliamentarians nor legislators, Mr. Speaker.

—which calls the city's housing situation a major social tragedy.

Listening to the Minister, I would not have thought him a lawyer from Vancouver but, rather, a house salesman trying to sell a few houses to a few Canadians. This is the whole tragedy, Mr. Speaker. Think of it—only 4 per cent of the wage earners of a major city like Toronto can afford a new house! That has been the policy—if it is a policy—of this decadent Trudeau government.

Some hon. Members: Hear, hear!

Mr. Woolliams: The article continues:

The study, released Wednesday, warns that "unless drastic action is taken immediately, this situation will become more desperate."

The institute's figures are based on a comparison of 1961 and 1971 incomes.

In 1961, a $5,284 annual wage was needed to buy a house, the Central Mortgage and Housing Corporation reported. In 1971, an income of $16,623 was needed to buy a house and only 4 per cent of the population could afford it.

Only that kind of income can afford a new house under the plan which the minister has outlined tonight. Then we find these words in the article:

The institute, which includes developers, builders and architects, blames a shortage of land for the skyrocketing prices.

"Lot prices around Toronto are now the highest on the continent," the report states.

Toronto is one of the fastest growing cities on the continent. The article goes on to say that average lot prices in Toronto are about $18,000 and the cheapest house today in the city of Toronto, one of the major centres of the country, is $35,000. That is under the housing plan outlined tonight on the ad hoc basis of the bill.

Mr. Caccia: Get your facts straight.

Mr. Woolliams: My friend says I should get the facts straight. I say to him, through you, Mr. Speaker, that he should write to the Urban Development Institute and not to me. This is a statement made by the institute. If my friend wants to listen, let him listen. If he does not, let him go back to his constituency and they will tell him about housing. The article goes on to say:

[Mr. Woolliams.]

To ease the situation, the study urged the provincial government to redirect funds for major sewer and water services.

The tragedy I am talking about is summed up in that manner. Time does not permit me to deal with the whole picture. The common ground for most of the grievances is contained in the report of the task force on housing, headed at one time by a minister of the Liberal government who now sits over here, the hon. member for Trinity (Mr. Hellyer), except that the delay in the implementation of the recommendations contained in that report has deepened the crisis. They should be working for the good of all Canadians now, but instead the report has been gathering dust for the last three years.

Let us come to grips with the problem. Two problems must be solved immediately in the area of housing and urban affairs. The first problem is money and the second is the price of serviced land; to get enough money into projects and reduce the price of serviced land. Larger sums of money must be made available for an effective national housing policy to improve the standard of life and urban standards such as a rapid, non-polluting transit system, parks for leisure and rest, and sufficient and adequate playgrounds for our youth. These must be part of a national development program for urban affairs and for housing.

I suggest that the first problem is money, Mr. Speaker. If this government can afford, by its bumbling, a $2 billion program for unemployment insurance to assist the unemployed—it did not solve unemployment; the problem was aggravated by their policies—it must be prepared to share more money with the provinces and municipalities than $100 million for land bank costs. In a few moments I will read from the *Globe and Mail* to show that when the minister embraced his great land bank program under which he is pouring out $100 million a year, the immediate response from one large city was to apply for $93 million. Mr. Speaker, that would only leave $7 million for all the other cities in Canada. When dealing with land banks, the most important thing is to get serviced land ready for development, rather than raw land. The $100 million will not last long, considering the high cost of serviced land.

I have dealt with Toronto, but it doesn't matter which city you deal with: the minister's home city of Vancouver, the cities of Calgary, Edmonton or Winnipeg or Halifax—the facts are the same. Let us see how far this $100 million will go in the land bank. The *Globe and Mail* of January 29 wrote:

The province's land bank is the assembly it is now carrying out south of the proposed Pickering airport site. Coupled with the original federal government announcement of the airport were plans for provincial assembly of 25,000 acres. In December, Queen's Park applied to Ottawa for a CMHC loan of $93 million to cover 75 per cent of the estimated cost of the land assembly.

Toronto needs $93 million, and the minister says he has solved the problem of the nation. He says that by setting up $100 million for a land bank he has solved the problem. That is raw land, Mr. Speaker, not serviced land. If this amount were granted to Toronto it would leave only $7 million available to the other cities to solve their problems. We could afford $2 billion for unemployment insurance to help the unemployed. That unemployment was brought about by the policies of this government to cure inflation, and they still could not do it. Before the election

the Prime Minister (Mr. Trudeau) was asked about this in Edmonton and he said if the Canadian people did not like it, they could lump it.

If we can afford that kind of luxury, $2 billion, surely the minister, with all his salesmanship and his public relations officers, could make a better deal than offering the Canadian people $100 million for a land bank to solve the problems of the cities. Toronto needs $93 million, and you have only to look at the map to see who owns the land around Toronto and what the situation is there. My friend says the Tories own it. One thing I would say, through you, Mr. Speaker—when it comes to getting into the hog trough, the Liberals have never been backward. A report in the *Globe and Mail* of January 9, 1973, reads:

• (2100)

Though news reports at the time made little of this announcement, $93 million is almost as much as the total amount the federal government has lent for public land assembly projects across Canada since the program was set up—

I received a letter the other day from a man who has knowledge of the housing situation. Speaking about Scarborough, he said that adjacent to Toronto vacant land sells for a price ranging from $40,000 per acre to $65,000 per acre. He mentioned parcels for a single family, detached dwelling units, services being available, although planning and interior services are not complete. When we talk about land, we mean land ready for development, that is, serviced land. It costs approximately $30,000 to service an acre of land today. If the land costs $65,000 and servicing it costs $30,000, the total cost is $95,000. If the regulations in the area concerned say that you may only subdivide at the rate of four lots per acre, the cheapest lot today, March 5, 1973, is $23,750. Yet the minister, who comes from Vancouver where there are grave difficulties, said today that this bill will solve the problems of people in Canada. That is why I say, let the buyer beware.

An hon. Member: *Caveat emptor.*

Mr. Woolliams: Yes, let the buyer beware. The cost of land is one thing; the cost of serviced land is another. Any land, whether held by a public land bank or by private developers, must be brought into use quickly if it is to be of benefit; that is, it must be serviced quickly. There is no sign in the bill that there is to be federal leadership given to provinces or municipalities in creating serviced land. The point is this. Although the minister may purchase $93 million worth of land in Toronto, that is not serviced land. On top of that cost there is $30,000 an acre to be considered for putting in services. Therein lies the problem. Nothing in this bill suggests that private enterprise or land banks owned by the government will meet the difficulty. No inducement is held out for development and for bringing land into service quickly. The first thing the federal government must do is to provide leadership in this field.

What is the purpose of a land bank? A land bank in itself may be good, of course. If a high quality of leadership is provided, land may be serviced and brought into use for housing. On the other hand, if you buy land today and wait only three or four years, the land will increase in price; consequently, the extra cost will be passed on to the house purchaser.

The minister talked about land banking and how fine it was, but those were merely high-sounding, beautiful phrases. What a salesman the minister is. He is superb. I have sat in the gallery watching Members of Parliament and I say the minister is a superb salesman. He talked about land banking and the $100 million that will provide big solutions. Those were beautiful, high-sounding phrases. I invite him, with the committee, to go to our cities.

Let me talk about my own city. It is always said that Calgary is affluent. Let us begin with my constituency, Calgary North, where in the last two or three years public housing has been built which can best be described as ghettos. Workmanship is poor and the materials have just been thrown together on the land. These projects were expensive. However, asking families to live in them is like asking them to live in ghettos that are worse than those of the United States or Europe.

An hon. Member: Has the hon. member complained to the carpenters?

Mr. Woolliams: The hon. member mentioned carpenters. If he does not wish to go to Calgary because Liberals are not too popular in the west these days, I advise him to go east. I could take him to Toronto and show him the same thing, or Montreal or Quebec City.

Mr. Hees: The Liberals are not too popular in Toronto right now.

Mr. Woolliams: I could show him the same kinds of conditions. The minister tried to outline a plan the feeling that only he is capable of expressing.

Mr. Hees: You hardly see the Liberals in some parts of the country.

Mr. Woolliams: Especially west of the Great Lakes.

Mr. Hees: And down east.

Mr. Woolliams: That is right. The Maritimes is another area where they seem to be experiencing some difficulty. The minister tried to talk about land banking. He tried to leave the impression that he would go after the big money makers so that the little fellow on the street would say, "Bully; the government has $100 million to spend in going after the big money makers". Do hon. members not realize that this money may solve part of the problem in one area only, Toronto? The speculators are there because circumstances allow them to be. The circumstances allow them to exist because for the last five years nothing has been done to ease the crisis. Circumstances permit their existence because there is not enough serviced land ready to be developed.

Some people say that it does not matter whether land is owned by the government or free enterprise because government policy will not make serviced land less expensive. Hon. members ought to read the statistics, Mr. Speaker. That is what the minister should do, rather than listening to his own verbosity. Nothing in the bill will encourage greater land supply. Supply will not exceed the

demand for housing. I know that mortgage money is to be made available and houses can be built, but who can afford accommodation at today's price? All figures, of course, are relative. On the other hand, only 4 per cent of the wage earners in Toronto can afford a new house, despite all the verbiage we have heard today. What does that means to the average Canadian?

Mr. Hees: It is just a rich man's policy.

Mr. Woolliams: Quite. How do you prevent delays in servicing land?

Mr. Hees: Get a new government.

Mr. Woolliams: How do you devise a national housing policy that means something to average Canadians?

Mr. Hees: By electing a new government.

Mr. Woolliams: Yes.

An hon. Member: Don't interrupt your own man.

Mr. Hees: He and I work as a team.

Mr. Woolliams: Mr. Speaker, I assure the Minister of National Health and Welfare (Mr. Lalonde) that we like his help. It adds colour to the debate. I hope other hon. members over there see the light.

First, tri-level conferences should be set up on an agenda basis and not on an ad hoc basis. The federal government must bring the municipalities together and propose a tri-level conference which understands the needs of the people. The needs vary from area to area. From my reading of the bill, and I hope I read it accurately, the needs of various regions will not be considered. What is good in Newfoundland and would help the people there may not apply to the people in Toronto or Montreal, and what may be good in Montreal or Toronto may not meet the needs of people in western Canada. Therefore, we need a flexible policy. That kind of policy can only be created if we create the kind of national housing program that is flexible, that will meet the needs of Canadians in all areas. That would be fulfilling the spirit of confederation.

The minister mentioned the meeting involving the municipalities. After that meeting was over I received letters telling me that, certainly, the provinces met with the federal government and with the minister, but the mayors of municipalities were just decoration at that meeting. We on this side of the House asked if we could attend that conference to see what was going on. We learned that the representatives of municipalities performed about as much function at that meeting as window-drapes in an office building. Is it not wonderful how the minister spread his arms and said, "What a policy we evolved and what a meeting we had when we got together." I wish to quote what a Vancouver alderman said:

• (2110)

Last week, I was in Toronto for the first meeting of the three levels of government in the history of Canada. It was an important meeting for the municipalities because it gave them some recognition as a legitimate third level of government, but it was a disappointment in that there was no commitment to any long term tri-level consultation.

[Mr. Woolliams.]

The first thing the municipalities should do is get their tri-level conference on an agenda basis. The mayors of our cities should have some say. The city of Montreal has a larger population than most provinces. The city of Toronto is larger in population than any province except the one in which it is situated, and the province of Quebec. Surely the mayors, aldermen and experts of our large urban centres should be able to talk, irrespective of the constitution, on the same level as the minister because they represent thousands of people, and in some cases millions.

An hon. Member: That is why Phil Givens quit.

Mr. Woolliams: I believe that is why he quit. He could not stand it; it was awful. I will not describe his situation because I do not want to create any emotion in this debate.

Mr. Hees: Just keep it cool and factual.

Mr. Woolliams: That is right. Conditional grants programs of the federal government cannot do the job. Uniform programs have seriously distorted local priorities. They fail to meet the real needs of municipalities and, therefore, the people. We must have a flexible federal program to meet the needs of the people; therefore, regions must be taken into consideration. When the bill goes to committee, I hope the minister will take heed of this recommendation.

The next thing we need is revenue-sharing on a greater scale with the provinces, and hence with the municipalities. The time has arrived. When we had the great tax reform bill it was painted as a great reformer. Now the government has to have Fred Davis sell the public. Yesterday when the hon. member for Calgary South (Mr. Bawden) asked a question the minister said the government has advisers telling people how to fill out their income tax returns. Although Fred Davis tells Canadians how to fill out their tax returns, he cannot guarantee it in six months when the assessors come along. The big thing about the tax bill is that the provinces now realize that the federal government, under the guise of tax reform, came in and seized the greatest share of the revenue, starving the provinces and municipalities. That is what has happened.

Some hon. Members: Hear, hear!

Mr. Woolliams: Therefore, there has to be a greater share of the revenues going from the federal government to the provinces. Even with the strong constitution of the United States, President Nixon signed a $30 billion revenue share to provide the states, counties and cities with revenue collected by the government for this very purpose. Maybe the time has arrived to take a good, hard look at the situation. In 1968, the Prime Minister rode the constitutional horse to death. That was his big issue. He was going to call great conferences, reform the British North America Act and do great things. We do not hear anything about that now; it has all died.

An hon. Member: Oh, oh!

Mr. Woolliams: You are like a grape that withers on the vine. You will wither with the Prime Minister. I wish the hon. member would get up and make a speech when I am finished, because I know he has a lot to add to this debate. The federal government can no longer use the constitution as an excuse for inaction in this field. Up to 1946 housing was always looked upon as a local concern. After the war it became a common concern to all Canadians. What is the difference, basically, between a provincial matter and a federal matter? Those matters that affect people locally are provincial matters, and those matters that are common to all Canadians are federal matters. Surely housing is common to every Canadian whether he lives in Quebec or Alberta. People are looking for homes within the grasp of their pocketbook. Surely that is common to all Canadians. I wish this government would now get off that horse and quit hiding under the constitution. It is a do-nothing, constitutional government.

An hon. Member: Constipated.

Mr. Woolliams: I might have something to say about that later. If I recall my notes, I cover that a little later in my speech. After the war it became a common concern to all Canadians, and the national government amended the National Housing Act, authorizing Central Mortgage and Housing Corporation to make loans up to 80 per cent and, one year later, direct loans. The constitutional hard-core complained that the federal government was interfering. I recall what one great Liberal said. I speak with reverence when I speak about him because he has now passed on. I refer to the late Hon. Robert Winters. When the change was made just after the war, Mr. Winters talked about the common rights and common purpose of national housing. These people are 30 years behind Winters and that kind of government. Perhaps they married the wrong people.

Some hon. Members: Hear, hear!

Mr. Woolliams: All subsequent governments enlarged the federal field. I want to give an illustration. We spoke about the great progress under CMHC. In one part of the country 125 apartments are being held up; there are 750 projects across the country that have been held up for months and months because the International Elevator Constructors Union has been on strike. The Minister of Labour (Mr. Munro) is not in his place tonight. I do not make anything of that. He was here earlier today. However, when I questioned him the other day about getting on with the job of building accommodation for people, he said this was a provincial matter and if Ontario has solved it, why can't Alberta?

An hon. Member: Louder.

Mr. Woolliams: My friend says "louder". He always has been deaf. I wish he would take out his earplugs. I have always said that only whispers have nothing to offer. The member who said that is not sitting so very pretty in his constituency. He had one of those close shaves like Jimmy Gardiner had in Melville many years ago. I am not going to digress again. The only reason the NDP continues to vote with the government is that they sold their souls for their jobs.

If there are 750 projects being held up across this country, surely the strike that is going on in nine provinces, with a slowdown in the other where something was done, is a national matter. We have reached a period when we are dealing with things like housing, building and employment. Housing development, commercial development and CMHC development is being held up in every province. Surely the government can apply the theory that was applied to the constitution during the war; that in time of war, peace, order and good government overrides all other concerns in the constitution. This is the time for the federal government to give leadership.

• (2120)

Even the Prime Minister in spite of the Minister of Labour (Mr. Munro), in spite of the Minister of State for Urban Affairs (Mr. Basford), said that to bring the ministers of labour together would probably be a good idea. But nothing developed. That strike is still on. The day it is solved in one province, it will be going on in the other provinces.

Mr. Lalonde: It is the law.

Mr. Woolliams: He says it is the law. There is that fine little brain working on the constitution. The Minister of Health cannot see, because he was so long an executive assistant at a high salary, that the matter is of common concern to all Canadians.

Some hon. Members: Hear, hear!

Mr. Woolliams: That is why that minute brain places this within the realm of impossibility. Anything to get off the hook. Do you know what Liberal policy is when dealing with housing? It is to do as little as possible, and if you are ever asked to do anything which looks difficult, blame the constitution. Loans for services are good in themselves but direct grants should be considered. Federal loans to cities increase the over-all debt of those cities, preventing them from obtaining credit by way of debentures.

I just want to spend a few moments on that thought. In the program the minister announced tonight he spoke of loans with respect to sewage disposal plants because large cities were still pouring raw sewage into the rivers. The reason they will not come for the loans is very simple, and I wish the minister would get closer to local government. As soon as the federal government lends a province or a city money for that sort of thing, their liabilities are increased and when they go to get credit ratings to get debentures they are turned down. So I say that instead of making loans to the large urban centres today, let us make direct grants to these cities where the people are living, where they can have the kind of quality of life of which the minister spoke, without including it in the bill.

Some hon. Members: Hear, hear!

Mr. Woolliams: I want to say a few words now about specific projects, although my colleagues on the committee will be dealing directly with many of these points. Public housing is a "must" today because there are so many people in Canada below the poverty line. Why has this system been brought about? I think if we could have a

system which did not demand public housing we would be a greater and better nation. I referred a while ago to the jurisprudence of the national housing policy I should like to see for Canadians. Surely that is the kind of system under which every person could own a house or have an equity in a house. But today they have to get into public housing. I say its a "must" because the low income groups have tried for years, but cannot afford housing either by way of equity or rent. As I see it, the only way we can solve that problem is to bring up the income of those people and also ensure that the purchasing power of a dollar is there. This This will improve the financial capacity of people so they are able to afford something better than public housing.

I have received dozens of letters, since I was asked to take on this position, from people all over Canada complaining about public housing. Really, what they are saying to me is that public housing, the way it is being administered today, will become the ghettos of tomorrow. And that is my warning. Public housing is good in itself, but public housing not properly administered, with proper care, proper supervision, with pride of equity and pride of ownership, is only beginning the seeds of new ghettos for Canada. Yet people talk about public housing as if it is a newborn baby with all the qualities and a high IQ.

Co-operation housing is good if it creates a right of equity and the qualification to obtain mortgages. This will be discussed by other members of my party. One hundred per cent mortgages: I am for it provided they are not used by house developers or anyone else for the extra profit of 10 per cent. What do I mean by that? Over the years in this country we have had 8 per cent loans and 9 per cent loans. What really happens? They get the land together and the mix goes on. They put the property together and they finally come out with a profit of 80 per cent to 90 per cent. So a hundred per cent mortgage really means another 10 per cent going somewhere else. It is not going to help the ordinary person.

I have always felt that as Canadians we should differentiate ourselves. We are a new country; that is why people from Europe and Asia came here. Surely in a new country the ambition of every red-blooded Canadian is to walk into a house some day, lay down the payment on that house and say, "Some day I will own it". What inspiration is there when you give a man a 50 or a 60-year mortgage? He has to take good care of his health if he is ever going to have title to the house.

A lot has been said by the minister about rehabilitation. The days of the bulldozer, I am glad to say, are over. They were started by this government. Knock down everything that is in your way. Cost-sharing between the federal government and the provincial government is good, but as I read the act the federal government says: In our generous way we are going to give $2,000, and that $2,000 will be matched either by the municipality or by the provincial government. Four thousand dollars! There is an open end to the bill, to be fair to the minister. Governments other than the federal government can put in more dough. Assume they do not. Generally, it is dollar for dollar. Go into the cities where there are run-down houses. Start hiring the plumbers. Start hiring the carpenters. Start buying the materials. Four thousand dollars is not enough to renovate the average roof, let alone the house. It sounds beautiful when you put it in words, but when you explore it in practice it is just like a hungry elephant eating a peanut.

Some hon. Members: Hear, hear!

Mr. Woolliams: Again, money is the number one solution. If we are to have a new national urban development program as outlined by me on behalf of my party, this cannot be achieved by a department of government which is directly independent of the government. I am not being critical of CMHC. Over the years they have done a great job. They have had some great presidents. But surely when we ask the government, from this side, to set up an urban affairs department and they finally concede and put the minister where he is today, one of the things they should have done was to make CMHC responsible to that department of the government. As I see the corporation, it is as independent as the CBC or the Bank of Canada. The minister could have the finest program in the world, but if that independent agency slowed it down to a crawl, the minister's program would be slowed down to a crawl.

So the recommendation I would make tonight is that in some way CMHC be made directly responsible to the minister so that the minister can give us direct answers to our questions when we ask about the actions of the corporation. I do not intend to go into the mechanics of how this could be arranged, but the draftsmen could certainly work something out. When we asked him about rent increases affecting old age pensioners, he said it was according to some contract. The next day he said it was according to some dividend program. He said he had issued a directive. Do you know, Mr. Speaker, what the agency can do? We heard a lot about directives today. They can throw it into the wastepaper basket. So why not adopt a more realistic approach? Let us make CMHC responsible to the minister so that it is really a part of his department like any other department of government.

• (2130)

Therefore, there needs to be a new amendment to the National Housing Act, or an act setting up a department of urban affairs and making the minister secretary of state for urban affairs and housing, so that, as with any other department of government, he set the tone of policies and the department carried them out. The minister would be responsible for the department's administration, its successes, its errors, its adversities and its achievements. The last, of course, would be somewhat difficult. If a deadlock or disagreement occurred between the present setup of CHMC and the minister, outside of the good will that they have today—and which I assume all ministers have—without any legal thrust or implications, the minister could not implement his policy.

Mr. Basford: That is not right.

Mr. Woolliams: The minister says that is not right. I am not going to say "I told you so" but I have heard the government say "That is not right" before. They think nothing is ever right. We warned them what would happen to the unemployment insurance fund; they said that that would never happen.

CMHC is more independent than the CBC and the Bank of Canada and many other crown corporations. The ad hoc basis of the policies on housing has been the result of this agency recommending amendments to the act. Let us make no mistake about it, Mr. Speaker. I am not suggesting this, but I would ask, through you, whether some of the people in CMHC helped put together the hour and a half speech that I listened to this evening.

Mr. Hees: No, they can do better than that. I have heard them and you cannot insult them like that. They will only take so much.

Mr. Woolliams: That is right, they will only take so much. The time is fast coming, if we are going to work with all levels of government so as to have that degree of control within the terms of the constitution, when the federal government will be able to give leadership not only in developing new communities but in improving old communities. They must work, as I said, under a new national urban development policy and a new national housing development policy, so that pollution control can be effective, so that money-wise, rapid transit systems can be implemented, not only in newly developing areas but in established areas, and so that the whole quality of life in the city can be improved and men and women and their families can live in proper accommodation with dignity and happiness. This policy could become the greatest tool in halting the increase in crime. For crime breeds in poverty and poverty exists in ghettos. The growth and development of youth in the nation is only a product of the environment from whence they spring.

I am almost finished, Mr. Speaker, but when dealing with differences between what happens in Newfoundland, what happens in Ontario, what happens in Alberta and what happens in British Columbia, perhaps a small poem written by Don Harron in satirical fashion might do a lot to show what I mean by differences between people. It is entitled, "Ode on You, O Canada" and it is from the book "Charlie Farquharson's Histry of Canada". My son gave me this to read, and when I read it last night I felt it added the right touch. I have not ended on a poetical note for some time, so if the House will forgive me I should like to put it on the record. I am sure I will get the ears of the House because I do not put this forward in a partisan way. I rather like it:

What is Canada to you?
This land so strong and true.

Have you ever before heard the words "This land so strong and true", Mr. Speaker?

What does it make you think of,
And why and where and how?
Whenever I think of my country,
It seems like a great big cow.
Yes, a Guernsey or a Holsteen,
Is that sich a foolish notion?
Lappin' its fill of the waters
Of our very own Pasifick Ocean.
Then chewin' its cud on the Prayerees,
Right over yer Kickin' Horse Pass
In the breadbasket of our nation,
As it regurgitates its grass.
And settles its mash in Ontaryo,
Then to the loins of our country,
Where somethin' surely is stirrin'!
Listen and you can hear
A rumblin' and grumblin' and whirrin'.
The wind of change is blowin'!
Can't you hear its howls?
As we wonder at all those movements
Deep in our nation's bowels.

And so we come to the end of my tail
And all its little rimes . . .
And doesn't this allus happen
To the dear old Marrytimes?

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, if the hon. member who just preceded me, from Calgary North (Mr. Woolliams), had not been spokesman for the Conservative party, at times during his speech I would have been moved to tears as a reaction to his expression of profound concern for the plight of those in Canada who need housing. One would have thought that nowhere in this country were there to be found Conservative governments at the provincial level who have had some responsibility for housing. One would have thought that at the federal level the Conservative party from 1958 till 1962 had had no responsibility for housing. One would have thought, indeed, that all the faults of housing policy in Canada—there are many and I shall say something about them in a moment—were attributable solely to the party opposite, the Liberals.

I should like to remind the hon. member for Calgary North that when the New Democratic Party was elected in Manitoba it did more for housing in one year than was done in the preceding five by the Conservative government in that province. I should like to remind the hon. member who has just spoken that the Conservative party, not just the Liberal party, must bear their share of responsibility for the housing situation that has existed across the country ever since the Second World War when the National Housing Act was passed and CMHC came into being soon after.

However, I am not going to spend time on the hon. member's very interesting and rhetorical address. I want to move on to what the minister had to say, because it is the government of the day that must bear the responsibility for present housing policies. I was touched by the minister's phrases. He talked in his speech about the basic and elemental needs of people. He said it was not merely a question of housing and shelter but a question of community with which we must be concerned. He talked about housing being a basic right of all Canadians. Another phrase he used was that we must look beyond the home to the community in which a man and his family lives. He has only been minister for two years now, and I am not suggesting that he is not personally concerned about housing.

Mr. Basford: One year.

Mr. Broadbent: The minister corrects me and says one year. It is a year that seems like two years.

Mr. Basford: So much has been done.

Mr. Broadbent: I will come to that. It is interesting to read the catalogue of programs that the minister presented to us. What it really is is the best possible documenta-

tion one can find of a catalogue of neglect in Canada for some 25 to 30 years. Just let me repeat them. First of all, we had the neighbourhood improvement program. He told us what had not been done in that area in recent times. Then there was the assisted home ownership program. The minister pointed out that average and low income people cannot afford to buy housing and have been unable to buy it in Canada for decades. So, he says, at last something has to be done. Then he went on to land assembly and then programs of rehabilitation. He talked movingly about the needs of senior citizens in Canada. Although I missed a couple of other programs en route, finally at the end of his speech he got around to talking about the importance of housing warranties.

• (2140)

I say that this is simply a catalogue of neglect. It illustrates very well that in terms of providing for a basic human need, which is important for people in Canada or anywhere else—housing—the market system on which this government and its Conservative predecessor has relied has failed. This market system, under which we allow the forces of so-called free competition to allocate our capital resources has not done the housing job in Canada. It is time we moved well beyond that and categorically recognized that it will not do the job. We should begin to look—I will come to this later when we are discussing the financial instruments bill—at our financial institutions to make sure that we get the money we need for housing in Canada.

I listened to the minister outline these programs. On the one hand they reveal a shortage, but at the same time, almost in one sentence following upon another, there is the contradictory reference to what this government has done. The minister's constant reference is to housing starts which have taken place in each of the past few years under the Liberal government. One might have thought that the situation was not all that bad and that this bill is needed merely to patch up the deficiencies of the system; but let me remind hon. members of some basic facts which were revealed in the recent Dennis report suppressed by this government but which finally emerged in the fall of last year.

In our country in 1972 we had 750,000 units of housing which were not safe, not decent and not sanitary. By a conservative estimate, I think that means that about 3 million Canadians are living under those circumstances. I repeat, this report is not based on conditions in the 1930s but on conditions in 1972. The report also indicates that 500,000 units need heating, plumbing repairs of a significant sort, and major structural improvements. That means that well over another million Canadians are living under these deplorable circumstances.

Let us look at the distribution of funds under the National Housing Act which was originally set up to provide money for the average Canadian to achieve what the hon. member for Calgary North suggested was a good objective, that is, ownership of a home. What do we find the situation to be? We find that most of the funds provided under the National Housing Act have been provided to upper income Canadians. The figures for the past two years indicate that the median income of a Canadian family was approximately $2,000 less than the median family income of a recipient of an NHA loan. What that means, stated in different terms, is that the income of the average Canadian earner, who pays most of the taxes, is being used to finance the homes of upper income Canadians. When we combine that fact with the facts I have just mentioned, we see a picture for the year 1972 of which Canadians cannot be proud.

Mr. Basford: Would the hon. member permit a question?

Mr. Broadbent: If the minister would not mind, I would be glad to answer his question at the close of my remarks, following his own example. The point I am making is that our capital or disposable income in the main is left in the hands of bankers and insurance companies and is flowing to those in higher income brackets for the purposes of housing. We have to change the present system of providing homes or we will not do that job which needs to be done. We will not be able to provide homes for those Canadians who live under conditions that are not safe, decent or even sanitary.

This bill represents the first significant change in housing legislation since 1964. In that year there were changes which provided CMHC with the right to lend funds to provinces for construction of subsidized housing. That was an important step taken at that time. All we have seen since then, however, in terms of basic housing legislation is a bit of tinkering, for instance, authorization to lend funds to provinces and municipalities for land assembly. What the present government proposes is obviously inadequate. We need funding at more adequate levels.

Since 1964 we have seen additional provisions to aid private lending institutions, including the freeing of interest rates on NHA loans, and amendments under the National Housing Act to allow chartered banks to take part in NHA mortgages. We have put these private institutions on the CMHC gravy train. A good illustration of this is the rising curve indicating the rate of profits for the banks and trust company. This has led to the highest mortgage interest rates in the history of Canada. This is the real evidence of the effectiveness of these changes. I refer also to changes to section 15 of the act which made it possible for developers to build trash, and I use that word advisedly. These changes are the kind of which we cannot be proud.

Before I say something about the provisions of the present bill may I refer to the minister's description, to the effect that it represents a "major attack against our housing problems". Frankly, I do not think this is the case and I will illustrate why I feel that way. The present bill represents only a slight move to ease the burden of rising housing costs for a few Canadians. It does not deal with the basic problem of housing inflation. It will not reduce interest rates. It will not put a stop to spiralling land prices. It does not promise to provide the level of support needed to ease the burden of price increases in recent years, let alone solve the housing problem.

• (2150)

It is important to realize—this is especially true with respect to housing—that parliament has an important effect, but a limited one, on all its policies. The present bill, as well as ones in other areas, allows considerable

discretion to authorities set up under the legislation and for us, in housing that means CMHC. The rate at which the housing problems of Canadians is ameliorated depends, of course, upon the actual commitments of the government in its budgetary appropriations as handled by CMHC.

The present legislation is not a significant innovation. I say this because most of the provisions of this bill, as the minister well knows, have already been implemented in some form, appropriately authorized or not, by CMHC. For instance, Canadian Housing Statistics contains references to the assisted home ownership program that has been in operation for three years how. We are told by our colleagues in British Columbia that a rehabilitation project similar to the one proposed in the present bill is in operation in the minister's own riding, although the NHA as it now stands contains no provisions for this kind of a project. It would be interesting to know under what authority this project was started.

Likewise, much that is proposed under the neighbourhood improvement program can now be done under the present urban renewal legislation, although we can understand the government's decision to discourage the continued use of a section so rightly identified with the destruction of many neighbourhoods in many of our large cities. This having been said, provision for these and other programs in the present bill are welcome, if only because adoption of the bill will make their availability more widely known and therefore more widely utilized by Canadians from coast to coast.

The bill in its present state, however, will not receive the unqualified support of the NDP. We have some questions which we want the minister and his officials to answer. We would like to know more precisely, for example, what is contained in some of the anticipated regulations. We would like to see amendments to the CMHC budget introduced in the House soon after the present bill is passed because, as the minister and as everyone who is seriously concerned with housing knows, it is the allocation of funds which will be so crucial in terms of implementing a number of the laudable objectives described in the different clauses of the bill.

A question related to that is that if we do not get adequate money we will simply be raising the expectations of countless Canadians across the land who will read in the bill some good provisions and expect that everything will be implemented within a reasonable period of time. If the government does not show a real desire to overcome the deplorable housing situation by providing money, then this bill will be appropriately seen as a piece of sham legislation.

Another question that concerns us is whether we are going to continue financing projects by large developers whose quality standards in terms of work in recent years has proven to be quite inadequate. I could document a number of cases but I will not take the time of the House to do it now. These were documented at length in the reports by Charney and Dennis.

Another question is whether the government will switch its emphasis, as we would prefer, to non-profit associations and co-operative societies. They have a potential for real social benefit over the long term in Canada, providing not only adequate accommodation but, from our point of view, good social relations for people. The minister indicated tonight—and I know this from conversations with co-operative societies which have met with him—that he is fully sympathetic to the development of co-operatives. I for one welcome that and hope that the budgetary arrangements which the minister makes within his department reflect the concern which he has expressed.

The other matter which concerns us, and it is a matter of apprehension that is perhaps more real to me than the others I have mentioned, apart from funding, is that some of the programs that the minister has announced recently are intended not simply as alternative choices to public housing but perhaps reveal an intention of the government to replace public housing. We feel that that would be a tragic mistake. We think that the AHOP which was announced last year and is now before us in the bill, and the added measures that the minister announced a few days ago which provide diversification in terms of types of low income housing, are fine.

We think that these are steps, with some qualifications which were noted at the time, which will provide a greater range of choice to people in the low income group in Canada. But we think it would be a disastrous mistake if these programs were to replace public housing. Every authority I know of in the field of low income housing would agree that improvements are needed and that there must be some alternative choices. But they all say that we must maintain a basic commitment to public housing for low income Canadians.

What is needed is not the removal of public housing but additional choices. What is needed is an absolute expansion in the amount of money that is allocated to low income housing. So if we bring in AHOP and the kind of program which the minister announced the other day, they should represent, in terms of his own budgetary proposals, a cause to increase the amount of money for low income housing and not represent, I hope, a decision to take some money out of public housing and put it into these other schemes.

There are a number of improvements that we would like to suggest to the bill, but I see it is almost ten o'clock, Mr. Speaker. May I call it ten o'clock?

* * *

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, the acting government House leader may want to put on the record what is proposed for the House tomorrow so, that all members will be made aware of it.

Mr. Basford: I was not aware that I was the acting House leader, but I will take the job unto myself. I believe we are continuing with the housing bill, if that is agreeable to my colleague, the Secretary of State.

Mr. Faulkner: Mr. Speaker, I can announce that we will continue with the item that is now before the House.

Mr. Knowles (Winnipeg North Centre): Was there not some understanding that we might proceed with the

report stage and third reading of the bills amending the Old Age Security Act and the War Veterans Allowance Act, subject to some discussion among the parties?

• (2200)

Mr. Faulkner: Mr. Speaker, I understand there has been no agreement among the parties on that point.

Mr. Knowles (Winnipeg North Centre): Did anyone try?

Mr. Speaker: Order, please. For the moment we have to listen, with pleasure I am sure, to the hon. member for Athabasca.

PROCEEDINGS ON ADJOURNMENT MOTION

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

CANADIAN CULTURE—MULTICULTURALISM—MAINTENANCE OF RIGHTS OF CULTURAL GROUPS FOLLOWING TAKEOVER OF RADIO STATION CKSB BY CANADIAN BROADCASTING CORPORATION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I want to raise an issue which has been the cause of a great deal of concern in certain parts of the country, particularly in Manitoba. It concerns the fact that in spite of the government's stated policy of acceptance of the concept of multiculturalism, this concept is not being applied in Manitoba. In fact, established rights of ethnic groups that have been accustomed to programming via the use of radio station CKSB have been lost. I have a letter here which expresses the situation clearly. I would like to quote from it, to explain the problem to whomsoever will be responding to it. It reads:

> It is with great interest that we now note that radio station CKSB, St. Boniface, Manitoba, has been purchased by the Canadian Broadcasting Corporation. Of course, notice of the intending purchase was given. However, the application for the approval of the purchase before the Canadian Radio and Television Commission was heard, not in Winnipeg, not in Manitoba, but in Montreal, Quebec. By holding the hearing in Montreal, interested parties in the Winnipeg area were almost entirely precluded from airing their opinions. In spite of this fact, six representations were made at the hearing by cultural groups opposed to the transfer in ownership.
>
> For your information, radio station CKSB, St. Boniface, Manitoba, has for approximately 20 years sold time on the station so that programs in languages other than French and English might be broadcast in the Winnipeg area. You must bear in mind that Winnipeg is an area composed largely of non-English and non-French speaking people. Indeed, next to the English speaking majority, Ukrainian speaking and German speaking peoples represent the largest cultural groups in this area.
>
> On Sunday, February 25th, 1973, the cultural groups who broadcast over radio station CKSB made their final broadcast over that station. Due to the transfer to the Canadian Broadcasting Corporation, non-French and non-English speaking groups are prohibited from using this station. For approximately 20 years the citizens of the Winnipeg area have been able to listen to radio broadcasts in Ukrainian, German, Hebrew, Italian, Polish, and Greek, to name but a few. The aforementioned groups are now forced to either discontinue programming, or to broadcast over rural radio stations, some distance from Winnipeg.
>
> The writer takes strong exception to the takeover of radio station CKSB by the Canadian Broadcasting Corporation. Although the Prime Minister has expressed his belief in a multicultural Canada, the writer feels that he is doing no more than paying lip service to the principle of a multicultural Canada. It is for this reason that I write this letter to you, for it is my belief that if the letter was addressed to the Prime Minister's office, it would be ignored. The government, through the Canadian Broadcasting Corporation, is in fact taking steps to hinder multiculturalism in Canada rather than to promote it. By arbitrarily purchasing radio station CKSB, at a purchase price that is greatly inflated over the actual value of the radio station, the rights and privileges which the cultural groups of the Winnipeg area have enjoyed for decades are being destroyed. This cannot, and should not be tolerated. I strongly urge you to take the government to task for this flagrant and blatant step against multiculturalism in Canada.

This issue has been raised in the House on several occasions. Questions have been asked of the minister as to what he proposes to do about it. Unfortunately, the answers have been such that they do not give me the impression that he is being very aggressive about protecting the established, customary rights. I want to give you some examples, Mr. Speaker. On February 8 when he was asked about this matter, he replied:

> Mr. Speaker, I have discussed this with my colleagues in the cabinet and everything possible is being done. . . I have made representations on this matter to the chairman of the CRTC.

He was asked again on February 15, and he replied:

> Mr. Speaker, I am awaiting the report of the officials of the CBC on their multicultural programs.

The question was again raised on February 22. This time it was directed to the Secretary of State (Mr. Faulkner) who replied in part:

> —I think I would prefer to deal with that question when these various agencies are examined before the standing committee of the House.

Then the Minister of State (Mr. Haidasz), responsible for multiculturalism, said:

> Mr. Speaker, this is a matter of government policy and if anything is to be done it will be announced in the usual way.

Both ministers were questioned again today. The Minister of State gave his usual nothing answer and the Secretary of State followed suit. I want to read from section 38 of the Official Languages Act, Mr. Speaker, because this is what has been violated by the takeover of the station by the CBC. This section reads:

> Nothing in this act shall be construed as derogating from or diminishing in any way any legal or customary right or privilege acquired or enjoyed either before or after the seventh day of September 1969 with respect to any language that is not an official language.

The customary right referred to in section 38 has obviously been taken away from various cultural groups. The CBC has taken the position that the Broadcasting Act forbids them to use other languages on their stations. They refer to the Broadcasting Act, section 3(e) of which reads:

> (e) all Canadians are entitled to broadcasting service in English and in French—

Section 3(g)(iii) provides that the national broadcasting service should be in English and French, etc. It seems to me that in this particular case where the station is being taken over, there is a conflict between section 38 of the

Official Languages Act and sections 3(e) and 3(g)(iii) of the Broadcasting Act. The question was raised today whether the Secretary of State would be willing to amend the Broadcasting Act in order to get around this obstacle which the CBC claims exists, but the minister said he was not proposing any kind of amendment to the act at this time. I see my time has almost expired, Mr. Speaker.

The Acting Speaker (Mr. Boulanger): Yes, it has expired.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): Mr. Speaker, may I be forgiven for answering the second part of this question first.

I am informed that the CBC has made arrangements for ethnic groups that have an interest in the future of station CKSB to be represented at the CRTC hearing in Montreal, at no cost to them, to give them a chance to put their points of view to the CRTC.

With regard to the CRTC regulations, these allow for a large number of multi-lingual and multi-cultural programs.

For one thing, any private radio station can devote 15 per cent of its broadcasting time, which makes 20 hours a week, to multi-lingual and multi-cultural programs, without requiring the commission's permission. And for another, with just written permission and no public hearing, any private station can devote about 20 per cent, or 28 hours, of its time on the air to multi-lingual programs. The commission also grants permits to stations that broadcast almost entirely in foreign languages. There are already such stations in Montreal, Toronto and Vancouver.

With regard to the situation in Winnipeg, I am told that some stations in that city and its surroundings broadcast programs in several languages, and that they would be interested in devoting more time to this type of program.

Station CKSB has existed since 1945 and is a private French-language station. Thanks to the money collected from the Francophone community in Saint-Boniface, that station, which is affiliated to the French network of the CBC, has survived since 1945 under the management of a non-profit organization, the Fondation Radio Saint-Boniface Incorporée.

It broadcasts 132 hours a week, of which 76 originate locally and 56 are provided by the French network of the CBC. That station sold various ethnic groups, Jewish, Italian, Ukrainian, Polish and Portuguese, local broadcasting time on Sunday afternoons from 12.30 to 6 o'clock.

The CBC recently signed an agreement with the Fondation Radio Saint-Boniface Incorporée, holder of the CKSB license, for the purchase of that broadcasting station. This agreement expires on March 31, 1973 and is subject to the approval of the Canadian Radio-Television Commission. The Commission has decided that the hearing would most appropriately be held in Montreal on February 19.

The hearings of the commission are planned months ahead to allow numerous hearings at regular intervals. For instance, the commission sat in Edmonton, Toronto, Montreal and Ottawa, to hear the comments of the public—

Adjournment Debate

The Acting Speaker (Mr. Boulanger): Order.

• (2210)

[*English*]

EXPORT DEVELOPMENT CORPORATION—POSSIBLE EXCEEDING OF CEILING ON LOANS—REQUEST FOR AUDIT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I am indeed sorry that the Minister of Industry, Trade and Commerce (Mr. Gillespie) is not in the House tonight and that he has sent his parliamentary secretary, the hon. member for Gloucester (Mr. Breau), to answer this question. The fact is that the minister has misled the House. I feel he should have had the courage to come to this House and explain why he so deliberately misled this House by suggesting that the ceiling with respect to section 29 and section 30 financings, as set out in the Export Development Corporation Act, had not been exceeded as of February 28.

The parliamentary secretary inadvertently set the record straight. He showed that the minister misled this House. May I refer to *Hansard* for March 9 where, at page 2084, the parliamentary secretary is reported as having said:

> It has been alleged that because the EDC has to date signed financing agreements totalling $865 million, it has already exceeded its existing statutory lending ceiling under section 30 of the act.

The parliamentary secretary then went on to point out that this was a misunderstanding. He said that as of January 31, 1973, the same date as the $865 million was outstanding, instruments outstanding totalled $500 million, but that it was instruments that were solely taken into account when determining liability under section 30.

I will not repeat the definition of "instrument" which is found in the Consolidated Statutes of Canada, chapter E 18, because my time is short. I suggest that the parliamentary secretary ought to have read the minister's speech when he introduced the bill in question in the House on February 2. At page 909 of *Hansard* he said that financing agreements signed by the corporation with foreign buyers of Canadian goods and services rose dramatically. He then gave figures for each of the years 1970, 1971 and 1972. The he said, as recorded on pages 910 of *Hansard* that the capacity to sign agreements for over $200 million is all that is left. The words "all that is left" are my own.

That is what he intended to convey to the House, to indicate the urgency for passing the bill. The minister ignored, or perhaps was not informed by his subordinates, that there was another $250 million of signed agreements which had been taken over by this corporation from its predecessor. The fact is that as of December 31 the outstanding total of signed agreements of this corporation were $841 million. The minister now knows this, and the parliamentary secretary confirmed that on January 31 $865 million had been signed.

I would point out that in each of the annual reports for 1969, 1970 and 1971 with respect to this corporation, note 2 is identical in its terminology. It is at all times pointed out that there is an uncommitted authorized liability of a certain amount. For example, in 1969 it was $238 million; in 1970 it was $173 million; in 1971 the note pointed out it was $212 million. I wish to stress that at all times the

outstanding notes of the corporation never at any time exceeded $375 million.

If the parliamentary secretary is to be believed, I ask the minister and this House why it was necessary in 1971 to ask the House to increase the then ceiling from $600 million to $850 million. If we are to believe the parliamentary secretary, in fact as of January 31 they were still not over the $600 million ceiling which they told this House in 1971 they had to have increased to $850 million to allow them to proceed.

I have been fortunate enough to see the internal projections for this corporation. I can tell the House that it is not until May, 1974, that they will exceed the ceiling of $850 million, if the ceiling alleged by the parliamentary secretary is a correct interpretation under this act. The fact is, it is wanton misleading of this House. They know they are caught and they do not want to admit it. Instead, they run to a solicitor and say, "Please give us a fresh definition of how we can interpret the liabilities under section 30." However, they forget that fortunately we have the internal records of the corporation, including the records referred to in their minutes. We know what has been said.

We only hope the officers of the corporation will be prepared to appear before the committee and not deny that in their own records, listed under liabilities pertaining to section 30, the liabilities as of December 31 were $841 million and that they had less than $9 million left under their authorization of $850 million. As of January 31, the parliamentary secretary is correct. The record then showed that they had in fact exceeded their ceiling. I feel this House deserves an apology.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member for York-Simcoe (Mr. Stevens) has been alleging for some time what he has again repeated this evening. I first wish to say that it is a recognized practice in this House, although it may not be a tradition, for the parliamentary secretary to in fact answer questions on what we call the "late show". There is no question of the minister not having the courage to be here. The minister was here this afternoon to answer in the debate, and he will appear before the committee when the Export Development Act amendments are before it, as the committee sees fit. Therefore, it is my duty as parliamentary secretary to answer questions on the "late show". I intend to continue doing so.

The hon. member, of course, is basing all of his argument on a legal judgment. I do not know if he is a lawyer. I am not.

Mr. Stevens: I am.

Mr. Breau: You are a lawyer?

Mr. Stevens: Yes.

Mr. Breau: Unfortunately, I am not a lawyer. I have to rely on legal opinions that I read or that are provided to me in some way or another.

Mr. Stevens: I have a different one.

Mr. Breau: If you have, I wish you would bring it forward because I have not heard it yet.

Mr. Stevens: I will at committee.

Mr. Breau: That is fine. This evening the hon. member again referred to two points. He referred, first, to a financial statement as if that was an adequate basis for a legal argument. Even though I am not a lawyer, I cannot understand that. In my view, a financial statement cannot be used to make a legal judgment.

Mr. Stevens: Get your corporation's financial statements for three years.

Mr. Breau: It does not matter what the financial statement is, although the hon. member must have seen a lot of them in his years in business. The hon. member says that he is a lawyer. If he had to have a legal opinion, there is no way that he would refer to a financial statement. He would refer to statements and things of that sort. Even in respect of that financial statement, the hon. member mentioned—and I have his words—uncommitted liability. That confirms, it seems to me, the fact that a liability does not exist before disbursements have been made. It has to be this way because the corporation, like any other lending authority, takes in cash receipts all the time. There is money flowing back in. This is why the act specifies "on the outstanding instruments". So even if the corporation exceeded the ceiling in financial agreements, it could very well be that because of the money coming in it would be within the permitted ceiling.

• (2220)

I could give the answer again. It has been given three times in the House. It is really a matter of legal opinion. If the hon. member thinks he has a better one, somebody will have to be the judge.

Motion agreed to and the House adjourned at 10.22 p.m.

APPENDIX "A"

MANPOWER PLACEMENT REFERRALS

October 2, 1972

TO:
Assistant Deputy Minister
Operations.

FROM:
Deputy Minister.

1. Would you please issue immediate telex orders to all regions, areas and CMC's to the following effect:

(a) In making referrals for placement, Local Initiatives and On-the-Job Training, give first priority to qualified clients who are unemployed.

(b) Give absolute priority to vacancies from employers who claim they are unable to obtain workers.

(c) Make every effort to reduce to a minimum the time between the referral or notification of a client from UIC, and his referral to a job.

(d) Make every effort to obtain additional job orders from employers, particularly those referred in (b) above.

2. These directives should take effect now and continue until further notice.

J. M. DesRoches

c.c. A.D.M.—Immigration
c.c. A.D.M.—Manpower
c.c. A.D.M.—PDS
c.c. A.D.M.—Administration

TELECOMMUNICATION
MESSAGE

October 2, 1972

FROM:
J. C. Best
Assistant Deputy Minister
(Operations)

TO:
W. C. Stewart, Halifax
L. E. Duquette, Montreal
G. D. A. Reid, Toronto
Mrs. J. W. Edmonds, Winnipeg
L. S. McGill, Vancouver

All CMCS and area managers in your region must be advised by Telex as follows without change, on an urgent basis. These instructions must be followed explicitly and take effect immediately:

"(A) In making referrals for placement, local initiatives and on-the-job training, give first priority to qualified clients who are unemployed.

(B) Give absolute priority to vacancies from employers who claim they are unable to obtain workers.

(C) Make every effort to reduce to a minimum the time between the referral or notification of a client from UIC, and his referral to a job.

(D) Make every effort to obtain additional job orders from employers, particularly those referred in (B) above.

These directives will continue in force until further notice."

J. C. Best

OFFICE OF THE MINISTER
MANPOWER AND IMMIGRATION

FOR RELEASE

December 6, 1972

"The $500 million Direct Employment Programs announced earlier this morning by the Minister of Finance and myself included a $90 million allocation for the LIP and Training on-the-Job Program which will not only greatly contribute to the reduction of winter unemployment, but will also help to develop, on a long-term basis, the new ideas and techniques these programs have generated."

This statement was made by Manpower and Immigration Minister Robert Andras when he announced to-day the expansion of those portions of the over-all Direct Employment Program administered by his department. This expansion adds $80 million to the Local Initiatives Program and $10 million to the Training on-the-Job Program.

The addition of this $90 million for LIP and TOJ represents a total allocation of $215 million for job creation this winter compared with $120 million for the corresponding period last year. It is estimated that more than 125,000 jobs or 510,000 man-months of employment will be created during the life of the programs.

"We have many applications on hand and I have directed my officials to process them and put these new funds into circulation as quickly as possible. In addition, I have directed that about $10 million be set aside for innovations currently under study, which, I hope, will give more flexibility and new dimensions to LIP. In this connection I am discussing with my officials several interesting variations for a concerted attack on the unemployment problem.

We will look at such ideas as marshalling the entrepreneurial skills and talents of the private sector toward community betterment, obviously on a non-profit basis. Another idea I would like to explore is assistance to unemployed persons in forming co-operative, non-profit organizations for the purpose of providing, on a fee basis, needed community services. I hope to have a more definitive statement concerning these innovations within a few weeks, but in the meantime the bulk of the funds will be used to finance the regular applications which are flowing into the department from private sponsors and municipal governments.

We know there is a lot of pressure on the government these days from certain groups for continued funding, and we will be studying ways and means of assisting them, either directly or by recommending alternate sources.

As the new Minister of Manpower and Immigration I intend to do everything in my power to develop, as quickly as possible, not only the additional measures necessary to bridge the severe winter months ahead, but also to come up with the answers to the middle-term questions, i.e., one-to two-year requirements, and then the longer term possibilities of job creation," Mr. Andras continued.

The Minister invited employers, large and small, to participate in the Canada Manpower Training-on-the-Job Program which last year produced more than 42,000 new jobs with more than two-thirds of the trainees gaining permanent employment.

"The CMTJP formula enables employers to hire trainees in preparation for projected expansion," the Minister said, "and provides trainees with an opportunity to develop valuable and transferable skills."

Complete details on both LIP and CMTJP can be obtained through all of the 390 Canada Manpower Centres of the Department of Manpower and Immigration.

Ottawa, December 6, 1972.

Notes for a Press Conference

Mr. Robert Andras, Minister of Manpower and Immigration

Local Initiatives Program 1972-73:	
Original allocation	$ 85,000,000
Added today	$ 80,000,000
Sub-total	$165,000,000
Estimated Number of Jobs	95,000
Estimated man-months of employment	350,000
Canada Manpower Training-on-the-Job 1972-73:	
Original allocation	$ 40,000,000
Added today	$ 10,000,000
Sub-total	$ 50,000,000
Estimated Number of Jobs	40,000
Estimated man-months of employment	160,000

Program Totals:

Allocations, from $125,000,000 to $215,000,000
New money allocated: $90 million
Estimated total jobs to be created—135,000
Estimated man-months of employment to be created—510,000

Objectives:

1. To create jobs.
2. To provide skills of continuing and transferable value.
3. To improve community services, quality of life, encourage imagination and initiative amongst Canadians.
4. To encourage projected employer expansions.

Canada Manpower Training-on-the-Job

New opportunity for the employer:

The new injection of funds into the CMTJP program will permit Canadian employers to increase their participation in a scheme which was labelled "the most successful part of the (1971-72) special federal plan to cut unemployment."

Canadian employers, taking advantage of the incentives of the program (partial reimbursement of wages of the trainees), will be able to hire trainees in preparation for projected expansion and will be in a position to channel more of their own funding in the planned expansion.

A skill and a future for the employee:

Several thousand additional Canadians will have the chance to develop valuable skills and talents leading to rewarding career opportunities. Last year, CMTJP produced more than 42,000 new jobs with more than two-thirds of the trainees gaining permanent employment.

Trainees under CMTJP are just like other employees and receive the same wage rates and fringe benefits.

Program dates:

The program began December 1, 1972 and all project applications must be received by December 31, 1972. Trainees must be on the job no later than March 31, 1973.

Reimbursement for employers:

Employers qualifying under the program will receive 75 per cent of the trainee wage costs during the first half of the training period and 50 per cent of the wage costs during the last half. Maximum reimbursement payable to employers under the program is $118 per trainee per week.

The role of the CMC:

CMTJP, as well as LIP, are administered by more than 390 Canada Manpower Centres of the Department of Manpower and Immigration throughout Canada where advice and assistance can be obtained on both programs.

Local Initiatives Program

New dimension:

The additional money will not only permit the launching of a larger number of regular LIP projects but will also give increased flexibility and a new dimension to the Local Initiatives Program through the possibility of adding some or all of the following elements:

A/ LIP for the private sector:

These projects would be non-profit making, in the public interest and unrelated to the normal production or service sold by the business. This idea results from the suggestions of businessmen who have expressed a desire to undertake community projects in the public interest using their plant, equipment and managerial time with assistance from LIP for wages (and overhead) of workers hired from the unemployed. Such projects could be of particular help to businesses that are faced with seasonal layoffs.

B/ LIP for potential self-sufficient entrepreneurs:

This fascinating concept has been requested by a number of regular individual LIP project sponsors.

The basic idea is that LIP would make contributions towards the capital cost of a project as well as financing

the wage bill. These projects might also be permitted to retain earnings for future development.

Projects in this category would have to be non-competitive with local firms, and the sponsors should have demonstrated skills and a potentially viable idea.

A good example of this type of project would be a co-operative business organization, run on a non-profit basis, for the purpose of providing needed community services. Another example might be the construction and operation of a medical clinic in a remote area.

The underlying concept of this type of project would be that a price must be charged for the goods produced or services provided; projects would also be organized and managed by the unemployed themselves.

Progress report:

Applications are flowing in at an increasing rate; their value having risen from $64.7 million on November 8 to $250 million on December 4.

Announcements on approved LIP projects are currently being made locally and regionally across the country.

A preliminary analysis of the types of projects indicates the following percentage breakdown: social services (30 per cent), construction (25 per cent), sports and recreation (20 per cent), arts and culture (10 per cent), with the remainder being for research, education, information, health, etc.

Program dates:

The program officially began December 1, 1972, and all project applications must be received by December 31, 1972.

General:

New project applications are generally better prepared than last year, reflecting the experience gained from the 1971-72 program. This year the controls are tighter, the criteria are clearer, and the monitoring and auditing will be stepped-up and refined.

Last year's program had a minimal number of projects that did not meet their stated objectives satisfactorily. Of 5,700 approved projects, only five cases of fraud have been recorded and only four projects have been terminated by the Department owing to mismanagement by the project sponsor.

N.B. For additional information, call 996-0261

TELECOMMUNICATION
MESSAGE

March 9, 1973

FROM:
J. M. DesRoches, Deputy Minister

TO:
Director General—Atlantic, Quebec
Ontario, Prairie and Pacific

As of now all CMCs will give absolute priority in referral for all jobs including TOJ to UIC claimants in the first instance, welfare recipients in the second instance, and other unemployed in the third instance. Only when these three sources have been thoroughly reviewed or exhausted in each particular situation should other people be referred. This order will be followed by all CMCs and counsellors without fault. Every effort will be made to fill TOJ vacancies forthwith as per above order.

J. M. DesRoches

c.c. File Copy
c.c. Deputy Minister's Special File
c.c. Mr. McCloskey

TELECOMMUNICATION
MESSAGE

March 15, 1973

FROM:
J. M. DesRoches,
Deputy Minister, M & I
OTTAWA, Ont.

TO: All Regional Directors General
This cancels and replaces my telex of March 9th.

The purpose of that telex was to emphasize the importance of aggressive, affirmative action by CMCs to utilize emerging employment opportunities, especially those created by the local initiative and training on the job programs for those people who are definitely unemployed and in need.

As you are aware priority in referral to jobs is governed by regulation 27 to the unemployment insurance regulations. Consistent with regulation 27, all job orders will be checked as soon as they are received against existing live files of registrations to ensure that preference in referral is given to qualified registrants as required by the regulation. The telex of March 9th was not intended to change this basic procedure.

In the case of the LIP and training on the job programs it has been publicly announced as government policy that priority in placement would be given to those who are unemployed. Within that priority emphasis must be given to those on unemployment insurance, welfare or otherwise unemployed and actively seeking work.

A special effort must be made to complete recruitment for LIP and training on the job, particularly the latter, as quickly as possible and in accordance with the foregoing policy.

J. M. DesRoches

25789—72

APPENDIX "B"

NOTICES OF MOTION FOR THE PRODUCTION OF PAPERS

General Principle

To enable Members of Parliament to secure factual information about the operations of government to carry out their parliamentary duties and to make public as much factual information as possible consistant with effective administration, the protection of the security of the state, rights to privacy and other such matters, government papers, documents and consultant reports should be produced on Notice of Motion for the Production of Papers unless falling within the categories outlined below in which case an exemption is to be claimed from production.

Exemptions

The following criteria are to be applied in determining if government papers or documents should be exempt from production:

1. Legal opinions or advice provided for the use of the government.

2. Papers, the release of which would be detrimental to the security of the State.

3. Papers dealing with international relations, the release of which might be detrimental to the future conduct of Canada's foreign relations; (the release of papers received from other countries to be subject to the consent of the originating country).

4. Papers, the release of which might be detrimental to the future conduct of federal-provincial relations or the relations of provinces inter se; (the release of papers received from provinces to be subject to the consent of the originating province).

5. Papers containing information, the release of which could allow or result in direct personal financial gain or loss by a person or a group of persons.

6. Papers reflecting on the personal competence or character of an individual.

7. Papers of a voluminous character or which would require an inordinate cost or length of time to prepare.

8. Papers relating to the business of the Senate.

9. Papers, the release of which would be personally embarrassing to Her Majesty or the Royal Family or official representatives of Her Majesty.

10. Papers relating to negotiations leading up to a contract until the contract has been executed or the negotiations have been concluded.

11. Papers that are excluded from disclosure by statute.

12. Cabinet documents and those documents which include a Privy Council confidence.

13. Any proceedings before a court of justice or a judicial inquiry of any sort.

14. Papers that are private or confidential and not of a public or official character.

15. Internal departmental memoranda.

16. Papers requested, submitted or received in confidence by the government from sources outside the government.

Ministers' Correspondence

Ministers' correspondence of a personal nature, or dealing with constituency or general political matters, should not be identified with government papers and therefore should not be subject to production in the House.

Consultant Studies

In the case of consultant studies, the following guidelines are to be applied:

1. Consultant studies, the nature of which is identifiable and comparable to work that would be done within the Public Service, should be treated as such (the reports and also the terms of reference) when consideration is being given to their release.

2. Consultant studies, the nature of which is identifiable and comparable to the kind of investigation of public policy for which the alternative would be a Royal Commission, should be treated as such and both the terms of reference for such studies and the resulting reports should be produced.

3. Prior to engaging the services of a consultant, Ministers are to decide in which category the study belongs, and in cases of doubt are to seek the advice of their colleagues.

4. Regardless of the decision as to which category (1. or 2. above) the consultant report will belong, the terms of reference and contract for the consultant study are to ensure that the resulting report comprises two or more volumes, one of which is to be the recommendations while the other volume(s) is (are) to be the facts and the analysis of the study. The purpose of this separation is to facilitate the release of the factual and analytical portions (providing that the material is not covered by the exemptions listed above) enabling the recommendations (which, in the case of studies under category 1., would be exempt from production) to be separated for consideration by Ministers.

February 16, 1973

HOUSE OF COMMONS

Friday, March 16, 1973

The House met at 11 a.m.

[*Translation*]

ROUTINE PROCEEDINGS

BILINGUALISM

TEACHING OF FRENCH AS SECOND LANGUAGE IN NATIONAL CAPITAL AREA—STATEMENT BY SECRETARY OF STATE

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I am happy to announce that I have reached agreement with the Hon. Thomas Wells, the Minister of Education of Ontario, regarding the provision of supplementary funds to Ontario school boards in the National Capital Region for a pilot project in increased teaching of French as a second language.

[*English*]

These additional funds are to be made available in the context of an experimental project. In the first year, approximately $2 million is to be provided through the Ontario Ministry of Education from the bilingualism programs budget administered by my department. The cost of research involved in the experiment, as well as its evaluation, will be borne by the Ontario government.

[*Translation*]

A decision on the exact amounts of money involved in the program will be made after proposals have been received from the four boards concerned on the Ontario side of the National Capital Region. I expect that the province will be receiving submissions from them shortly, after which we look forward to further consultations leading to implementation of the agreement at the beginning of the next school year.

[*English*]

Mr. Speaker, I would like to emphasize how pleased I am personally that we have been able to reach agreement on this new arrangement, which we expect will go a long way toward strengthening bilingualism in the National Capital Region. This form of co-operation, in a carefully evaluated experimental program, could, we think, lead to important new advances in this field. We also expect it will provide substantial new data on techniques of second language teaching which will be of value across the country. I am also very gratified at the initiative which has been taken by the school boards concerned and I believe they should be complimented on their foresight and interest in a problem which is of concern to all Canadians.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to thank the minister for sending a copy of his statement to me. I want to say to him, through you, Sir, that the statement is most welcome. Perhaps, indeed, it could be characterized as a landmark. First, it recognizes that the national capital is a particular area of need and that since the government of Canada is the major employer in the area the federal government has a major responsibility to ensure that the young people of this area, the majority of whom look forward to careers in the public service, will have a reasonable opportunity to compete and to advance. Second, it recognizes the very reasonable proposition that, over the long haul, second language training is better undertaken not when one has reached the age of maturity but when one is young and can be motivated to learn for the right reasons.

• (1110)

It is also vindication of the position I took during the campaign and in this House. We are, in effect, attempting to remake Canadian history in the national capital area, and we cannot effectively remake 105 years of that history in five years. It will not take 100 years either, but it must be recognized by everyone that the object of the whole exercise will never be achieved except in an atmosphere of acceptance and understanding. It is heartening to know that what was said and done in the latter part of 1972 has not been in vain. In that respect I welcome the statement.

I know that the four school boards in this area will be overjoyed with this announcement. I applaud their initiative. Their ratepayers have been pushing for action in second language training at a time when their expenditures are being curtailed. I am sure this will ease the burden for them. More important, it will ease the minds of parents who, with their children, have found themselves in the midst of a bilingual hurricane recently.

Most of all, Mr. Speaker, the young people of the national capital area will be the ultimate beneficiaries of this announcement. It is in their name that I welcome this announcement, for many of them will have doors opened for them in the private as well as public sectors that might otherwise have been only ajar and in some places closed. I congratulate the minister, Mr. Speaker.

[*Translation*]

Mr. John Harney (Scarborough West): Mr. Speaker, I should like first to congratulate the Secretary of State (Mr. Faulkner) on his success in negotiating this agreement.

For our part, we naturally welcome the establishment of a pilot project in the National Capital Region, especially as it is well-known that the school boards in question have often asked for help to go ahead with a program likely to promote bilingualism in this highly sensitive area of our country.

Having expressed our enthusiasm at the start, I should now like to make a couple of points that are perhaps a criticism of the government's bilingualism policy. First, it must be understood that, although there was a pretty

clear need for a project in the National Capital Region, we must not delude ourselves into thinking that a pilot project in the National Capital Region is going to lead to conclusions that apply to situations in other parts of the country.

Second, I would like to point out to the minister that he is going astray, because it is obvious that in several areas of the country the teaching of a second language, be it French or English, is deteriorating instead of improving.

I would like to ask the minister if in the very near future and through the provinces he could get in touch with the authorities of English-speaking universities in Canada and ask them to reconsider as soon as possible the decision taken a few years ago not to require from students seeking admission to university a satisfactory knowledge of the second language.

In concluding my remarks, I would like to congratulate the minister for that achievement.

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, speaking after the previous speakers, I would like, on behalf of the Social Credit party, to congratulate the Minister for the initiative that he has taken in co-operation with the province of Ontario in order to launch a pilot project for a period of one year.

However, I see that foreigners are somewhat surprised when it is proclaimed throughout the country that there are two official languages in the National Capital. Reference is made to a second language when I go in Ontario; when I am in Quebec, the second language is English. It seems to me that in the National Capital, we should simply suggest a grant for the promotion of the French language in the National Capital.

A language, Mr. Speaker, as all are aware of it, cannot be forced upon anybody. Whether it is your first or your second language, the choice is up to you. I suggest that the hon. minister has taken the best course by giving all the English-speaking population in the National Capital area an opportunity to improve their knowledge of the French language and achieve thereby greater fulfillment and participation in Canadian life. Bilingualism cannot be forced upon Canada through legislation. I believe that projects like this one, attempting to involve the greatest possible number of English-speaking citizens, will achieve the best results. In Quebec, we are happy to involve the greatest possible number of French Canadians in learning English. Bilingualism broadens one's culture, whether it is English or French. It also is in keeping with the reality of a country like Canada.

Once more, I must congratulate the hon. minister as well as the Ontario School Boards for having concluded this agreement and I am sure there will be no regrets on any one's part and that both parliament and the province of Ontario will be commended for this move.

[Mr. Harney.]

INDUSTRY

U.S. PROTECTIONIST MEASURES AFFECTING MICHELIN TIRE COMPANY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, pursuant to Standing Order 43, I move, seconded by the hon. member for Villeneuve (Mr. Tétrault):

That this House address a note of protest to the government of the United States for having applied a clearly discriminatory measure against the Michelin industry in Canada as a result of the compensation paid to it by the Canadian government, and that this note read as follows:

The members of the House of Commons of Canada unanimously protest against the decision of the government of the United States to apply a discriminatory protectionist measure against the Michelin tire industry in Canada, and regret that said government of the United States takes so little note of Canadian economic planning while our country offers the United States, more than any other country, possibilities for advantageous exchanges and transactions in Canada. The members of the House of Commons of Canada sincerely hope that the measures taken against the Michelin Company will soon be dropped by the government of the United States.

Mr. Speaker, I therefore ask for the unanimous consent of the House to move this motion of urgent necessity to prevent the government of the United States—

Mr. Speaker: Order. The hon. member cannot present arguments in support of his motion. Hon. members have heard the motion moved by the hon. member for Shefford (Mr. Rondeau). Pursuant to Standing Order 43, this motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion may not be put.

* * *

• (1120)

[*English*]

SHIPPING

TABLING OF DARLING REPORT

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table in French and English the Darling report on the payment of operating subsidies to United States shipping in the Great Lakes.

* * *

HOUSING

TABLING OF LETTER FROM FEDERAL TO PROVINCIAL MINISTERS REQUESTING FREEZE ON RENTS PAID BY SENIOR CITIZENS

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, yesterday in the House the Minister of State for Urban Affairs said he

would table a letter sent to certain ministers. I rise under Standing Order 41(2) to table copies of the letter sent to provincial ministers of housing and/or municipal affairs by the minister asking that they freeze the rents applicable to senior citizens in public housing projects.

* * *

ST. PATRICK'S DAY

Mr. John Harney (Scarborough West): Mr. Speaker, since this House this morning has heard considerable and due concern expressed about the status of the official languages in this country, and since tomorrow is the great day itself, I should like to move, seconded by the hon. member for York North, that this House give immediate and hearty recognition to the fact that tomorrow is March 17. Erin go bragh!

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

MANPOWER

PLACEMENT PRIORITIES—DIRECTIVE OF MARCH 9—MINISTERIAL RESPONSIBILITY

Hon. Robert L. Stanfield (Leader of the Opposition): I have a question for the Prime Minister, Mr. Speaker, arising out of the blame that the Minister of Manpower and Immigration yesterday placed upon his deputy minister for the contents of the departmental directive of March 9 regarding the priorities to be followed by manpower offices in filling jobs. I should like to ask the Prime Minister whether this means that his government has abandoned the principle of ministerial responsibility for the conduct of the department.

Right Hon. P. E. Trudeau (Prime Minister): In no way, Mr. Speaker. I am sure the responses of the minister in the past few days have indicated that he intended to share any political blame—

Mr. Hees: You don't share it. You take it.

Mr. Trudeau: —that he intended to share any political blame with the government for any act or omission of ours. It is clear to me that the minister, yesterday, was answering a question of fact which was put to him. In no circumstances, to me or to anyone else to my knowledge, has he indicated that he found the conduct of the deputy minister one that he wanted to blame publicly.

Mr. Stanfield: I should like to ask the Prime Minister whether, as leader of the government, he approves of a minister, in this case the Minister of Manpower and Immigration, allowing a directive of this importance, affecting the welfare of so many Canadians, to go out without the personal examination, personal supervision and personal approval of the minister? Is this the standard of ministerial responsibility in matters of this importance that the Prime Minister expects of his ministers? Is this standard of responsibility satisfactory to the Prime Minister?

Mr. Trudeau: Obviously, Mr. Speaker, the results have not been satisfactory and the minister has said as much to the House. But in matters of administration of this kind there are bound to be some decisions taken at various levels in the department of which the minister is not aware all the time. I do not know whether, with regard to this kind of directive, it is a rule for the minister to have seen it in advance or not, but I do know that as a matter of practice in administration things are done all the time in ministers' names, and they should be done that way. The minister can only check the most important and those that traditionally or legally or by regulation come up to him.

Mr. Stanfield: Is it the view of the Prime Minister that a directive of this importance, potentially and actually affecting the lives of hundreds of thousands of Canadians, is a directive that can be delegated properly to the bureaucracy, to a deputy minister? Or is it a matter—I put it to the Prime Minister very clearly—that he expects his ministers to supervise and accept not only parliamentary responsibility but personal responsibility as well?

Mr. Trudeau: Mr. Speaker, I think that under our system a minister must, and does in fact, accept responsibility for everything that is done under his administration. I repeat that as a matter of practice the minister of a department cannot possibly know every detail of every act done by every official within his department.

* * *

UNEMPLOYMENT INSURANCE

BENEFIT CONTROL—OFFERING OF JOBS BY MANPOWER OFFICIALS BEFORE CLAIMANTS DISQUALIFIED—PROCEDURES FOLLOWED

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. Does any co-ordination exist between the Canada Manpower Centres and the Unemployment Insurance Commission? In other words, does the Unemployment Insurance Commission cut off claimants by computer before manpower officials have had an opportunity to interview the claimants affected and offer them a job?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, there is co-ordination between the Department of Manpower and Immigration and the Unemployment Insurance Commission, and it has been my impression since taking this portfolio that the desire of all hon. members is that there be greater co-ordination between the two agencies. With regard to the operation of disqualification procedures and benefit control, I elaborated on that in my statement the other day and I do not think I can add anything to it at this time.

Mr. Rose: With a great deal of respect, Mr. Speaker, I believe the minister has begged my question. I was asking him about the order in which these claimants are cut off

by computer, and the interviewing techniques and methods used by manpower officials. If people have not had the opportunity of being offered a job, I think it is grossly unfair to cut them off by computer. I will come to my question, Mr. Speaker, because I see you are becoming a little anxious. In light of the minister's reply yesterday, and since it is virtually impossible for 40,000 people to be interviewed by 400 benefit control officers, what methods are used to declare people ineligible?

Mr. Andras: Mr. Speaker, UIC claimants are referred to manpower, and where jobs are identified as being available in the area the benefit control operation goes to work. With regard to the impossibility of conducting interviews, benefit control officers can interview, and are charged with the responsibility of interviewing, six people a day, or 30 a week, or 270 over nine weeks, which is the period under discussion regarding the disqualifications that I mentioned the other day. Since there are some 360 benefit control officers, simple multiplication would indicate the ability to conduct 97,000 interviews.

[*Later:*]

Mr. Rose: Mr. Speaker, I rise on a point of order in respect of a reply given to the House a moment ago by the Minister of Manpower and Immigration. I have had an opportunity to do some mathematics, and I would not want the minister to be accused again of misleading the House. I think that the figure he gave the House would certainly be possible provided all of the 350 benefit control officers were named to a particular area rather than spread across the country working every day where disqualifications—

Mr. Speaker: Order, please. I would not think the hon. member would suggest that this is a point of order. It is a point of debate between members. If he has a further question he might be recognized in a moment, but I wonder whether it is really a point of order. It does not sound like one. In any event, he might like to indicate how it is a point of order.

Mr. Rose: Mr. Speaker, I thought I had stated the point of order a little earlier. Because of the need for clarification, and rather than having the minister accused of misleading the House, I should like to ask him whether or not all 350 of these benefit control officers were indeed working in the Toronto-Hamilton area where the disqualifications occurred, and did these benefit control officers actually interview 40,000 people before the claimants were disqualified?

Mr. Andras: In answer to the final portion of the question, I cannot guarantee that they were all interviewed. That was the subject matter of a question put to me yesterday which I said I would investigate. As to the figure I was quoting, I was talking about the potential in the same way as I think the comment about the absolute impossibility of doing it was raised yesterday. Both are conjectures, but one is certainly as sound as the other. Ninety-seven thousand potential interviews would, theoretically, certainly look after 40,000 disqualifications. As to the final part of the question, I will investigate that and let the hon. member know.

[Mr. Rose.]

MANPOWER

PLACEMENT PRIORITIES—DESIGNATION OF DIRECTIVES AS REGULATIONS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Acting Minister of Justice. I should like to ask the minister whether he would advise his colleagues that where there has been exercise by any person of a power to govern delegated by a statute, whether it be in the form of a directive or an order, it is a regulation and must be considered as such, and that this House expects the law to be observed.

[*Translation*]

Mr. Raynald Guay (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I take notice of this question and the minister will answer it early next week.

* * *

• (1130)

[*English*]

UNEMPLOYMENT INSURANCE

METHOD OF OPERATION OF BENEFIT CONTROL OFFICERS—REQUEST FOR STATEMENT

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. Is it the policy or practice of his department in carrying out the blitz operation that has been conducted across the country to assemble the BCO's from various centres in one area—that is not birth control officers but benefit control officers—to carry out a centralized operation in that area with the express aim of hitting people hard and in a hurry in order to get at the most people as quickly as possible?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, having regard to the implication in the question I would have to say no. Generally speaking, in the larger centres the benefit control operation goes on continuously. However, where there has been identified the existence of particular jobs in a smaller centre and the existence of people on claim who have skills in these jobs in that smaller centre, then benefit control officers might be sent from another area to conduct the interviews. That is the way the operation works and that is the way I tried to describe it the other day.

Mr. Lundrigan: Can the hon. gentleman indicate the approximate relationship between the number of people who were disqualified and the number who, having gone through the appeal procedure, were later reinstated, and whether in fact it is in the neighbourhood of 80 per cent reinstatement, thereby really calling into question the value of the blitz procedure the minister has instigated?

Mr. Andras: Mr. Speaker, I question the figure of 80 per cent. I cannot give precise details, but I want to make this point which I made in a statement the other day. Sometimes disentitlement is made on the basis of failure to be able to produce proof of search for work where there is work in existence in a community and entitlement is res-

tored by virtue of the fact that the interview leads that person to go and search for work. If that is the case, benefits are restored during the period between the interview and the finding of work. I think that is the proper way to do it.

Mr. Lundrigan: I have another supplementary question.

Mr. Speaker: Order, please. There are a number of supplementary questions, but perhaps the hon. member might be allowed to ask one more.

[*Translation*]

I think that the hon. member for Charlevoix would like to direct a supplementary. I shall recognize him after the last supplementary of the hon. member for Gander-Twillingate.

[*English*]

Mr. Lundrigan: Mr. Speaker, I should like to direct a supplementary question to the hon. gentleman. In view of the fact that people lose their benefits during the period of disqualification even though they are reinstated, and in view of the fact this process has been carried out right across the country—I could give evidence to this effect if I had the opportunity that the minister has on motions—and knowing that this has caused a great deal of hardship, will the minister make a statement on motions again outlining the extent to which he has been able to clean up this blitz process that has caused so much anguish, and also report to the House on the response he has received from the internal inquiry by the board that he said would be able to report yesterday? Would he make such a statement on motions on Monday?

Mr. Andras: Mr. Speaker, I doubt that I will be in a position to make a statement on motions on Monday. I am consulting with the advisory committee on Monday evening, I believe, but I am not sure whether the time of that meeting has been set yet.

[*Translation*]

Mr. Speaker: The hon. member for Charlevoix.

Mr. Gilles Caouette (Charlevoix): I apologize, Mr. Speaker, but my question is not a supplementary. May I ask it just the same?

Mr. Speaker: I shall recognize the hon. member in a moment.

[*English*]

The Chair will recognize the hon. member for Prince Edward-Hastings, then the hon. member for Winnipeg North Centre, and following the first round of questions we will return to these many supplementaries.

* * *

MANPOWER

PLACEMENT PRIORITIES—DIRECTIVE OF MARCH 9—MINISTERIAL RESPONSIBILITY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Prime Minister. In view of his answer to the Leader of the Opposition to the effect that the Minister of Manpower and Immigration shared responsibility for the mistake that was made with his deputy minister, does this government not accept the principle that has been accepted by all Canadian governments since the beginning of the parliamentary process that a minister accepts full responsibility for what goes on in his department and does not share it with any of his civil servants?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member and those who applaud him read the blues they will see that I said the minister shared the responsibility with the government, not with his deputy minister.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): He shared it with his deputy minister yesterday.

Mr. Hees: You said "deputy minister", and you know it.

Some hon. Members: Oh, oh!

Mr. Hees: You did.

* * *

TRANSPORT AND COMMUNICATIONS

STANDING COMMITTEE—INQUIRY AS TO MEETING OF STEERING COMMITTEE

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the very distinguished, respected and perceptive member of the House, the hon. member for Crowfoot. I ask my question of that hon. gentleman in his capacity as chairman of the Standing Committee on Transport and Communications.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Howard: That just occurred an hour ago, Mr. Speaker.

An hon. Member: What time is the party?

Mr. Howard: Because of the importance of transportation questions in western Canada, to which the government is giving some priority, will the hon. member tell the House when the steering committee of that committee will meet?

Mr. Jack Horner (Crowfoot): Mr. Speaker, I might inform the House that the steering committee will meet as soon as the parties involved give me the names of the members they wish to act on the steering committee. Then we will sit down and try to plan our program.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Charlevoix.

Oral Questions

[*Translation*]

BILINGUALISM

APPLICATION OF SUMMER SCHOLARSHIP PROGRAM TO TEACHERS

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, may I direct a question to the Prime Minister.

Has he received any representations to the effect that the second language summer courses scholarship program worked out by the Canadian Council of Education Ministers be made available to teachers as well as students?

Right Hon. P. E. Trudeau (Prime Minister): I do not know if I have received such representations, Mr. Speaker, but I shall check on this.

Mr. Caouette (Charlevoix): On a supplementary, Mr. Speaker, would the Prime Minister tell us whether, following such representations, it would in effect be possible for teachers to take part in this program?

Mr. Trudeau: Mr. Speaker, all I can answer the hon. member is that I shall see what is the exact nature of the request and examine it thoroughly.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

BENEFIT CONTROL—POSSIBLE NUMBER OF DISQUALIFICATIONS—AMENDMENTS TO ACT

Mr. Don Blenkarn (Peel South): Mr. Speaker, this question is supplementary to those directed to the Minister of Manpower and Immigration. In view of the fact that well over 40,000 people have been disqualified by the benefit control officers in the past few weeks, is the government of the opinion that with continued vigilance perhaps 100,000 might be disqualified?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, that is the last thing in the world about which I would want to make a forecast.

Mr. Blenkarn: Mr. Speaker, in view of the fact there have been problems in connection with disqualification, has the government any further amendments to the Unemployment Insurance Act to offer which would make it less attractive for people to be on unemployment insurance so that disqualification would not be necessary?

Mr. Andras: Mr. Speaker, my prime purpose is to protect the generosity of the best unemployment insurance scheme in the world. We are trying to ensure that the credibility of that scheme is maintained with the Canadian people so that people genuinely unemployed and genuinely in need of income during an interruption in their regular earnings are in fact going to get it.

[Mr. Speaker.]

MANPOWER

PLACEMENT PRIORITIES—DIRECTIVE OF MARCH 9—MINISTERAL RESPONSIBILITY

Mr. Peter Reilly (Ottawa West): Mr. Speaker, in attempting to assist the Prime Minister to preserve his rather shaky credibility—

Some hon. Members: Oh, oh!

Mr. Hees: That's a good warm-up.

Mr. Speaker: Order, please. The hon. member knows as well as other hon. members that he cannot ask a question in those terms.

Mr. Baldwin: Have you got one of those ski sweaters?

An hon. Member: The minister will need one next year.

Mr. Reilly: In view of the fact that the minister has lost no opportunity to implicate his deputy minister in this affair since March 9, and in light of parliamentary tradition which requires him to accept full responsibility for the conduct of business in his department, will he now publicly accept that responsibility and clear the name of his deputy minister, or will he resign?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I rise on a question of privilege. I think the involvement of the deputy minister came about mainly as the result of my answer to a question asked yesterday by the hon. member for Hamilton West, which appears on page 2241 of *Hansard*. He asked me this direct question:

> Was that directive released with the approval of the minister, or did his deputy issue it contrary to the instructions or directions of the minister?

My answer was as factual and as honest as it could be. The only alternative I would have had to put it differently would have been to lie.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

• (1140)

Mr. Reilly: I rise on a question of privilege, and I place myself in the hands of the Chair on this, Mr. Speaker. The minister's reference to the deputy minister was not confined to a simple honest answer to the hon. member for Hamilton West. The minister on several occasions, not only in this House but outside the House through the medium of television, implicated his deputy in this sorry affair. As a member of the House representing many thousands of civil servants whose interests, I suggest to Your Honour, are adversely affected by this kind of sorry conduct, I demand of the minister that he publicly clear the name of a loyal civil servant or resign from the House.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Vancouver-Kingsway.

HEALTH

FOOD—INQUIRY AS TO INTRODUCTION OF NUTRITIONAL LABELLING AND CONTENT PROVISIONS THIS SESSION

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the fact that the United States Food and Drug Administration has now issued nutritional quality guidelines to supplement its nutritional labelling rules already in effect, does the Canadian government plan to introduce nutritional labelling and content provisions this session to protect Canadian consumers?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I should like to take this question as notice so that I may look at the recent United States decision in this respect and answer later.

* * *

FINANCE

INTERNATIONAL MONETARY CRISIS—POSSIBLE NEUTRALIZING OF EURODOLLAR HOLDINGS OF MULTINATIONAL CORPORATIONS

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Prime Minister. In view of the fact that in light of the deepening international monetary situation the suggestion has been put forward that perhaps one way to arrive at a solution is to neutralize the holdings of Eurodollars by multinational corporations, I am wondering whether, when the President of the Treasury Board represented Canada an expression was made about this opinion at the meetings in Paris?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have no report on any statement that might have been made by the minister in Paris. He will report to me when he comes back.

Mr. Gillies: Has the government discussed the possibilities, the impact and the effect of neutralizing Eurodollar holdings of Canadian corporations and the impact that would have on the international monetary situation?

Mr. Trudeau: Mr. Speaker, I did not discuss that matter with the minister, but I cannot speak on behalf of the Minister of Finance who is being represented by the President of the Treasury Board.

STUDY OF EFFECT OF REVALUED CURRENCIES ON CANADA IN ORDER TO TAKE STEPS TO CONTROL INFLATION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the increased cost to Canadians of some 25 per cent to 30 per cent on goods imported from Germany and Japan as a result of the revalued mark and yen, will the Prime Minister indicate whether he plans to authorize a study by any department of the government in order to determine the over-all effect of the revalued currencies on Canada so that steps can be taken to control our run-away inflation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the effect of the moving of currencies up and down in various countries with which we trade is, of course, under constant study by the Department of Industry, Trade and Commerce and by the Department of Finance. Its effect on inflation is one that we are also aware of. I know of no particular study that has been done as a result of the recent movement of the yen and mark, but I repeat that the question obviously is very much at the core in the international section of the Department of Finance.

INTERNATIONAL MONETARY CRISIS—AGREEMENT BY COUNTRIES TO TAKE MEASURES TO FIGHT INFLATION—GOVERNMENT ACTION

Mr. Sinclair Stevens (York Simcoe): Mr. Speaker, my question is also for the Prime Minister. I should like to be more specific than the last questioner. Now that Canada has joined in a 14-nation monetary agreement in Paris where all countries have agreed to take measures to strengthen the fight against inflation, would the Prime Minister inform the House what further measures his government intends to take in Canada to fight inflation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, any announcements that will be made in this respect will be made first in the House of Commons.

Mr. Stevens: Mr. Speaker, my further question is also for the Prime Minister. In view of the fact that the United States and certain other countries agreed at the same Paris conference to take fiscal measures, including allowing higher domestic interest rates, to help relieve the world monetary crisis, would the Prime Minister inform the House what added fiscal measures the government plans to take and whether domestic interest rates will be allowed to rise?

Mr. Speaker: Order, please. I would think the hon. member would expect this kind of information to be given to the House by way of a statement on motions. I doubt that it should be done by way of a reply to a question.

* * *

[*Translation*]

BILINGUALISM

PILOT PROJECT TO TEACH FRENCH IN NATIONAL CAPITAL AREA—TEACHING OF ENGLISH TO FRANCOPHONES

Mr. Jean-Robert Gauthier (Ottawa East): Mr. Speaker, I welcome the announcement made by the Secretary of State concerning the encouragement extended to the teaching of the second language in the schools of the national capital area and I would like to ask him a few questions on this subject.

Could he tell the House whether the $2 million grant for the teaching of the second language will be used also for the teaching of English in French-speaking schools?

[*English*]

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I am not sure I got the full essence of the question. The funds are essentially directed to the pilot project to improve the learning of French in the national capital region among English students. The evaluation of the success of this project will be carried out by the province and the funds involved in that evaluation will be supplied by the province.

[*Translation*]

Mr. Gauthier (Ottawa East): Mr. Speaker, I would like to ask a supplementary question.

It is a recognized fact that teaching English to French-speaking classes is done more efficiently than teaching French to English-speaking classes. I would therefore ask the hon. minister whether funds made available to the provinces, Ontario in particular, will be used to assess the success in teaching English in French-speaking schools as a second language?

• (1150)

[*English*]

Mr. Faulkner: Mr. Speaker, I do not think that is originally envisaged, but I think that the concern the hon. member expresses and that he expressed to me before privately is something that we could take up with the provinces. I am sure there would be no long-term objection to making an evaluation of both.

* * *

INCOME TAX

INQUIRY WHETHER CORPORATE TAX MEASURES CONSIDERED TO BE MATTERS INVOLVING CONFIDENCE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. In light of all the time the government has been giving to the question of confidence recently, would the Prime Minister advise the House whether the government holds that the corporate tax measures in the May, 1972, budget go "to the root of the government's policy" and involve fundamental and "basic principles" of the government?

Right Hon. P. E. Trudeau (Prime Minister): It is a very interesting question, Mr. Speaker.

Mr. Paproski: Would the Prime Minister advise the House if he is aware of whether these measures are considered matters of confidence by the hon. member for York South?

Some hon. Members: Oh, oh!

[Mr. Gauthier (Ottawa East).]

[*Translation*]

AGRICULTURE

DAIRYING—INCREASE IN INDUSTRIAL MILK PRICE REQUESTED BY CANADIAN FEDERATION OF AGRICULTURE—MINISTER'S POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to ask a question of the hon. Minister of Agriculture.

In view of the fact that the Canadian Federation of Agriculture, in its memorandum to the cabinet, is urging that the price of industrial milk be increased immediately by 60 cents per cwt because of the ever increasing cost of production, could the minister tell the House whether a favourable answer will soon be given to this request?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we received the request and we are studying it. As the hon. member knows, the decision has to be made before April 1 and it will be.

[*Translation*]

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

Since the amount of 60 cents per cwt quoted in the brief matches production costs for November 1972, could the minister tell the House if he will take into account the increase of production costs between November 1972 and March 1973?

[*English*]

Mr. Whelan: Mr. Speaker, I believe the hon. member is talking about extra cost, especially protein cost. We are considering this also to see if there is some way or some measure by which we can offset this cost.

Mr. Speaker: The hon. member for Carleton-Charlotte on a supplementary.

MUSHROOMS—DEPARTMENT RESPONSIBLE FOR CHANGE IN IMPORT REGULATIONS

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. What department of government, if any, made recommendations or brought about changes in the regulations pertaining to the importation of mushrooms in Canada in any form?

Mr. Speaker: Order, please. I am not sure that there is a direct link between milk and mushrooms. Perhaps the suggestion is that it is cream of mushroom soup.

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member having asked the question, the minister might reply. We will soon be running short of time, and I would hope that supplementaries will be related as closely as possible to the original questions asked. The minister might reply now to the mushroom question.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I did not really hear the hon. member's question.

Some hon. Members: Oh, oh!

Mr. McCain: With all due respect, Mr. Speaker, sometimes one has to use whatever pretext one can in order to get in a question, and I guess mushroom soup would be as good as any. I ask the minister what department would be instrumental in bringing about a change in the importation requirements with respect to mushrooms in any form?

Mr. Whelan: Mr. Speaker, the department that has control over regulations governing food and the ingredients in food is that administered by my colleague, the Minister of National Health and Welfare.

Mr. McCain: Mr. Speaker, I guess I did not make my question as clear as I should have. I would like to direct two minor questions to the Minister of Agriculture. Why did he not have an opportunity to comment on a change that affects agriculture? Further, if there has been a change, as I understand there has been, is it to be in tariff regulations pertaining to mushrooms coming into Canada, is it to be permanent or is it applicable to only one shipment of mushrooms?

Mr. Whelan: Mr. Speaker, the hon. member seems to know more than I do about this subject—

Some hon. Members: Hear, hear!

Mr. Whelan: —at least if one were to accept the premise to his question. I have been consulted, and the hon. member knows very well that I have been in close contact with the Canadian mushroom industry which I believe is an important industry. Further, I have been given assurance by my colleagues who have control over the proper standards that are to be maintained by our processors and other matters that this industry will be kept healthy in Canada.

Mr. Speaker: Order, please. I hope this does not mushroom into a debate. The Parliamentary Secretary to the Minister of Transport has a supplementary.

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

Mr. Bell: Speaking about mushrooms!

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): In view of the concern of the mushroom growers of Canada, particularly those I know in western Canada, and also in view of the fact that there are 300,000 cases of Canadian mushrooms already processed and available for sale that have not been sold, will the minister reconsider his policy pertaining to importing mushrooms into Canada?

Some hon. Members: Hear, hear!

Mr. Whelan: Mr. Speaker, my policy concerning the importing of mushrooms has not changed.

Mr. Hees: Whose has, then?

Mr. Whelan: These imported mushrooms will have to meet the standards that any processor in Canada has to meet. I have been given the assurance that they will not be allowed to be dumped into Canada. As I said, I am sure the mushroom producers are aware of what I have been doing. I have been in constant contact with them and I am sure they have—how do you say it—a great deal of confidence in the fact that I am not going to let them down.

Some hon. Members: Hear, hear!

Mr. Speaker: There are just about four minutes left before the end of the question period. The hon. member for Saskatoon-Biggar also has a supplementary, which will be the last one on this subject, after which the Chair will recognize the hon. member for Central Nova.

SUGGESTED REVIEW OF REDUCTION OF TARIFFS ON VEGETABLES AND MEAT

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, my question is supplementary to the one asked by the hon. member for Bellechasse. I would like to ask the minister whether, as a result of his meetings with the Canadian Federation of Agriculture and their request that the government review its decision unilaterally to cut tariffs on a wide range of vegetables and meat, he can assure the House that this action will be reviewed in light of its possible disastrous consequences on sections of Canadian agriculture?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, in his question the hon. member is talking about the possible disastrous consequences on agriculture. The Minister of Finance has made it clear that if there are any disastrous consequences on agriculture we will take action. We are watching the situation very closely, and when any member can bring us evidence that there are disastrous consequences we will act.

* * *

INQUIRIES OF THE MINISTRY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration supplementary to other questions asked earlier. I would like to ask the hon. gentleman if there is a blitz on in his department against administrative inefficiency and excess expenditures to correspond with the blitz against UIC claimants?

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Solicitor General.

At the beginning of the week, the inmates of St. Vincent de Paul penitentiary enjoyed a topless dancers show. Could the minister tell us if it is his intention to present such shows in other institutions and if that initiative is part of the new rehabilitation policy?

• (1200)

[*English*]

TRANSPORT

SOUTHWESTERN ONTARIO RAILWAY PASSENGER SERVICE—CONSULTATION WITH ONTARIO MINISTER ON COMMITTEE RECOMMENDATIONS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Transport. In light of the urgency of restoring rail passenger service to southwestern Ontario, and in light of the minister's statement recently in the House that prior to accepting the report made last year by the Standing Committee on Transport and Communications he would have to consult with the Minister of Transport and Communications of the province of Ontario, could the minister inform the House now whether such a date has been set for that meeting? If so, what is the date and, if not, would he be willing to set such a date within the next week?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I hope to meet with the Ontario minister and even the Prime Minister, Mr. Davis, before the end of March.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary. Now that the minister has undertaken to do this consulting would he agree to meet with the new chairman of the Standing Committee on Transport and Communications, the hon. member for Crowfoot, so that for the benefit of the Committee the substantial knowledge of the hon. member can be maximized to its fullest?

Mr. Marchand (Langelier): Mr. Speaker, the very first thing I did in the House this morning was to send my congratulations to the new chairman.

Mr. Speaker: Order, please. We have just about two minutes left before the end of the question period. Would hon. members resume their seats. It will not help hon. members to stand while the Speaker is on his feet. The hon. member for Gander-Twillingate will be recognized for a brief supplementary because we are coming to the end of the question period.

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AIR TRANSPORT

TRAFFIC CONTROL SYSTEM—REQUEST FOR ASSURANCE FACILITIES AT GANDER NOT TO BE RELOCATED

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my supplementary is very urgent. In view of the fact that plans were contemplated within the minister's department which, if implemented, could result in the long run in the dislocation of certain air traffic facilities, can the minister say whether he has investigated this matter and can he now assure the House that any such plans will be terminated?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the Canadian air traffic control system is constantly under review to ensure that the highest degree of safety in our skies is maintained. In so far as the air traffic control facilities at Gander are concerned, I am sure the hon. member will be pleased to hear that we have no plans to relocate the facilities.

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VETERANS AFFAIRS

INCREASE IN BASIC PENSION RECOMMENDED BY COMMITTEE—POSSIBILITY OF LEGISLATION TO IMPLEMENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct my question to the Minister of Veterans Affairs. Now that three weeks have passed since the Standing Committee on Veterans Affairs made a report to the House recommending an increase in the basic pension along the lines of the report of the joint study group, can the minister tell the House whether there is hope that such a bill will be introduced at an early date?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the report of the joint study group was examined and the Veterans Affairs Committee has reported to the House. It is now being studied by the government. We expect a report in the not too distant future.

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LABOUR RELATIONS

ELEVATOR CONSTRUCTOR'S STRIKE—ACTION BY ONTARIO GOVERNMENT TO SETTLE

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, I have a question for the Minister of Labour. Now that the Ontario government has decided to recognize its responsibility in settling the elevator strike in the province, will the minister send a message of congratulations to Premier Davis for finally accepting his responsibility?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. That is more a representation than a question. Before calling orders of the day the Chair will recognize the hon. member for Carleton-Charlotte. I apologize to him; he had a supplementary previously and I failed to see him in his corner of the Chamber.

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FINANCE

EFFECT OF BUDGET PROPOSALS ON CERTAIN AGRICULTURAL PRODUCTS—REQUEST FOR CHANGE

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, in view of the absence of the Minister of Finance, I will direct my question to the Prime Minister. In light of the presentation made by national agricultural organizations on behalf of agricultural commodities which have been detrimentally affected by proposals in the budget, would the Prime Minister assure the House that he will give

consideration to changing these proposals before it is too late for some sectors of agriculture?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, at the meeting of cabinet with these organizations and, indeed, in the House, the Minister of Finance has repeatedly said that he had the power to make these changes if he found that they affected agriculture adversely. As the House knows from the budget, tariff cuts were brought in for a year but the government has power by order in council to make that period shorter.

Mr. McCain: That is too late.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

NATIONAL HOUSING ACT

PROVISIONS RESPECTING NEIGHBOURHOOD IMPROVEMENT, REHABILITATION, OWNERSHIP, NEW COMMUNITIES, ETC.

The House resumed, from Thursday, March 15, consideration of the motion of Mr. Basford that Bill C-133 to amend the National Housing Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: The hon. member for Oshawa-Whitby (Mr. Broadbent).

Mr. Broadbent: Mr. Speaker, last evening—

Mr. Speaker: May we have order, please. The hon. member for Oshawa-Whitby has the floor.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, as I was about to say, the central thrust of my comments last evening was that the program provided in the bill illustrates better than anything else the neglect of housing that this government and its Conservative predecessors have shown at the federal level since the second world war. The list of programs, the talk about the neighbourhood improvement program, new provisions for guaranty standards, the residential rehabilitation program, assisted home ownership and the co-op improvements clearly illustrate that we have had nothing since 1964 in terms of housing legislation and nothing of real significance since the National Housing Act was passed. When I tried to document at some length last night the extent and seriousness of the situation in Canada, I suggested that the reliance this government has shown in the past and the Conservative party before it, on the private financial institutions to meet the needs of housing in Canada has simply not been justified.

After all, the over-all objective is to provide homes for all Canadians, and particularly to meet the needs of average and low income Canadians. The kind of changes that have been introduced since the mid sixties by the government have not accomplished this. All they have done has been to stimulate the growth of homes in total numbers; they have not solved the distribution problem. They have not assured that the homes have gone to the people who need them most. In fact they have gone to those Canadians in the top 20 per cent income bracket. What we need is a significant change in our financial institutions in particular to bring down interest rates and to ensure that money goes where it is needed in significant quantities.

I should like to comment briefly on four of the programs included in this bill. First of all, there is the neighbourhood improvement program. The New Democratic Party welcomes the new emphasis that the government apparently intends to place upon improving our neighbourhoods that could deteriorate and decline. Instead of continuing with their old program, which really amounted to bulldozing such communities out of existence, destroying the sense of community and historical continuity when they tended to move people hither and yon and replace the old residences with rather dehumanizing monstrous structures that did not meet the needs of the people who once lived in those areas, they have made changes in this new bill. We rather like that. We like the new emphasis which the minister referred to of concern with rebuilding and maintaining a sense of community in existing neighbourhoods.

We have two reservations, however. We are concerned that the required standards might impose an unacceptable burden of cost on those who can least afford it, such as, for example, pensioners and non-unionized workers in the larger cities. To this end we will be proposing amendments to clause 12 at the committee stage, the effect of which will be to remove any such burden from our pensioners and low income people who live in such neighbourhoods.

• (1210)

The second objection concerns provisions which, in effect, are escape clauses. We suggest that these will permit the unacceptable kind of bulldozing away of neighbourhoods that this program is supposed to eliminate. We suggest that clause 10 is an escape clause, and we were surprised to find that the minister had allowed it to remain in the bill. If our interpretation is correct, this clause will permit the kind of bulldozing that has gone on in the past to continue. We object to that most strenuously.

I should like now to turn to the residential rehabilitation assistance program. This provides for financial assistance for repairing residences. There is to be assistance of up to $2,000 in forgivable loans per dwelling unit. Our first concern is that there should be no ceiling; there should not be a $2,000 or a $3,000 ceiling; there ought not to be any ceiling on the amount to be granted, in order to bring certain minimum standards into being in all affected areas across Canada. We believe that the cost of financing basic electrical systems, heating systems, plumbing and structural components of housing ought to be borne for those eligible under this program. Until these basic minimums are covered, there ought not to be a ceiling on the amount of money that is to be made available to people under this scheme. The amount that a borrower may borrow should be scaled to income. From our reading of the legislation, it is not clear that this is to be done. It has been suggested that it will be done, but we want to make

sure that it is to these ends we will be introducing amendments to make sure that these goals are achieved.

Our next area of concern under this program is that to do with the needs of rural Canada which, according to the Dennis report and other studies, are most important. It is part of the conventional widsom of members representing urban ridings that the need for housing changes in Canada exists almost exclusively in the urban parts of the country. This is not the case, particularly with respect to the need for rehabilitation. We will be looking at the minister's budgetary proposals later, we hope soon in this session, to make sure that the needs of rural Canada with respect to rehabilitation will be met.

Next, I want to say something about the assisted home ownership program. When this program was introduced last year, the government suggested it would meet all the needs of low income Canadians. Appropriately, I think the minister has modified his enthusiasm on that point. The program will, through the reduction of mortgages, through extending the period of mortgage repayments up to 40 years, and the provision of annual grants, take real steps in assisting low income Canadians; however, by no means will it be the panacea that some government spokesmen have suggested it will be for meeting the housing needs of low income Canadians. Its virtues have been greatly exaggerated. It will benefit almost exclusively people in rural areas of Canada and small cities.

The reason for this is that, effectively, only dwellings below $25,000 in cost will meet the eligibility criteria. That means that the average person in Toronto, or in my community, Oshawa-Whitby or indeed in any big city, such as Vancouver, or other cities on the west coast, will simply be ineligible for aid under the program. You simply can't buy a house under $25,000. It is important that the minister does not raise false expectations in this regard. We will be studying the proposal and we will stress the importance of making the merits of the program clear. It must be seen by all that only those living in rural areas and small cities will benefit. This part of the program will do nothing to bring housing within reach of the average Canadian in the major cities, on the west coast, in Ontario, or in the province of Quebec.

What we need, and nothing in this bill moves in this direction, is the provision of housing for people in those areas to which I have just referred. They need homes that they can afford to purchase. To this end there must be a substantial reduction in interest rates. They must be brought down to between 5 per cent and 6 per cent. In addition, the government, under provisions in the financial mechanisms bill, must take steps, particularly concerning the banks and trust companies, to ensure that there will be an adequate flow of money for meeting such housing needs. Nothing in this bill, and nothing in the financial mechanisms bill that the minister introduced, will move us in this direction. There is a complete failure on the part of the government under this program to meet the needs, of people in Canada who earn between $8,000 and $12,000 per year and live in our larger cities. This is a major gap in the government's legislative program, and we will be proposing at the committee stage amendments that will be intended to meet those needs. In the debate on the financial mechanisms bill in particular, we shall make concrete proposals that will overcome that major disadvantage in Canada's housing programs.

I should like now to turn to the co-operative housing provisions. We see in this provision a great advance over anything that has previously existed in Canada. We, of the NDP, believe that co-operative housing is and should be seen by law to be part of the non-profit private sector in housing. We think major emphasis must be given to the encouragement of co-op housing as one of the most effective and socially desirable ways of dealing with the housing needs of average and low income Canadians. With this in mind, we shall propose two significant changes. First, we will propose an amendment to make it clear that low interest loans will not be made available only to what have been regarded as charitable co-ops, but that they will be made available to all housing co-ops in Canada. I welcome the minister's comments in his speech which suggest that he intends to take steps to amend the legislation along these lines.

The second point with respect to co-ops is this: we object to the provision which puts a 95 per cent ceiling on the financing of co-operative housing projects. Co-operative projects we believe should be put on exactly the same basis as non-profit housing corporations active in other sectors of the housing program, and thus be eligible for 100 per cent financing. We think the requirement by the government that people put up five per cent acts as a deterrent which should not be part of any government program, the object of which is to encourage the spread and development of co-op housing in Canada.

In conclusions, may I say that we shall support the bill. Most of its provisions might be simply considered as a catalogue of certain areas that have been neglected in the past. On the other hand, we reject the view that much of it is new. Most of the provisions are to be found in other, existing legislation. There have been loopholes in the CMHC legislation. By bringing all these provisions together in one legislative package, however, we shall make it known to all Canadians that this wide range of programs is available to them, and therefore more Canadians will be able to obtain benefits from such provisions than was the case hitherto.

May I stress this, however: although accepting this bill, we still reject the basic view held by the Liberal party and by the Official Opposition that the private, commercial, financial marketplace will meet the housing needs of Canadians. We categorically reject that. For decades, one government after the other at the federal level has suggested that by tinkering with the Bank Act and fooling around with mortgage regulations, somehow we were going to provide houses that were needed for average and low income Canadians. It has not worked.

To repeat a point that I made yesterday, three million Canadians still live in grotesquely inadequate housing. To continue to rely on the private market mechanism, even to the degree proposed by this government, will be to perpetuate serious social housing inequalities in Canada. Therefore, when we debate the financial measures which will be required to implement some of the laudable objectives of this bill we will, (a), be rejecting the bill that will be coming later from the minister and, (b), making a proposal of our own which will, if it is accepted by the

government, see in Canada the allocation of funds during the next five to 10 years which will establish, from one coast to the other, housing as a social right for all of our citizens, just as now at long last we have medicare and education established as a universal right, available to all regardless of income. That is the kind of housing program we need. That is still not the kind being suggested by this government.

• (1220)

Some hon. Members: Hear, hear!

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, it is always interesting to hear the various statements from the official opposition or the New Democratic Party, because we discover in them a divergence of principles. One tends to deny everything whatsoever, to be over-critical and to oppose everything; the other admits that everything must become state-controlled.

The spokesman for the New Democratic Party has just finished his speech by opposing, once again, the economic contribution of private enterprise, and wishing that the State alone deal with housing.

Mr. Speaker, I have been quite interested by the remarks of the minister when he introduced Bill C-133 and I think that if though some shortcomings can still be found surely the proposed amendments will widen the scope of the former law. I wish to commend the minister while warning him against the regulations most often prepared by the administration and which sometimes make good legislation less accessible to those they were intended for.

This act, as the previous one, is aimed at encouraging and facilitating private investments in the field of housing. In my opinion, one of the first objectives of Bill C-133 is to give a wider role to our banking institutions, insurance companies and trust companies which are authorized by the federal government to grant housing loans under certain conditions but with certain guarantees from the government.

We realize that the government wishes to grant housing loans only after the would-be owner has tried his luck with all the other private institutions. But this advantage of the law becomes a shortcoming on several occasions as regards its administration. Indeed, some public servants have a tendency to consider the letter of the law rather than its spirit and this gives rise to many groundless refusals.

It is because I have seen this kind of thing happen that I warned the minister at the outset of my remarks about these minor defects which might stand out at the administration level. But I am glad to see that it is at the direct loan level that this law will enable the corporation to fulfil its social function in the sectors where financial institutions do not dare venture or cannot invest often because of a lack of guarantees.

I would like to draw the attention of the House on a statement made by the minister on January 30, 1973, concerning new communities. The minister expressed himself thus concerning those new communities:

To help accommodate urban growth other than by urban sprawl and to promote the development of regional growth centres, it is proposed to introduce provisions in the National Housing Act explicitly for new community development (Section 45.1).

• (1230)

This proposed addition will make it possible to assist provinces by either a loan and forgiveness mechanism or by a partnership cost-sharing arrangement.

Loans will be available to public agencies for 90 per cent of the cost of site selection and acquisition of land, including linking corridors with other communities, for open space and for planning and servicing. The term of the loan will be up to 25 years but may be extended to 50 years where land is to be leased with title continuing to be held by the public agency. Fifty per cent of the loan would be forgiven for initial land planning costs and for land acquired for recreational and other social facilities.

As an alternative to borrowing, a province may enter into a federal-provincial partnership arrangement under which the federal government would share up to 75 per cent of the capital costs and profits or losses.

In parallel with the new facility, it is intended that the Ministry of State for Urban Affairs will promote the co-ordination and channeling of the appropriate programs and aids of other federal departments and agencies in the direction of new community development.

For both the loan and cost-sharing arrangements. additional grants will be available from the Ministry of State for Urban Affairs and through the research and development provisions of the National Housing Act. These will facilitate new community experiments in such fields as urban transportation and communications, mixed land use concepts in contrast to traditional zoning practices, endeavours to reduce urban pollution and new management models in community development.

Mr. Speaker, that innovation complements the municipal aid programs still covered by the old act. However, I wonder whether, before he wrote those lines, the minister consulted with the provinces seeking their approval, or whether he simply throws the program at them, without consultation, with the attitude: Here is what we have decided unilaterally! You still have a choice: that of turning it down or accepting it. That surely is not the best way of asking for the co-operation of the provinces. Nevertheless, that is what happened at all the federal-provincial conferences.

The minister now knows to what extent the provinces, and especially Quebec, want to keep their autonomy in the fields assigned to them by the Constitution. Municipal and urban affairs lie at the very heart of those fields of activity. I quite understand that the federal minister adopts a fatherly attitude towards assistance to the provinces, but that is precisely what the provincial governments resent today, since at every meeting, whenever they can, they show the federal government that they are determined to argue from a basis of equality.

I wonder whether the present government will ever understand that this feeling of superiority—not to say supremacy—over the provinces must come to an end. For example, the federal government seems unaware, at least in its statements, that there is in Quebec a housing corporation that fulfils the same functions as the CMHC does at the federal level, because the province of Quebec is aware of its responsibilities to towns, municipalities and country areas.

If the federal government really wants to collaborate with the provinces, let it do them justice by redistributing the money that it is authorized to collect for them. And if

it is going to grant loans, may the interest at least not be more than the cost of servicing. The federal government must stop playing the millionaire before the provinces.

Finally, the government encourages, urges the provinces to take part in this by offering to lend them money which they have a right to get. The minister gives us another example of this through the creation of his land development program and this is what we find at page 2 of his report, where he says:

One of the most critical factors in the cost of housing is the price of land. All governments must be prepared to act to increase the supply of serviced land if housing is to continue to be available and financially accessible to Canadians. An overall land strategy is necessary and to this end provincial and municipal governments will be encouraged to become more active in public land acquisition and servicing. The federal government is committing at least $100 million a year for the next five years for the public assembly of land, including assistance to new communities.

It is proposed to amend the land assembly provisions of the National Housing Act to make them more useful and attractive to governments.

The lending arrangement for land assembly, (Section 42), which expired by statute on March 31, 1972, would be broadened and established as a continuing program with 90 per cent loans available for any purpose having to do with housing.

The new arrangement would provide for debentures, as well as mortgages, to be used as security for the federal loan. In addition, where the province or municipality intends to lease out the land and thereby keep it in public ownership, the term of the loan will be extended from the normal 25 years up to 50 years. Repayment will be possible during the term of the loan, or as the land is disposed of, according to agreed terms.

Mr. Speaker, I believe that I have sufficiently brought this matter of federal-provincial relations to the attention of the minister; I am sure the minister will think twice before creating new programs without beforehand discussing them with the province.

• (1240)

One thing I found very interesting was that CHMC will be able to make a direct payment to the buyer to allow him to finish his house when the builder failed to do so. That is of utmost interest to me because I dealt with a case like that as recently as yesterday. The Minister of State for Urban Affairs (Mr. Basford) will certainly hear more about it from his office since I intend to call on his officials.

This case is about a mobile home bought with a loan from Central Mortgage and Housing, and the construction and repairs have been at a standstill for months. It is a loan of $14,000 for the purchase of a mobile home which was paid $8,000 by CHMC. For the foundations and all the rest, the owner has already paid $2,800 cash to the builder plus a promissory note of $2,500 because he did not have the money to have the work done.

The owner noted everything that was missing or faulty in the building and made a report to those in charge of that at Central Mortgage and Housing. Everything has come to a dead stop and the local director of CHMC says he cannot give the balance of the loan until the house is completed. The last suggestion made to the new owner was that he get a lawyer and bring his case to court to see if he can get anything from his builder.

Do you think, Mr. Speaker, that that owner can afford to spend from $500 to $1,000 to bring his builder to court?

[Mr. Gauthier (Roberval).]

It seems to me that CHMC should have the authority to order the completion of work using the balance of the loan.

I understand that once the act is amended, it will be much easier to intervene in such cases, and I believe that this was the purpose of the minister in this particular section.

The corporation should also provide for a further protection of small homeowners through a reduction of taxes and interest rates. The minister may go on telling us that these are low cost housing units, but one can hardly believe it when taking a closer look at it. Today the smallest house costs $20,000. We must not forget that on this amount, the homeowner will have to pay 8 per cent provincial tax, 11 per cent municipal tax, the federal tax on building materials, which means that this 10 per cent down-payment which is required today from the homeowner is just designed to cover taxes.

The interest rate will often range between 9 and 12 per cent, according to the financial situation of the borrower. The poorer he is, the more he will pay. If you add to this amount municipal taxes, school taxes, fire insurance plus the insurance on the loan itself, and if you spread instalments over forty years, you will find that this poor "low income" homeowner had to pay five times the price to get a forty year old house. And all that when the owner has succeeded in securing the services of a conscientious contractor and of judicious inspectors who were not in connivance with the contractor to gyp him and force him to make repairs on very short notice.

I think that my colleague, the hon. member for Portneuf (Mr. Godin) has mentioned such examples in his speech that everybody can read on pages 1478 and 1479 of *Hansard* for February 20, 1973 and in which he listed the numerous complaints filed in his riding.

It reads:

In view of complaints reaching us from Ville Bélair, Val Saint-Michel and even Ville Vanier and other locations in my constituency, I am led to wonder, Mr. Chairman, at what level the studies have been conducted, and to what end? Were these studies fruitful? Did they focus on improving the quality of houses or on downgrading it?

. . . the president of the Association des propriétaires de Place Pierre-Bertrand said: "How come the governments concerned accept the recurrence of the same problems?"

In fact, the residents of similar projects in Montreal and Châteauguay are faced with identical construction defects. How is it, added the chairman, that once the building completed contractors suddenly disappear pretending they are bankrupt? How is it that sometimes after that they reappear with somewhat changed names and sometimes with the same names?

Mr. Chairman, I know a contractor who changed his name five times in 15 years. As the saying goes:

How does that grab you? After 15 years, he is still in business with the Central Mortgage and Housing Corporation.

Some people are led to believe that contractors doing bad work are simply incompetent. I for one strongly believe the contrary. I am convinced that the contractor who has succeeded in "playing" with the millions of the Central Mortgage and Housing Corporation is highly competent. In fact, those contractors, and there is more than one, are highly competent people.

Even the Central Mortgage and Housing Corporation knows its business; in fact, since last spring, we have been asking for an enquiry to be conducted and for someone to inspect these slums. We said that it was cold and there was ice in there. So we request-

ed that Central Mortgage and Housing Corporation officials investigate. They agreed and visited those houses on a day when the temperature was 55 degrees in January.

Why did they select this day? This also took experts from the Central Mortgage and Housing Corporation!

I think it abnormal that contractors of this kind are still in business and multiplying their victims, especially under the protection of the Central Mortgage and Housing Corporation.

We have in front of us a statement which, I believe, speaks for itself—

The CMHC has already achieved good results. It continues to prepare and revise projects which are still very good but, unfortunately, it allows too many which are not.

All I ask the hon. minister today, all I want to know is this: what can we expect from the department, what can the people who have been cheated expect and are there still honest individuals in the CMHC who can take their responsibilities?

Mr. Speaker, I believe that after so many explanations, illustrations and demonstrations, it can be concluded that things do not always go smoothly in the administration of the corporation. We will merely invite the committee to submit each new provision of the act to an in depth study and to make amendments.

In short, we want the committee to conduct a careful review and to have those responsible for implementation of the act appear before them first of all. Officials appointed by the government and responsible to parliament for implementation of the act should appear before the committee for questioning, as well as the contractors with whom the CMHC has dealt.

It would also be interesting to have some contractors appear who are worse than chameleons, one firm having changed names five times in 15 years. The minister has the right to meet those people.

It would also be advisable to have owners, perhaps represented by their associations, as witnesses before the committee. I feel that such evidence will make it possible to develop a more effective, more humane and more equitable legislation for all Canadians.

• (1250)

[*English*]

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, it is with a feeling of real pride that I rise to speak in support of Bill C-133 presently before the House. This bill, taking into account as it does the real sociological implications and requirements of the present time, is doing something which I think has long been necessary in this country, namely, putting emphasis on those objectives which will result in the kind of communities for which I think we are all looking. I challenge any member of the opposition to take issue with the objectives and measures sought to be put into the act. Perhaps I could do no better in opening than refer to the Montreal *Gazette* of today which states that this bill includes measures to assist community planning, to attack land price increases, to give aid to co-operative and non-profit housing groups, to support attempts by low and medium income families to buy their own homes and to promote the restoration and preservation of old residential areas and cities.

Some few weeks ago our minister stated that the challenge before us is to preserve and improve our living spaces in neighbourhoods, villages, towns and our great cities in the face of the rapidly accelerating trend to urbanization. If we needed a stimulus in rising to this challenge, we have before us the depressing example of many urban areas of north America and the world that have become virtually uninhabitable because of congestion, pollution and decay, with all of the associated symptoms of crime, disease, poverty and the destruction of the human spirit. At the other end of the population shift, in the rural areas, is the threat of depopulation, abandonment and disappearance of a style of life and a scale of values that is uniquely Canadian. In Canada, we still have time to head off this kind of future by intelligent, rational planning and a concerted national effort involving all of the governments and people in all walks of life.

In attempting to face this challenge, it has been necessary to recognize the problems laid out so adequately by our minister in respect of the physical and social environment in which housing is being constructed. First of all there is the problem of availability, making sure there is enough housing in sufficient variety for the growing population. There is the problem of accessibility, making sure that housing is within the income reach of people who need it. We have the problem of housing quality, making sure that housing is not only sound but that it continually reflects advancement in design and technology.

There is also the problem of planning for the future, mounting research programs to increase our knowledge, re-examining and adapting our institutions and working out new styles of intergovernmental consultation and co-operation in the field of housing and community planning. We also must consider changes in the age structure of the Canadian population which is likely to present a challenge to us, especially in the last few years of the decade. Elderly people are going to represent a substantially greater proportion of the total population, and the demand for senior citizens' housing will be very much greater. Housing for elderly people already receives a significant volume of funds, but the prospect is that within the next few years those funds will have to be multiplied.

I was not born a rich Tory, so possibly I look at housing from a different point of view. I have spent the last 25 years in the construction industry. I can think back to my earlier formative years when I was living in a third storey tenament. We had three rooms to house my mother, my father, my sister and myself. We had to carry water in buckets up three flights of stairs for our normal household needs and we had to carry our dirty water back down. The only convenience was one common to all tenants in the backyard, and that was not a garden.

In those days, the thinking was that we should build huge low-cost housing units in order that we could move all these people and demolish these rat traps—and they were rat traps. When it rained the roof leaked in many places; at night we were always awakened by traps going off that were not filled with just mice, but rats as well. These were the conditions out of which we moved into low-cost housing intended to provide us a different environment.

Mr. Speaker, shall I stop now and continue after lunch?

Mr. Speaker: Perhaps we should call it one o'clock. It being one o'clock I do now leave the chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Herbert: Mr. Speaker, before lunch I was talking about the conditions some of us experienced in the late twenties in moving to the massive housing developments that were constructed in the thirties in order that these terrible slum accommodations could be demolished. Row upon row of well constructed houses were being built to move these families into accommodations the like of which they had never before experienced. They had running water, a real luxury. They had electricity, another luxury. Each house had a little garden. Trees were planted and there were hedges. There were also parks and open spaces. In every way, the environment was very pleasant. Within a period of two years the trees had been broken; the hedges had been pulled up and the children played in the street because they must walk the distance of a block to the park. The locks of the houses were destroyed and the community as a whole was slowly being destroyed.

I mention this in connection with this bill because we all recognize that today changes are not made simply by moving people out of the accommodations in which they are presently living or attempting to change their standard of living. The change must be brought about by a mix involving the different levels of society and the example of other people, whether neighbours and so on. At the present time we are very fortunate in Canada in that in many areas we see this mix of different social levels which is so essential if we are to achieve our objective and give everybody the opportunity they seek.

Shortly after the war, the kind of low-cost housing I was speaking about was still being built in Montreal. I was involved in projects in Montreal in the St. Michel and Saint Laurent areas where, in those days, houses were being built at a price of between $8,000 and $9,000 with down payments of around $500. I mention these figures because many figures have been thrown at us by previous speakers in respect of the high cost of housing. I want to compare what happened immediately after the war with another side of the situation.

Let us see what is happening today. Within 20 miles of downtown Montreal, less than a 30 minute drive on fine expressways, one can find well constructed homes the down payment on which is $750 and the cost of which is $14,000. These houses are on beautiful lots and are within two blocks of the lake and the river. They are within walking distance of churches, schools and shopping centres. Those houses are being built in large numbers. So, Mr. Speaker, let us not generalize and use as a basis for that generalization the conditions we find at present in Toronto.

• (1410)

I want to refer specifically to conditions in Toronto because it is acknowledged to be one of the fastest growing cities in North America. It is also a city in which you can find houses going up in fantastic numbers. Costly they may be, but they are being built because they are being bought. They are being bought because people think they are a good buy, because they want them in that location and at those prices.

Because of my keen interest in this subject, I listened very attentively to the three lead-off speakers for the opposition parties. I was particularly keen to learn their proposals, and not just to hear their usual objections to everything that is introduced by the government party, because that is taken as normal these days. But what concrete suggestions did they come up with, Mr. Speaker? I noted the second speaker made some proposals which I found very interesting. I noted, too, that the third speaker made some proposals, which I did not find quite so interesting, but they were certainly specific. I will deal for a moment with the lead-off speaker for the Official Opposition, and I am very glad to see that he has entered the chamber so that I can address my remarks to him through you, Mr. Speaker.

The hon. member for Calgary North (Mr. Woolliams) spoke for a long time. I tried very hard to find something in his speech that might be a specific proposal. I did not succeed. In fact, I might say that he must have been boring his chief supporter, the hon. member for Prince Edward-Hastings (Mr. Hees), because at one point I thought he was asleep, but then he yawned and I realized he was not. And he did waken up to applaud very loudly when the hon. member for Calgary North referred to an elephant eating a peanut. I could not discover the relevance of that, but this is the kind of thing we get when we listen to the Official Opposition trying to put forward something that should be worthy of them by way of valid comment, criticism, and suggestions for improvement.

One of the things the hon. member for Calgary North stressed, and that I want to deal with briefly, was the relationship that exists between the federal government and the provinces. He did this through many indirect references. He talked of revenue sharing with the provinces. He talked, for example, of the elevator strike, which certainly most of us consider to be a provincial responsibility. But what interests me is that at no time did he make any specific proposal whatever on what could be done to get at the root of the problem, which is the relationship between the provinces and the federal government. In fact, Mr. Speaker, if it is a constitutional problem why do we not have some specific proposals from the Official Opposition for amending the constitution, so that we can tackle this problem?

The hon. member also made us listen to a piece of poetry at the end of his speech, and I listened very carefully to see how my favourite province was going to fare in that poem. I found, as with most things with which the Official Opposition is concerned, that Quebec did not appear once in the poem. It just wasn't there, as with all their considerations. So far as they are concerned that province is not taken into account, and perhaps because of this the hon. member's speech was distorted. He obvi-

ously had not talked to the chief representative of the Conservative party from the province of Quebec.

Before the election I was in St. Hilaire, and I saw what was going on there. I was very proud of it. Excellent housing was being built in St. Hilaire at low cost, as was the case in Quebec City also. Instead of painting such a dark picture all the time, I would like to see members of the Official Opposition come up with some specific and positive suggestions, if they have any. However, I found this particular speech completely barren.

I want to make one other point. A couple of weeks ago I was invited to a social function of an association of home builders. My wife and I were taken by a very significant fact, namely, that almost all the participants were very young people, people in their late twenties and early thirties, who were home owners. I might say that they came from an area near Montreal, Pierrefonds, where quality homes are being built on a massive scale which these people can obviously afford, and in which they enjoy living.

In conclusion, Mr. Speaker, may I ask everybody interested in this subject to take the trouble to read the pamphlets and literature that are put out by the Minister of State for Urban Affairs (Mr. Basford). I find them easy to read. They clearly spell out what he is trying to achieve. I strongly recommend them to all people who have an interest in what the government is trying to do for the low income families in this country—assisted home ownership, non-profit housing corporations, residential rehabilitation, and neighbourhood improvement—all slanted to the low income level. Mr. Speaker, I am very proud of this legislation and I have no hesitation in giving it my 100 per cent support.

Mr. Don Blenkarn (Peel South): Mr. Speaker, I was most pleased to hear the remarks of the hon. member for Vaudreuil (Mr. Herbert), and was glad that he threw this side a challenge. I hope he will listen to this debate to learn the philosophy of this party, and to understand the debacle in the housing field that the minister and the government have pushed down the throats of Canadians, without any regard to how Canadians want to live and are entitled to live.

The philosophy of this party was set out by the hon. member for Calgary North (Mr. Woolliams). It is that every family should be able to own a home, or at least have an equity in a home, where there is a backyard. And where possible that home should be a single family home, or a semi-detached home, or at the very least a townhouse. It is about time we looked after people properly, and not in the way that some socialistic democratic Liberal party would want them looked after. It is the inalienable right of a family with children to be able, if they desire, to own their own land and their own home. You will not find this party talking about leases forever, with the chance that you never can own anything in Canada. It is important for our children to have grass in the backyard, to be able to reach down and touch the earth as they grow up, to say "This land is ours—this Canada is ours". The philosophy of this minister has been such that this has been denied many people. To some extent, the philosophy of this minister, put forward to this House last Monday, was the concept that if you are poor that is it.

• (1420)

I am going to talk about how many people are going to be poor very soon as a result of the actions of this minister. The hon. member for Calgary North mentioned the fact that only 4 per cent of families in metropolitan Toronto could afford to buy a new house. I suppose the rest are poor. I have talked to young families with incomes up to $14,000 a year who are without a hope of ever getting a home of their own. What does the minister offer? "We will let you live with the landlord if he provides apartments and multi-units, and if 25 per cent of them are rented to poor families we will provide even larger subsidies". This government and my friends to the left are in favour of more high-rise buildings, more crowding, no backyards for kids and to some extent that is what this bill promises.

The approach in this bill has been described by others, and I am going to repeat it, as a band-aid approach from a band-aid minister from a band-aid government. In January, when that famous housing conference was held, that was the comment made by the ministers from Nova Scotia, from Alberta, Ontario, the member for Roberval (Mr. Gauthier) and the member for Vaudreville (Mr. Herbert), from the province of Quebec. We did not hear that before, either. It is the complete lack of policy, the lack of drive and purpose and the enormous lack of leadership that categorizes this government and condemns a greater number of people to live in high-rise apartments with smelly corridors and condemns a great many more children to learn to ride their trikes in high-rise apartments or to learn to play in those zoos they call playgrounds behind the Central Mortgage authorized apartment developments.

We have not heard anything about the enormous cost and problem of inter-urban transit. The hon. member for York Simcoe (Mr. Stevens) will be speaking on this subject later. In metropolitan Toronto, Mr. Speaker, ten railway lines ran out from the city but only one—possibly two if you can call the other a railway line—is being used for inter-urban transit. Even that is only possible because the province of Ontario is prepared to pay the CNR a profit so that the city can have some commuter service. They get little if any, help from this government.

It has been clear, Mr. Speaker, that in almost every situation the lack of serviced land is responsible for high costs. Because of a number of factors, the cost of serviced land in metropolitan Toronto has risen from about $4,000 in 1958 to $19,000 in 1972, and I am told that this year it will cost between $22,000 and $24,000. This price rise has effectively denied home ownership to all but about 4 per cent of wage earners, those who earn over $16,600 per annum. I say to the hon. member for Vaudreville that if he were unfortunate enough to have to move to Mississauga his emolument as a member of this House of Commons would hardly enable him to buy a home.

Some people, including the present minister have taken the position that speculative holdings by large corporations have created a monopoly in land ownership and that this is the problem. In my experience, Mr. Speaker, this argument is totally without reason. Any land holder in and around metropolitan Toronto, including every major developer, has plan after plan filed with the municipalities and the province which for one reason or other have

been held up. After shaking out all the sociological causes for holding up plans for subdivisions, the basic problem is found to be the lack of capital in the hands of the province and municipalities which would allow development to proceed. It must be remembered that money is required to keep the municipalities going forward, to provide sewer, water, road, parks, recreation, transportation, social services and so on. These services are required not only for the new development but must be maintained for the existing development on the periphery or near the new development.

At present in the metropolitan Toronto area, large developers are required to provide pretty well all the internal costs of their plan of subdivision. There are external costs, however, which run throughout the municipal jurisdiction—for example, trunk roads, municipal bus services, extension of hydro, water and sewage services, as well as new arenas and community centres. These are necessary if a development is to proceed. In slow growth areas, perhaps some of the places that the hon. member for Vaudreville was talking about are still slow growth areas, new development can be financed from existing assessment. In fast growth areas—

Mr. Herbert: Mr. Speaker, a question of privilege.

The Acting Speaker (Mr. Laniel): The hon. member for Vaudreuil (Mr. Herbert) on a question of privilege.

Mr. Herbert: Mr. Speaker, I did not understand the first new references of the hon. member because I thought he was talking about some other location. It is apparent now that he is talking about my riding, and I should point out that it is Vaudreuil.

Mr. Blenkarn: I am most pleased to hear that, Mr. Speaker, as I never could manage the pronunciation. Mr. Speaker, in a slow growth area the problems of development can be financed from existing assessments; in a rapid growth area new assessment does not come along fast enough to finance the growth required and consequently problems arise. In my town of Mississauga, the Don Mills Development Corporation, through Erin Mills, has been very generous with the municipality in terms of subdivision agreements. However, right from the moment the new houses were occupied, people in the existing community found that the access roads were plugged with cars and they could not find a seat on the GO train from Clarkson, so had to stand all the way to Toronto. You can understand that to some extent the original residents resent and obstruct development when such facilities come under heavy pressure. It makes no difference whether the developer is a private or public developer. The ownership of land in no way affects the problem facing the existing community which is the dislocation caused by the influx of large numbers of new residents.

In 1968, the Hellyer Task Force was looking into the general question of development and it felt that if the government could control huge blocks of land it could make sure that the new land developer would bear the entire cost of development. Unfortunately, there are more costs than just the cost of new development. There are areas where government assistance is needed to assemble land. The major problem and the one that the minister does not want to bother looking at, is that we have the land developed and held by large private land banks already.

[Mr. Blenkarn.]

• (1430)

The problem is, how can we bring land on stream. We must break through red tape and make it possible for land to be serviced. Nothing has been suggested by the minister, when speaking on this bill, that would bring new lots on stream and make it possible for sufficient subdivision plans to be registered so that the shortage of serviced land will immediately be corrected. As a result of rapid growth, there is not sufficient land in and around metropolitan Toronto to even begin handling the requirements for serviced land. What happens, Mr. Speaker, is that those who hold the few remaining blocks of serviced land are able to demand higher and higher prices; because our system is such that rationing always takes place in those conditions.

I suggest that in the greater Toronto area, or even in the southern Ontario area, there is a demand right now for at least 100,000 single family lots. Enough lots must be placed on the market to drive the price down. At present hardly enough land for 12,000 shelter units is being put on the market annually. I understand from a major developer that he could sell almost everything he is allowed to develop, but that he has to ration his product to two, three or four builders; even then, he must continue to turn down applicant after applicant who wants to build houses, because not enough serviced land is available. An emergency has developed; the log jam must be broken. This bill will do nothing whatever to attack that problem.

The value of accommodation in our society is determined by supply and demand. Even in a socialist society, and my friends to the left know all about this, units theoretically are made available on a needs basis;

Mr. Knowles (Winnipeg North Centre): What does the hon. member know about that?

Mr. Blenkarn: Yet I am told that money paid under the table determines the priority of applications. There is no need for the government to buy farms and gobble up good land. There is a need for land already set aside for development to be put on the market. We must make sure it is serviced, and make sure that land needs are planned.

Mr. Broadbent: God bless free enterprise.

Mr. Blenkarn: A few years ago there was a surplus of land on the market in some places, but developers knew that they could get good prices for it. Today there is less than one half, less than one third, in some cases I venture to suggest less than one tenth, of land needed available on the market. Consequently, prices have risen.

Existing communities see certain advantages in no further development taking place in their areas. After all, the arenas have been erected, the parks are open, and they do not want to see roads further congested as a result of development. Often, if one goes to a ratepayers' meeting, one will find the local residents opposed to further development, because they do not want their children to move

to another portable school. What we must do is attack this problem.

At present the federal government collects approximately $400 million per year in sales taxes on building materials. This tax is charged at the manufacturers level. It is a tax collected on building, and a good part of it is a tax on shelter. From the point of view of the tax collector, then, the government has an interest in promoting construction. Eleven per cent of the cost of each brick used accrues to this government. Surely, part of this money, collected as a direct result of development, should go back to the communities that pay for the cost of development.

The responsibility of the federal government lies in the field of banking and finance. Therefore, the federal government ought to make block financing available to provinces and, if necessary, directly to municipalities, perhaps on some sort of bonus basis, in order to encourage more serviced land to be put on the market. Block financing would compensate municipalities and provinces and make development possible; also, it would make development less objectionable to local residents, because developers, municipalities and provinces could say that existing residents will be able to get social amenities in advance of new developments taking place. Block financing would encourage municipalities and provincial planners to allow development to take place, and ratepayers would recognize that new development in their particular area would improve their quality of life. Cash would be made available in advance for the erection of rinks, access roads and sidewalks; and rapid transit lines, schools and other amenities could be installed and operating in advance of development.

Existing populations in areas, instead of sensing that development would harm them or destroy certain activities in their communities, would welcome new development. If block financing were adopted, towns, cities and provinces would force development ahead, because they would not be penalized as a result of development activity. They would make sure, as well, that developers pay their own costs. They could put pressure on developers and on those who own blocks of available land and say, if you do not develop this land, we will tax you as if you had developed it; otherwise, there would be no control as to the amount of land that could be brought on to the market. The extra serviced land for development that might be brought on the market in the long run would drive the price of land down. No longer would owning a vacant apartment site be a good investment; no longer would the extra lot beside one's house be so attractive. In addition, as more serviced land would become available and as prices would fall, there would be less desire on the part of people to speculate in the land market. People would be discouraged from behaving like squirrels.

We need to get things back as they were. At one time there was a vacant lot down the street and another one across the street. You know, vacant lots in older communities added charm to those communities. We did not then develop the sterile types of communities that we now seem to develop. A few houses were built in one year, and a few more were built in another; a few vacant lots were filled in, and the community did not look as if it had all come off one drawing board, with three sets of plans, three different roof designs and front doors of three different colours. Our communities were worthwhile. That is the kind of thing to which we must return. We cannot continue building housing of such a kind that, when you walk into a subdivision, you can tell almost to the day when the houses were built and which monster building corporation built them all. This is not the kind of thing that ought to be encouraged, but that is the approach we have taken in the past; that is the way Central Mortgage and Housing Corporation operates and that is the way the present ministry, which adopts bandaid approaches, chooses to operate.

I now want to turn to the question of land banking. This particular program interests me, because it shows the velocity of this government in acting. Suppose the federal government were to utilize its money to buy land. In the first place, Mr. Speaker, the question arises, where? Around metropolitan Toronto and for some considerable distance outside Toronto, most of the land is owned by persons either using it for their personal recreation and enjoyment or by persons holding it and hoping to develop it. If the government were to buy land fairly close to metropolitan Toronto it would, in effect, be buying land from one proposed developer and, in reality, we should merely witness a transfer of title.

For example, suppose that the government were to buy land presently held by Don Mills Development Company Limited in the Erin Mills site, Mississauga. All that would happen in that instance would be that a corporate bum would get paid—I thought you would like that—for having done nothing to develop the land. It would in fact represent, again for my friends to my left, another corporate rip-off. Perhaps that is what the minister has in mind. The only alternative is for the minister to go out into the countryside where land is held by original farmers and create new towns there. That sounds very idealistic. However, new towns that were recently created in Ontario and everywhere else were not just created because someone decided to see them there. They were developed because of the economic interest of the people in the community.

• (1440)

A town develops because there is a railroad, a good harvest or a good mill site. It is certainly true to say that none of the towns in Ontario or, indeed, all of Canada, were started just because the land was cheap. If the federal government decides to buy land somewhere in the countryside, let us examine some of the first things that will follow from such a course. First, trunk road services would have to be built, to the site, as well as other transportation services, to connect the new development with the rest of the country. Having spent huge sums of money to make access possible, a reason for the town's existence would have to be created. The town must have business centres and industry in which people can work. Such development does not occur by merely wishing it. Each step along the path of development requires a huge loan, subsidy, grant or advance if it is to follow to a successful conclusion. Following this, construction must proceed. Roads must be put in, houses must be built, schools must be provided and all the services connected therewith.

Unless occupancy of the houses, factories and schools is held up until the whole new town is a cohesive unit, what

do you get? You have a myth on your hands. If you are going to build a new town, you have to build the whole thing before you allow anybody to move into it. That is the whole problem of the new town concept presented by this minister.

Let us look at the question of servicing. Suppose, for example, the minister does buy a block of land. The first thing that is required is the provision of primary services. In order to provide those primary services, they must be brought to areas of existing development owned by existing owners. However, as soon as you bring a trunk sewer through undeveloped land or put a trunk road through private land held by private owners, those private owners immediately insist on their right to hook up to these services.

With this new town concept, what you really do is create string urban sprawl. It is politically impossible to say to someone that a new road, new trunk sewer and new hydroelectric service in front of his property cannot be used by him. It is politically impossible to do that. What you find all along the line between the proposed town site and the place where services can be obtained is a political requirement allowing all those persons to hook up and, therefore, you get urban sprawl. One of the things that is in fact being advocated by this minister in his new community concept is more urban sprawl.

Mr. Basford: Nonsense. It is straight Tory nonsense.

Mr. Blenkarn: The major problem with the new town concept is the huge time lag. It takes a couple of years to acquire land, probably five to eight years to complete the planning and arrange the financing and another eight to 10 years for construction. In the meantime, investment goes on without any return whatsoever. One must surely ask, after analysing the scheme, does it cost any less?

We have all seen government in action. We have all seen how government programs lead to waste. Many of us have analysed the government's attempt in the Malvern area in the east part of Toronto. This land was picked up over 20 years ago. Minimal taxes have been paid on this land throughout this period of time. People employed in government have been required to look after the land. I doubt whether their wage costs have ever been pro-rated against that land. Huge sums have been spent on planning. People employed in government have had to make representations to other governments. Finally, Mr. Speaker, that land may be brought on the market.

After analysing all of the costs, will there be cheaper house lots or not? I suggest that clear example indicates that the cost of land to the ordinary purchaser 20 years or longer after the original purchase is not cheaper. I suggest that it is actually a disaster.

Mr. Basford: Why are the provincial Conservatives bragging about it?

Mr. Blenkarn: As far as current demand for serviced lots is concerned, the delay in constructing a new town does not meet the demand of today. One is looking at a delay of 10 to 15 years, and in the meantime nothing is done to attack the pressing problem of today. Land banking and new towns are not the answer to housing requirements for today. Such propositions do nothing for young people getting married today and who wish to raise a family. They do nothing for children presently being raised in high-rise apartment buildings. They do nothing to combat present high labour costs.

It is much easier for a town to grow from an existing core. In an existing core, there are churches, stores, some form of public recreation and some form of transportation. Additions can be made to the present transportation and recreation facilities. If the central government is prepared to block fund the municipality and the province to make this development in small towns and areas possible, that block funding must cover the whole social cost of development. That is the kind of approach that must take place. That is not the approach we are receiving in this bill. We already have large private land banks around most of our major cities and towns. The only advantage of public land banking is that the profit in development accrues to the public, providing, of course, there is ever a profit.

Looking at some of the results of Crown corporations, I wonder where the dividends are to the public treasury. We have the CBC. Where are the dividends? We have Air Canada. Where are the dividends? We have "had" the CNR, and we know what dividends we get from that corporation. Private corporations, on the other hand, are subject to a corporate tax rate of 50 per cent. Half their profit goes to the government.

• (1450)

An hon. Member: That is the real rip-off—the government rip-off.

Mr. Blenkarn: So, from enterprises conducted in the private marketplace, governments benefit to the extent of 50 cents on the dollar though they have no share in equity or ownership. We already enjoy half the profits made by land developers. Why should our philosophy change now? Private development companies, many of them large corporations, are able to employ competent, top-rate staff. On the other hand, many of those presently employed in the planning departments of our cities and towns, as well as in government, just cannot compete in the private enterprise world. They show no evidence of being efficient, capable, driving or profit-oriented. In my opinion, the efficiency of production is destroyed when government gets into the act. We have seen this happen many times in various fields of activity and I see no reason to expect it to be different in the one now under discussion.

Many of the people in the new Liberal-New Democratic Party obviously think that to make a profit is terrible. To supporters of this party, making a profit is not a terrible thing.

Mr. Basford: Better support the tax cuts so that they can make more.

Mr. Gillies: Bring them in!

Mr. Basford: All talk and not much action.

Mr. Gillies: When are you going to bring them in?

Mr. Blenkarn: It has been suggested that speculation in land has driven prices up to unrealistic levels. What has happened, in fact, is that the cost of the only land which can be serviced, or is likely to be serviced in a relatively short period of time, has been driven up to unrealistic levels in the areas around our great metropolitan centres. If more land were rapidly placed on the market, the probability is that those who hold parcels close to the cities would no longer be able to ask what amount to extortionate prices for them. The prices offered would be less; the holders would be obliged to cut their prices in order to sell their land.

If it could be clearly demonstrated that land is capable of development, municipalities should encounter no problem, particularly in the Province of Ontario, under the Assessment Act, in making arrangements to tax the land at its market value thus forcing speculative holders either to sell or to develop it. No individual should be allowed to take advantage of the public by holding land off the market indefinitely without, at least, paying a penalty by way of tax charges. If, as a result of block funding to the municipalities in respect to part of the development cost land is put on the market, the general price of land will fall. The government should take seriously the representations made to it by the provinces at the housing conference last January to which the minister referred.

Finally, I want to say this. It is unconscionable that shelter should bear a tax, as it does. Food bears no tax. Even cocktail mix bears no tax. If shelter is to bear tax, the revenue from that tax should be rebated to those who bear the costs of development, that is to say, to the municipalities and provinces where development is taking place. Such a rebate, such a block funding to the municipalities and to the provinces, would drive down the cost of land, and that is the major problem. The federal government has declared it is making $100 million available for the purchase of land. Mr. Speaker, there is no shortage of land in Canada. We are the one country in the world which has an abundance of the commodity called land. The minister's whole approach to housing is, density, density, build the buildings higher, crowd the people closer together and make this country like Holland. The solution is not density, the solution is a really concrete attempt by the government to put forward a solid philosophy that says my children and your children should have a right to buy a home and raise a family.

Mr. John Gilbert (Broadview): After hearing the speech of the hon. member for Peel South (Mr. Blenkarn), Mr. Speaker, I do not know whether I should laugh or cry. It is bad enough to see the Liberals in power, but I just shudder to think what would happen were the Tories in power.

Some hon. Members: Hear, hear!

Mr. Gilbert: The hon. member said the Liberals have the problem of density, density, density. But the Tories have the problem of dense, dense, dense. He would have us believe that the people of Ontario enjoy the finest housing in all the world. Let me remind him, Mr. Speaker, that a great many people in Ontario would have no place to lay their heads if the federal government did not take a strong initiative in the provision of public housing. Even now, the waiting list for such housing in Toronto is approximately 18,000. Yet the hon. member says that everything is well in Ontario because the land is controlled by the private developers who have the private land banks. He says: please do not encroach on these boys because if you let them participate with the private land bank the prices of land will just drop and drop. Well, this is complete nonsense. I just wanted to tell the House that this is the way I feel after listening to the hon. member for Peel South.

Last night I heard the minister pontificate on the government's proposals regarding housing. He used a fiery rhetoric with an anglican solemnity which almost impressed me sufficiently to think he had just returned from Mount Sinai with a new set of tablets to create the new Jerusalem in housing for Canada. But after reading his remarks I realize that this just is not so. I now realize what he is really trying to do. First, he is guilty of housing hokery-pokery. Second, he is perpetuating a housing charade with regard to the housing needs of Canadians. Why do I say he is guilty of housing hokery-pokery? We talked in the past in terms of urban renewal. Now he talks in terms of NIP, standing for neighbourhood improvement program. In the past we talked about home improvement. Now, he talks about RRAP which stands for residential rehabilitation assistance purchase program. In the past we talked about home purchase assistance. Now, the minister talks about AHOP, the assistance for home ownership program. Of course, I guess it sounds very smooth, very sophisticated. But what it amounts to is a lot of housing hokery-pokery.

The minister is also guilty of performing a housing charade. One cannot criticize the philosophy set forth in the Hellyer task force report which said every Canadian is entitled to clean, warm shelter, or the statement of the Canadian Social Development Council that every person is entitled to housing as a basic human right whether he can pay for it or not.

• (1500)

These are the philosophies that have been developed across this country, and last night the minister added to them by saying that it is the aim of this government to provide good housing at reasonable cost as a social goal and government obligation. We cannot quarrel with that philosophy, but we can quarrel with the performance of the government. We recall that in 1968, when the Liberals swept back into power and set up the Hellyer task force, this was a time when we had the great "participatory democracy" theme. The hon. member for Trinity (Mr. Hellyer), the hon. member for Don Valley (Mr. Gillies), Robert Campeau and two others travelled across the country to ascertain the needs of Canadians for housing accommodation. I should like to cite the four conclusions or recommendations that came forth from that group.

First of all, they said that the private market can serve the needs of Canadians for housing. That is absolutely wrong. If that were the case, we would not need bodies such as CMHC, the Ontario Housing Corporation and the many other housing corporations across the country to take care of our housing needs. Secondly, they said we should free interest rates. You will recall, Mr. Speaker, that interest rates were frozen by the government. The hon. member for Trinity, a Liberal at the time, was a

minister and was all for freeing the interest rate. As a result, we had the highest interest rates in the country.

Mr. Gillies: And the biggest construction year.

Mr. Gilbert: I will speak about the Conservative record in a moment, and I hope that the hon. member for Don Valley participates in the debate. The third conclusion come to by this task force was that the problem of public housing should be attacked. Public housing has not recovered from the assault made on it by members of the Hellyer task force since that date. They tried to "ghetto-ize" public housing and people instead of telling us what public housing required for improvement. There was a great deal of room for improvement in the form of recreational centres and other social requirements which fit within the public housing concept.

Lastly, the task force talked about direct funding by municipalities to take care of housing. It was on this issue that the Prime Minister (Mr. Trudeau), who is a constitutional purist, differed from the hon. member for Trinity, and they parted ways. The hon. member for Trinity sat as an independent Liberal, then played with Action Canada for a while, and finally joined the Conservative party. So we now have within the Conservative party the two great architects of the Hellyer task force report, the hon. member for Trinity and the hon. member for Don Valley.

From 1969 to the present day three things have resulted from the housing policies of this government. First, the cost of housing is the highest ever experienced in Canada, and this has added significantly to inflation in this country. Secondly, the cost of land is at its highest level. Thirdly, we have the highest interest rates. Last May and June the minister was reminded by me of these three facts, and he bristled with self-righteous indignation at the suggestion that these were the results of his policies.

What is the main criticism of housing policy in Canada today? First of all, the supply of houses in Canada has been dictated by the land developers, the builders and the financial institutions. This really is the major criticism of housing policy today. Central Mortgage and Housing Corporation have responded to this situation with a fawning, suffering acquiescence not worthy of the original intentions of the legislation as set forth in 1946. It has played the part of the friendly banker. It has played the part of the economic regulator by turning the money tap on and off. Now at last it is putting forward a framework that can only be successful if we have an energetic participation and thrust with regard to funding of these programs.

The second criticism is that the government is not taking steps to counter high interest rates, which are a major part of the cost of housing today. The lengthening of the mortgage term is not the answer: all this does is increase the cost of a house. Surely we have a social responsibility in the matter of housing. The profits of banks and insurance companies are nothing short of "Shylockian" and unconscionable. Catering to financial institutions in the hope that they will put up money for mortgages is a ridiculous approach. Surely we should say to them that they have a social responsibility to build homes in Canada and that a certain percentage of their money should be allocated to housing with interest rates no higher than 5 per cent to 6 per cent. This is the money that most Canadians put into banks and insurance companies, and if left on deposit earns 3 or 4 per cent interest; but when these people want to buy a home they have to pay the bank anywhere from 9 to 9½ per cent interest. As I say, banks and financial institutions surely have a social responsibility to furnish funds for housing at a reasonable rate of interest.

Thirdly, the government has failed to provide housing at a cost that averages no more than 20 per cent of the personal income of Canadians. What is required is a massive land assembly program by the government, a large volume of public housing and the granting of higher priority to families living on incomes under $8,000. These are all measures that the government has failed to take.

Yesterday evening the minister, with joyful pride, attempted to give an example of the cost of a home to a purchaser under AHOP, the assisted home ownership program. He said that a married man with a wife and two children could buy a $19,000 home under AHOP for $137 a month principal, interest and taxes and would thereby be saving the difference between $137 and $170. The question immediately arises: where can homes at a price of $19,000 be bought? The minister also indicated that a person's income would have to be no higher than $7,500. Certainly one would be unable to buy such houses in the large cities of this country, so they must be available in smaller towns and cities. I suggest that some people, even in small towns and cities, have a difficult time making $7,500 a year. Therefore I suggest that the minister's AHOP program will be very limited and unfruitful.

When it comes to solving the problem of inadequate housing for people of low income, this program is what I would call tokenism. I am sure that when the minister goes home tonight and thinks through these things he will have a very uneasy feeling with regard to the success of the program.

Now let me deal with some of the programs that are set forth in the bill. Last night the minister said he had the support of the co-ops, the credit unions and the Social Development Council of Canada for the framework of these programs, but he was quick to underline the fact that that support was conditional upon funding being forthcoming. I hope the co-operatives, credit unions and social development councils will not be disappointed, but it will be at least one year before any visible results are obtained.

• (1510)

In respect of AHOP, I can imagine how many private builders would take advantage of its provisions. In respect of NIP, I feel that only a few cities will attempt in the near future to take advantage of the program. In respect of RRAP, I am sure there will be some exceptions and that is why the minister last night said, I am sure with great reluctance, that he would not indicate the amount CMHC will be prepared to allocate to these funds but will wait until the committee stage of this bill. He did not have that reluctance last June when the government announced several programs aimed at the same problem. In fact, at that time he gave the allocation of moneys and we well recall that one allocation was $155 million to AHOP. That $155 million, worked out on the basis of the

average cost of a home being $25,000 , will produce roughly 7,500 homes. The production of only that number of homes to meet the needs of low-income Canadians is not satisfactory.

The purpose of AHOP is to provide the means whereby low and middle-income families may purchase homes. If we build these homes at so-called low rates of interest, 7½ per cent to 8 per cent, with mortgages extending over 40 years and the average work lifetime ending at age 60, this will mean that a man who buys a home when he is 30 years old will be 70 years old before he has paid off the mortgage. I do not say this to embarrass the minister, because he knows the necessity to extend the period of mortgages, but I remind hon. members of the House that similar programs have been attempted in the United States which have resulted in very high interest rates and default penalties. In fact, these default penalties have been around 8 per cent to 9 per cent in the United States, while the normal default rate in respect of mortgage payments is about 1 per cent.

In a press release of June 12, 1972, the minister described AHOP as an additional alternative to public housing for low-income families. I pointed out at that time that the proposed $155 million funded for this program would produce only 7,500 homes. The minister has now left us hand hanging in respect of how much will be allocated under the present program. Surely it is obvious that this program will be directed toward rural towns and small villages in Canada. On the basis of the June proposal, the task force calculated that a family would require an income of $7,500 to be able to purchase an apartment valued at $20,000. Apart from the problem of the unavailability of 20,000 units in Toronto, the task force noted that 25 per cent of families in that city have an income of less than $7,000 per year. If that is so, the percentage of persons with incomes of less than $7,000 in small towns and cities would be much higher than 25 per cent, thereby limiting the program drastically.

If AHOP is an alternative to public housing, it is a very poor approach and we should condemn it in the same way we condemned the attempt of the hon. member for Trinity to deal with public housing in the report of the task force of 1969.

An hon. Member: Slum housing.

Mr. Gilbert: As the hon. member suggests, this would be similar to slum housing. It would be slum housing built by private enterprise, with public funds. This is what the minister is so proud of. Apparently he would rather put money in the pockets of the developers than provide amenities in public housing units.

My second point relates to the new communities program, land assembly or land banking. The minister waxed quite eloquent on this subject last night. He said $500 million would be available over the next five years tc various governments participating in land banking. He cited Ottawa as an example of what he hopes to get under way in the near future. The hon. member for Peel South (Mr. Blenkarn) quite rightly reminded him of the Malvern project. Let me remind hon. members that even though that project is 20 years old, the land could be sold at a price far below the private market price provided it was not sold originally to private builders. If this land were to be sold to private developers at high prices, they would in turn add the increased cost to the price of the homes in the area.

The people of Canada know that most housing in this country in the next ten years will be constructed on land already owned by a few large builders and developers. Let me repeat that, Mr. Speaker. Most homes built in Canada within the next decade will be built on land now owned by private builders and developers.

An hon. Member: We got it that time.

Mr. Gilbert: The Dennis report set forth CMHC requirements in respect of estimates for the next ten years for housing in this country. If we read that report we will find requirements set out for the next ten years. Toronto requires 19,600 acres of land to satisfy housing requirements in the next ten years. The acreage required is now controlled by six developers in the Toronto area: they control 18,000 acres. Calgary—its leading spokesman for the Tories spoke last night—requires, according to CMHC, about 7,500 acres. Six of the leading developers in Calgary own 7,000 of those acres.

Mr. Blenkarn: We could solve the problem, but you want to stand in the way of progress.

Mr. Gilbert: CMHC estimates that in the next ten years the city of Vancouver, the minister's own city, will require 8,000 acres for the construction of new houses, yet six leading developers in Vancouver now own 6,900 of those acres.

Mr. Blenkarn: What would we do without you?

Mr. Gilbert: I am sure the hon. member for Peel South feels discouraged about the speech he made last night and is attempting to qualify it now.

Mr. Basford: He is trying to recover.

Mr. Gilbert: He is trying to recover and acquire a little knowledge along the way. I will forgive him for his enthusiasm. In view of these facts, where does this leave the government in respect of land banking? I suggest it leaves the government with very little room for manoeuvring.

I note that the hon. member for Don Valley is in the House and I hope he will not be embarrassed when I mention some of the companies which own this acreage. There are three firms which now own in excess of 5,000 acres. The companies are Bramalea Development Corporation—I am sure that means something to the hon. member for Peel South—the Canadian Equity and Development Company, which is controlled by the Cadillac Development Corporation, Bronfman (Seagrams) Interest, and George Wimpey Canada Ltd. These are three subsidiaries of Monarch Construction-Richmond Costain Ltd., or three subsidiaries of British building companies. If you add to that Marlborough Properties Limited, you have all the private land in Toronto within the control of these large companies. I did not mention the Fidinam Company. Probably the hon. member for Don Valley will be happy to rise and indicate the large interest that group

has in Ontario. Is it any wonder that 36 per cent of the cost of NHA homes applies to land?

• (1520)

Let me tell you, Mr. Speaker, who owns the property in Vancouver. It is owned by Western Realty and Marathon Realty Limited, a subsidiary of the CPR, Dawson Developments Limited, Imperial Construction Limited and Intercontinental Construction. All these land holding developments make full use of the deductions under the Income Tax Act: they apply all the interest charges, the municipal taxes and the capital cost depreciation. The result is that Cadillac Devélopment had net earnings for the period 1966-1971 of approximately $63 million. How much did they pay in taxes? They paid $20,506. These are the boys the Tories want to protect.

Let me tell you about Marlborough Properties. They had net earnings for the period 1966-1970 of $12.1 million and did not pay one cent in taxes. These are the boys who take advantage of the tax provisions of the Income Tax Act. These are the boys to whom the hon. member for Peel South referred who own all the raw land and want the government to provide the services. Does this not make one feel great with respect to the neighbourhood improvement program? Surely the neighbourhood improvement program is to be preferred over urban renewal, because at least the philosophy is to improve neighbourhoods rather than bulldoze them.

The Dennis report urges that a freeze be put on NHA funding of city centre redevelopment projects in excess of 50 units to at least discourage developers breaking up existing neighbourhoods. Mr. Speaker, if you have ever been in the city of Toronto you will know that the method used by the developers is to break up existing homes. It will be very interesting to see whether CMHC will implement that proposal of the Dennis report. The RRAP program, the non-profit program and the co-operative program have been dealt with and will be dealt with in more detail by my colleagues. So I now come to the last chapter of my speech.

I think we are deeply indebted to men such as Dennis and Charney who have brought forward reports telling us what the situation is in respect of housing in Canada. The minister spoke highly last night of the research program. I hope he retains men like Dennis and Charney, who have social vision and responsibility in respect of housing projects and needs in Canada and can tell him where terrible housing conditions prevail.

My colleague from Oshawa-Whitby (Mr. Broadbent) pointed out that there are 750,000 homes in desperate need of repair. This involves approximately three million people. You will recall, Mr. Speaker, the innovative program the government had which probably came about as a result of the work of the research department of CMHC. Under this program $200 million of the taxpayers' money was allocated to the private builders so they could do something innovative in Canada. What did they do? First, they bought the land from private developers and paid the highest possible price. Much of it was land which the private developers had difficulty using or selling. Second, CMHC relaxed the building standards. Therefore, we had under that innovative program smaller homes and higher

[Mr. Gilbert.]

density. I hope the research department will do a little more work in respect of housing and look to countries such as England, Sweden and Germany. It should pick out some of their best ideas and apply them to the housing needs of Canada.

I have one final comment in respect of warranties. Last evening the minister spoke about how generous the government would be when a private developer fails to finish a house because of lack of funds or bankruptcy. He would go to the lending institution, draw the money and give it to the poor purchaser. Then he said another problem is that many people buy homes in which they find many defects in materials and workmanship. He said, however, that that matter will be left for a while and brought forward later.

One of the crucial problems that has arisen in respect of public and private housing in Canada is the poor workmanship by private enterprise. Many people have wrung their hands and screamed in their efforts to get the builder to return and complete the home in a proper and workmanlike manner. As the minister said last night, when one purchases a steam iron he has more protection than when he purchases a home. Yet the minister wants to put this program forward. The federal housing authority in the United States has had in its legislation for some time a protection warranty covering defective workmanship and materials. Surely it is high time this government acted quickly in this regard. After listening to my speech, Mr. Speaker, you may think I will not support this bill. However, after a great deal of soul-searching I am prepared to support it, but I give it the same type of support as I gave the increase of 42 cents for the old age pensioners at Christmas, 1970.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa East): Mr. Speaker, I am happy to have the opportunity of taking part in the debate on Bill C-133 because these amendments to the National Housing Act will certainly encourage the construction of homes in my riding. In addition, the changes suggested in this bill will allow for the continued application of the program already in operation, thus giving new hope to low income families, older citizens and others who hope to get decent housing.

In co-operation with the municipalities of Vanier and Ottawa, and the government of Ontario, the federal government helped with the construction, in my riding, of six building for low-income families and senior citizens. These represent 608 units and the federal contribution amounted to $7,410,000 over the last two years. Mr. Speaker, the electors of my riding of Ottawa East are extremely proud of the importance given by the federal government to the construction of such housing.

I represent a constituency divided in five clearly defined districts containing a municipality, Vanier, which is partly surrounded by the city of Ottawa. It also contains old historical neighbourhoods, judged by all to be worthy of being remembered. I will remind my colleagues that one of the greatest urban renewal projects in Canada was carried out in my constituency: the development of Lower Town in Ottawa which began seven or eight years ago and which will be completed I imagine in two or three years.

Mr. Speaker, I am discussing Lower Town because the experience has not always been a happy one. It is therefore a pleasure to realize that Bill C-133 contains very strict provisions concerning the planning, development and implementation of urban revewal projects.

There certainly will be in my constituency other improvement programs for residential neighbourhoods inhabited mostly by low income individuals and I have no doubt that the experience gained in the Lower Town project and other similar projects will contribute to humanize such programs.

There are areas in my constituency where housing development has the absolute priority; we still wish to keep these areas and I am convinced that the governments, in the light of the experience gained in Lower Town, will approach the problem in a more humane fashion and that the social and economic factors will have the importance that they deserve.

• (1530)

[*English*]

Mr. Speaker, if we are frank and honest I think we must admit that a good many things can be attributed to human error. In lower town the dispersing of the population, the breaking up of a community, in the name of urban renewal by what has been called bulldozer methods is now something in the past. I am glad to note that in Bill C-133 we find certain guarantees and a very real preoccupation with proper planning and the development of our older neighbourhoods. Speaking of older neighbourhoods, Mr. Speaker, we are proud in Ottawa East to have areas which are not only historically important but contain very architecturally valuable and interesting houses. They demand attention in order to preserve their aesthetic and cultural values.

Unfortunately, modern development and the high cost of land, coupled with sometimes absentee ownership and the prospect of speculative profits, have doomed many interesting old structures to high-rise developments. We must keep in mind the value of these dwellings and, if possible, encourage their purchase by interested citizens of moderate income who may want to repair and renovate these older homes and in so doing preserve the quality, the design features and the beauty of the old architecture. We must keep some of the past about us so that we may feel a sense of perspective of time as we look at our surroundings and cherish the best of our heritage.

[*Translation*]

Mr. Speaker, I welcome the fact that Ontario was one of the first provinces to announce it would take advantage of the amendments to the National Housing Act and that it would assist financially privately owned enterprises in the field of housing, provided the latter supply a certain number of units, for a given period, to low-income families whose rent would be established according to their income.

However, I must mention the fact that, while establishing a regional office in Ottawa, our national capital, the Ontario Housing Corporation did not deem it necessary to obtain the services of bilingual personnel which could give to the Ottawa people, with a Francophone population of over 100,000, information and services about housing. In the case of Ontario, which has adopted institutional bilingualism a few years ago and which makes much of that fact, I find this an abnormal and unacceptable situation.

One of the amendments which pleases me most in Bill C-133 is the one that will allow average or low income families to acquire their own house. Many of those families living in rented houses could, with some assistance, become homeowners. For those who want and prefer to be owners rather than tenants and who can benefit from that program, this represents an interesting alternative. The amount of assistance which could be provided to the families will depend upon their income. That assistance will be provided in three ways: first, the reimbursement period for the mortgage loan can be extended up to 40 years. The rate of interest on the mortgage will be reduced, according to the family's income, starting with the regular market rate to the rate nearer that charged the Central Mortgage and Housing Corporation when it borrows its funds. If the extension of the reimbursement period and the reduction of the mortgage interest rate is still not enough, the federal government could grant a loan to keep, within tolerable limits, the monthly payments the family must pay.

Another amendment which I find very interesting is one to enable many public-spirited organizations to build or purchase decent housing they could rent on a non-profit basis to low income Canadians. This sort of housing is usually intended for the aged, but could also be used for other special groups, such as those in the low income bracket in general.

These amendments to the National Housing Act will raise the amount of the loans available to non-profit organizations from 95 to 100 per cent of the loan value of the projects involved. The loans will be repayable over periods up to 50 years, and will carry a low rate of interest.

In addition to these special loans, the federal government will grant subsidies to these organizations, of up to 10 per cent of capital costs. Non-profit organizations very often need help in launching their housing programs, in planning them and developing them to the point at which they can apply for loans. The federal government will provide special funds for getting started, lending up to $10,000. Non-profit organizations will also be eligible for loans and subsidies under the new housing rehabilitation program.

I am happy to observe that special attention has been paid, not only to home improvements, but also to the quality of the neighbourhood and surroundings. There are in my constituency several areas inhabited by low or middle income Canadians, where community services are lacking and the community spirit is crumbling away. We have been trying for some years, with social activities programs, the creation of citizens' committees, training in citizenship and various other measures, to encourage citizens to become aware of their surroundings. With a degree of help and encouragement to their inhabitants, some of the old areas of our town could be preserved, and become pleasant, wholesome places to live in. Bill C-133 proposes help to municipalities in planning, buying land, building or improving community facilities, etc. Of

course, municipalities are creatures of the provinces and under their jurisdictions; the success of the program is dependent to a large extent on the participation and co-operation of provincial governments.

• (1540)

This neighbourhood improvement program will be subject to federal-provincial agreements. These agreements will specify how the money will be spent, how the residents of these neighbourhoods will take part in these programs and how new housing will be found for people who may be displaced as a result of activities under this program.

As I said at the beginning of my remarks, Ottawa East is an old neighbourhood and I am happy to note that it will be possible under the amendments to be made to the act, for an owner in an urban section designated for this purpose through a federal-provincial agreement to borrow money in order to repair and improve his home. The objective will be to make housing meet minimum health and security standards. It will be possible therefore for low income people to improve the quality of the plumbing, heating and electricity systems in their homes.

The amount of help will depend on the amount of work to be done and the income of the owner. Loans will be available within the limits that will have to be set up by regulations and if the housing unit continues to be occupied and maintained, a portion of the loan up to $2,000 could be forgiven. This forgiveness of part of the federal loan will not be dependent on any contribution from the province or the municipality.

In general the program will be used in concert with the new neighbourhood improvement program but it will be available in the case of housing projects built by non-profit corporations, or cooperatives. Under special federal-provincial agreements the program will apply to sectors located outside the neighbourhood up for improvement.

One of the terms of the loans is that suitable standards of maintenance and occupancy be in effect in municipalities. The purpose of that requirement is to help ensure that once repairs are made the property will not deteriorate again.

In conclusion I would say that it has become more and more evident that people buying houses need as much protection as people who buy cars or television sets or make any other investment of this kind. The proposed amendments to Bill C-133 deal with the problem of bankruptcy or insolvency of the builder. The mortgage loan insurance factor under the act ensures substantial protection to lenders. The proposed amendment will allow the Central Mortgage and Housing Corporation to ensure that the purchaser of a new house receives a complete housing unit by lending him the required funds to complete the house through the mortgage loan insurance fund. I think that this measure is essential to the protection of the consumer.

In conclusion, I express the wish that municipal, provincial and federal governments will continue to design new, objective and viable programs and that through consultation with the population which must participate in the setting up of urban programs we can build cities where it is pleasant to live.

[Mr. Gauthier (Ottawa East).]

• (1540)

[*English*]

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it seems rather a coincidence that I should rise for the second time this week and have the opportunity to speak this afternoon, when just this morning the Minister of Transport (Mr. Marchand) mentioned that he was tabling the Darling report. Let me tell you, Mr. Speaker, that I do not have any marine knowledge and so cannot take credit for this very informative report which I understand had something to do with shipping.

This afternoon I have the privilege of speaking on Bill C-133, the amendments to the National Housing Act. I have listened with a great interest to the many eloquent and well qualified speakers, most of whom come from metropolitan areas of tremendous growth. However, I think that even a voice in the wilderness should be allowed to speak for that great disadvantaged area, rural Canada. Many of our small towns and villages have ample land available at low or reasonable prices. When I hear these prices of $18,000 or $20,000 being bandied around, in my area they would refer to about 600 acres; then I learn that it is a city lot of 100 by 150 feet.

I am well aware of the great need for housing in mushrooming areas and I know that we cannot stop these great areas from growing. While we poison the whole area around us we shall continue to grow.

Mr. Woolliams: They are doing that fast.

Mr. Darling: I am told that the great problem is not the cost of land itself but the cost of serviced land and the many other costs such as sewage, water, schools and roads, to name a few. In our great province of Ontario many smaller municipalities are able to instal water and sewage systems on a rental basis. I give full marks to the minister and the provincial governments for a co-operative program such as this.

As the head of a small municipality for nearly a quarter of a century, I can speak with some authority. In Burks Falls we were continually inhibited through lack of a sewage system, but we finally committed ourselves to it. We asked the permission of the Ontario Municipal Board about 15 years ago. At that time the cost was $160,000. The chairman said that we reminded him of a horse that was on the street, dead, but would not lie down. He said we had no money and no possibility of getting it. Under the new system we did get it. But instead of $160,000 it was $1.5 million. That is a hell of a lot of money, in plain English, Mr. Speaker. For the ordinary householder in my village it means a minimum of $130 a year for 40 years for the sewage system. However, having it enables us to qualify for grants for municipal housing, Central Mortgage and Housing programs, senior citizens' housing and low-rental housing which are certainly needed.

I am hoping, despite the very substantial grants, that even more money can be found for the many smaller towns and villages across Canada so that they can instal sewage systems. I feel that the maximum amount payable by a householder in respect of a sewage system should be $100, and the provincial and federal governments should bear the excess costs. This would improve the economy of

a great many small municipalities that at the present time are stagnating or are not progressing.

In 1910 there were about 1,500 people in my riding. Parry Sound, the largest town in the riding, has a population of 6,000. Mr. Speaker, I am talking about a beautiful riding which now has a population of approximately 61,000. Some of the illustrious members who spoke earlier today were speaking of ridings with populations of hundreds of thousands. They were wondering where to put the people. Mr. Speaker, they do not have to look too far north. I know a great many areas are decentralizing, but Toronto goes to Mississauga or West Hill—perhaps the pioneers go as far as Oshawa or Bowmanville. It is time they started looking farther north. I may be accused of being parochial, but the same thing applies to the rural areas around metropolitan Montreal, Winnipeg, Calgary, Vancouver and the Maritimes. It is time this House realized that we can do something other than encouraging the building of great, mushrooming, concrete jungles.

It is a well-known fact that it is the dream of every Canadian to own a piece of this country during his lifetime. Some will want it in their early years, while others wish to own a cottage for their retirement. It is up to us in government to meet these needs of Canadians as soon as possible. The problem in many small towns, is not land, but funds for financing housing projects. Interest rates should be comparable to those in the more buoyant economic areas of our country.

• (1550)

Another attraction would be the fact that the lots would be much bigger, enabling people to have gardens of their own. Houses would be spaced much farther apart, giving families more privacy. If funds are made available for individuals to build their own homes, with only small down payments being necessary, many more jobs would be available in those communities. That, too, would keep the populations at home in those communities. For example, Mr. Speaker, I was talking to a small contractor who endeavoured to bid on some low-rental housing which was to be erected in his town. The contract went to a contractor of this great city in which we sit, which is 300 miles away from that town. I suppose the local man was not able to provide a bond, or something like that. Perhaps the two contractors should have got together and done the job. At any rate, the large contractor built the homes, and they were not satisfactory.

An hon. member speaking previously in the debate criticized the high price of some of these homes and their poor workmanship. That was the case in the example I have given. On top of that, after this high-minded contractor left, he owed a great deal of money to subcontractors and they had a terrible job collecting it. Perhaps some are still trying to collect. I feel that when such contracts are let in the smaller areas, top priority should be given to local contractors. Local help would be hired and raw materials could be purchased locally.

Your have already heard, Mr. Speaker, members representing urban areas pointing out that housing is in big demand in those centres because of the tremendous growth in population. We concede that we are moving into a period when the great majority of our population will be living, or existing, in these great mountains of concrete and steel. Surely it is just plain, good business and common sense to try to save our small communities from becoming extinct by providing capital and incentives to maintain them and, if possible, to help them grow.

The Department of Regional Economic Expansion, therefore, should give serious consideration to locating industries in these have-not areas and providing even higher grants and other incentives in order that good industries may locate in them. I believe it is a proven fact that employers who have established plants in recent years in small communities have enjoyed much better relationships with their employees and there has been less turnover, fewer strikes and, I am sure, better productivity. I am wondering, Mr. Speaker, if housing units could be built to less rigid standards in small communities in order to reduce building costs. Houses there would not need to be as large. I know in many subdivisions a house must have a minimum number of square feet, which puts it beyond the price range of many citizens.

There is one other type of housing which I feel should be emphasized very strongly, that is, the senior citizens' housing unit. These should be erected and available in every small town across this country, even where there is no sewage system. A great many of our senior citizens in their declining years are living at present in great big homes which are costly to maintain and on which taxes are too high. If small, modern apartments were available, many of them would be only too pleased to dispose of their larger homes and move into those units. This would provide homes at reasonable cost to many young families who might not be in the position to afford a new house. I can speak with some knowledge on this matter, as in my own village we have senior citizens' units which are serving that much needed purpose. Our municipality has been fortunate enough to have another 24 units approved. They are to be built later this year.

The provincial and federal governments are to be commended for co-operating in providing low-rental housing accommodation, but these units must also be made available to a great many smaller towns and villages which at present are not able to qualify. Again, I feel that these could be built in areas where there would be no possibility of pollution, in towns that cannot afford sewage systems or even water systems.

I spoke earlier about the cost of installing a sewage system in our town. A great many municipalities would not even gamble to that extent, and they are lying dormant. My previous remarks apply also to senior citizens' homes. If they were made available, other homes would be released for the market. Certainly it would be more economical if governments were to combine their activities and build, say, five or six units at a time for senior citizens. Doing this would be cheaper than sending senior citizens to senior citizens' homes where they must be looked after at a much higher cost. I have just resigned from the board of management of a senior citizens' home in my riding on which I served for seven or eight years. Although we ran, I think, a very economical operation, I believe it cost us between $10 and $11 per day, per resident. Building the units I have talked about would be more economical. Further, such action would be a money-

maker if the provincial and federal governments combined in taking action.

There is another type of housing that I hesitate to mention. When you talk about it, people treat it as a dirty word. I am referring to mobile homes. I am aware that a great many municipalities are strict and do not allow them, but I am quite sure that if a park were properly laid out and the right types of homes were erected, such homes could provide much needed housing for those who cannot afford permanent, brand new homes. Also, such units would provide young people and those who are retired with a roof over their heads and they could call the home their own. They can be purchased with little or no down payment. I am aware that in most cases they may be purchased this way provided that land for their erection is available. At present, interest rates are not satisfactory; lenders are charging as much as 12 per cent and even 14 per cent. Surely the government could step in, provide funds at much lower interest rates and make available the amenities and safeguards which are available to other homes.

What I am about to say I have said before and will keep on saying. I am reminded of the story of a young woman who was in a Salvation Army band. She was playing a drum and someone asked her what she did, how she did it, how she enjoyed it, and so on. She looked at the questioner and said, "Well, all I do is beat this damned drum". That is what I intend to do. I shall say again and again what I am about to say. The 11 per cent sales tax on building materials should be removed immediately. I am certain that this move would provide a much needed shot in the arm for the building of private homes especially as compared to large commercial buildings. The owners of commercial buildings just add the extra cost to rents and so pass it on. We have asked time and again on our side of the House for this tax to be removed. Builders have been requesting it. Still the government makes no move. I wonder if possibly the government might come forward with a compromise and perhaps reduce the tax or cut it in half.

Mr. Deputy Speaker: Order, please. Perhaps this is a good time to recognize that it is four o'clock. We will now proceed to the consideration of private members' business as listed in today's order paper, namely, notices of motions, public bills and private bills.

Mr. Bell: Mr. Speaker, I understand there is some agreement that we consider item No. 9 under private members' notices of motions, in the name of the hon. member for Hamilton-Wentworth (Mr. O'Sullivan).

Mr. Deputy Speaker: Is this the understanding reached by the House?

Some hon. Members: Agreed.

[Mr. Darling.]

PRIVATE MEMBERS' MOTIONS

AIRPORTS

MOUNT HOPE, ONT.—REQUEST FOR INQUIRY INTO PROPOSED AIRPORT EXPANSION

Mr. Sean O'Sullivan (Hamilton-Wentworth) moved:

That, in the opinion of this House, the government should conduct a full and complete public inquiry into the proposed expansion of Mount Hope airport, and that immediate attention be given to possible alternate sites for such proposed expansion.

He said: Mr. Speaker, I am grateful for this opportunity to place before the House a motion which I hope hon. members will consider in the same spirit as it is offered. This being the eve of St. Patrick's Day, I also hope that it will have some kind of Irish luck with the Minister of Transport (Mr. Marchand).

The acceptance of this motion would result in two concurrent and related actions on the part of the government—the holding of public hearings into the expansion plans for Mount Hope airport and the consideration of possible alternate sites for such expansion. The latter is perhaps of great interest only to hon. members from the area involved. However, I believe that the question of public hearings on a matter of such a serious nature will be of genuine concern to all members of this House.

• (1600)

I favour an expanded airport facility to serve Hamilton and the surrounding region as do, I believe, the majority of the residents of the area. The southern part of Ontario, particularly the city of Hamilton, continues to grow in terms of population and in its importance as a centre for industry and business. Hamilton is one of two cities of its size in North America without adequate airport facilities needed to keep this momentum going and to continue to offer the opportunities and economic benefits now available to its citizens. However, we all recognize that the location of airport facilities involves consideration of many factors, including ones which have a direct effect upon the quality of life in a region and which therefore must take priority over factors based upon commercial expediency.

That is why, Mr. Speaker, the existing plans for airport expansion at Mount Hope as proposed by the Minister of Transport deserve, and indeed demand, the closest scrutiny. One of my chief concerns throughout the long history of this airport question has been the tendency on the part of some, including the Department of Transport, to view the proposals as strictly a matter of concern to the city of Hamilton or, even worse, just to the Hamilton city council. I would like to think that this attitude is an incorrect impression on my part and that references to the facility as the Hamilton civic airport stem solely from the fact that the city pays considerable sums of money as its part in maintaining the existing airport facilities.

Certainly, Mr. Speaker, as one who was born in Hamilton, who has already argued that it needs improved airport facilities and who has the honour of representing a constituency with approximately half its population within those city limits, I have no intention of downgrad-

ing the city of Hamilton's legitimate efforts to obtain the best possible airport in the most convenient location. At the same time, this affection for my hometown and determination to assist its progress does not blind me to the needs and rights of the residents of municipalities surrounding Hamilton and the expanded airport. By its own admission, the Department of Transport wants to upgrade the facilities to create a regional airport. We know the department has had meetings, some of them closed even to Members of Parliament, with officials of the city of Hamilton. But what about the people of Ancaster and Binbrook, Stoney Creek and Saltfleet, Glanford and Mount Hope? They, too, have a right to be heard. They will not benefit as directly or as substantially from the improved airport, yet they are expected to bear a much greater share of the burden in terms of expropriated land, displaced homes, noise and air pollution.

I invite the Minister of Transport, his parliamentary secretary and officials of their department to visit these communities which contain some of the most beautiful and peaceful residential areas that this land can offer. I further invite them to consider the impact that the present expansion plans will have on these communities and the effects upon their residents. Then I make a simple request not to abandon plans for better airport facilities, not even to dismiss out of hand the existing plans, but simply to reconsider these plans and to give full and fair consideration to possible alternate sites for the airport facility. I ask the department to check out the possible alternatives for a location where land is less expansive and less densely populated, where there would be room for long-range planning and where flight paths could be devised to keep noise and air pollution away from the built-up areas. The means, I suggest, for such consideration is that of public hearings.

As a new member, Mr. Speaker, I have already experienced enough of the frustrations of daily parliamentary life to be wary of committees, commissions, inquiries or even hearings.

Some hon. Members: Hear, hear!

Mr. O'Sullivan: I have also learned to be wary of parliamentary secretaries.

Some hon. Members: Hear, hear!

Mr. Stanfield: Especially some of them.

Mr. O'Sullivan: I only trust the ministers. According to the Secretary of State (Mr. Faulkner), we will know in a few weeks how many OFY grants he has approved for the constituency of Hamilton-Wentworth. I also recognize that the holding of public hearings may delay the construction of the airport facilities wherever they may be located. However, these airport plans for the future, Mr. Speaker, and I am convinced that a brief delay taken now in the cause of cautious study would pay dividends in the years, and perhaps decades ahead, when all residents of the Hamilton-Wentworth area will feel the effects of the decisions made today. Another reason I seek such hearings to be held in public and, I hope, convened by a respected and neutral third party, is that they would bring government and the people together or, should I say, bring government back to the people.

I shall not be too surprised, Mr. Speaker, if the hon. parliamentary secretary, in giving the response to this motion on behalf of the Department of Transport, protests that the department has indeed considered other sites and has most certainly engaged in ample public dialogue. That is what we have been told before. If that is the case, why does the department refuse to make public all its documents relating to studies of alternate sites? If the department continues to claim that enough public dialogue has been held, I can only conclude that it simply did not like what little it has listened to and does not want its plans, drawn up by civil servants in Ottawa and Toronto who will never have to live beside their own creation, disturbed by the feelings of local residents.

Ideally, this or any other airport expansion should be greeted by public understanding, good will and co-operation. But if it expects, or aims for, those feelings from citizens, government must first be willing to be truthful, straightforward and open about its intentions. Whatever the causes, the department has not fulfilled all these prerequisites and I am afraid this failure has bred mistrust, suspicion and hostility. In its own interests, but also for the sake of the residents involved and in the interests of democratic government, I urge the department to exhibit its good faith by a willingness to level with the people, to listen to them and to learn from them.

For all the foregoing reasons, Mr. Speaker, and for those that time does not permit me to express, I propose this motion and I appreciate the consideration extended by the House.

• (1610)

Mr. Frank Howard (Skeena): Mr. Speaker, important as the airport is, there is another matter which is of far greater importance, as I am sure the hon. member whose motion is now before the House will agree. This matter of far greater importance involves the manner in which a committee of this House is functioning. It is appropriate that the hon. member who just moved a motion in this chamber is wary of committees, because that is closely related to what I am about to say.

There is a committee of this House which is attempting to bypass the concern expressed earlier in this chamber when it referred a certain subject matter, namely, the annual report of the Department of Indian Affairs and Northern Development, to the Standing Committee on Indian Affairs and Northern Development. The intention was that the committee should engage in a study in depth of the whole question of aboriginal rights. The committee has bypassed this subject matter and is, in fact, dealing with all manner of other subjects, as is its right since the estimates of the department are before it.

Much more germane is the motion in the name of my hon. friend from the Northwest Territories (Mr. Firth) seeking to set up a committee to deal solely with the question of aboriginal rights. This is of far greater importance than many other things we deal with in this House. Accordingly, I move, seconded by my hon. friend from Oshawa-Whitby (Mr. Broadbent):

Division

That the House do now proceed to another order, namely, notice of motion No. 49 standing in the name of the hon. member for Northwest Territories which motion relates to the establishment of a special committee to investigate all aspects of the question of aboriginal rights.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the motion will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Howard) which was agreed to on the following division:

• (1620)

(Division No. 15)

YEAS

Messrs.

Baker
Baldwin
Barnett
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bell
Blenkarn
Brewin
Broadbent
Clarke (Vancouver Quadra)
Crouse
Darling
Dick
Diefenbaker
Ellis
Epp
Fairweather
Firth
Fraser
Gleave
Grier
Hales
Haliburton
Harding
Hargrave
Horner (Crowfoot)
Howard
Howie
Knight
Knowles (Winnipeg North Centre)
Lambert (Edmonton West)
Leggatt
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
Marshall
Masniuk
McCain
McGrath
McKenzie
McKinnon
Munro (Esquimalt-Saanich)
O'Sullivan
Patterson
Peters
Reilly
Rose
Schumacher
Stanfield
Stevens
Symes
Whittaker
Woolliams—55.

NAYS

Messrs.

Andras
Basford
Béchard
Boisvert
Buchanan
Cafik
Caouette (Charlevoix)
Clermont
Cullen
Cyr
De Bané
Dubé
Ethier
Faulkner
Fleming
Fortin
Gauthier (Roberval)
Gauthier (Ottawa East)
Gillespie
Goyer
Gray
Guay (St. Boniface)
Herbert
Hopkins
Isabelle
Jamieson
Lachance
Latulippe

Messrs.

LeBlanc (Westmorland-Kent)
Lefebvre
L'Heureux
MacDonald (Cardigan)
Macdonald (Rosedale)
MacGuigan
Marchand (Kamloops-Cariboo)
Morin (Mrs.)
Munro (Hamilton East)
Ouellet
Pelletier (Hochelaga)
Poulin
Prud'homme
Railton
Rondeau
Roy (Laval)
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stewart (Cochrane)
Tétrault
Trudeau
Turner (London East)
Walker
Watson
Whicher—53.

Mr. Deputy Speaker: I declare the motion carried.

Mr. Stanfield: Mr. Speaker, may I ask the Prime Minister (Mr. Trudeau) if that was a vote of confidence?

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a point of order. First of all, I am very disappointed that the hon. member for Hamilton-Wentworth (Mr. O'Sullivan) voted against his own notice of motion.

Some hon. Members: Order.

Mr. Bell: You cannot reflect on a vote.

Mr. Guay (St. Boniface): Mr. Speaker, my point of order is that at four o'clock the whip of the loyal opposition rose and suggested, through Your Honour, that we proceed with notice of motion No. 9 earmarked for the hon. member for Hamilton-Wentworth. The Chair asked for the unanimous consent of the House to proceed with same.

An hon. Member: Why are you crying?

Mr. Guay (St. Boniface): Mr. Speaker, may I humbly suggest that we agreed unanimously to do so, and because of that I feel the motion of the hon. member was out of order and that the vote should not have been considered this afternoon.

Mr. Bell: Mr. Speaker, on a point of order—

Mr. Deputy Speaker: Motion No. 49—

Mr. Bell: On a point of order—

Mr. Deputy Speaker: Order. A point of order cannot arise from a point of order.

Mr. Bell: Then I rise on a question of privilege. I did wish to rise on a point of order, but I will rise on a question of privilege since I have been taken to task. There was no agreement on this subject, by the whips or by anyone, that we continue for the full hour. May I say that the parliamentary secretary has no right to reflect on the way in which any hon. member votes. The hon. member had the opportunity to make his speech, and he finished in the proper way. I think the parliamentary secretary should withdraw any reflection which he implied.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Notice of motion No. 49, the hon. member for Northwest Territories (Mr. Firth).

* * *

INDIAN AFFAIRS

MOTION FOR ESTABLISHMENT OF COMMITTEE TO INVESTIGATE ABORIGINAL RIGHTS

Mr. Wally Firth (Northwest Territories) moved:

That, in the opinion of this House, a special committee of the House of Commons, consisting of eleven members to be named, be established to investigate all aspects of the question of aboriginal rights of the native Indian and Eskimo people of Canada, with powers to report from time to time its observations, opinions and recommendations thereon; and

That the committee be empowered to send for persons, papers and records; to sit during sittings and adjournments of the House; to adjourn from place to place; to print from day to day such papers and evidence as may be ordered by the committee; to appoint from among its members such subcommittees as it may deem advisable or necessary, and to delegate thereto all or any of its powers, except the power to report directly to the House; and to employ such staff at it may deem advisable or necessary.

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a point of order.

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member for Lotbinière (Mr. Fortin) rises on a point of order.

[*Translation*]

Mr. Fortin: Mr. Speaker, in accordance with Standing Orders, you could not state that the debate on motion No. 49 had begun, if a member was rising on a point of order or raising a question of privilege. I rose before you called notice of motion No. 49. I therefore ask that we return to the point of order, before dealing with notice of motion No. 49.

[*English*]

Mr. Deputy Speaker: I regret that I did not see the hon. member for Lotbinière before I called motion No. 49. I will now hear him.

[*Translation*]

Mr. Fortin: Mr. Speaker, I deplore the fact that while the whip of the Progressive Conservative party had the floor there was no simultaneous interpretation so that we were unable to understand what he was saying.

Furthermore, I feel that we have not yet reached the study of the notice of motion, but are dealing with a point of order. Are we dealing with notice of motion No. 49? It will be noted that several of my colleagues and myself definitely rose on a point of order.

• (1650)

[*English*]

Mr. Deputy Speaker: We are dealing with motion No. 49. The hon. member for Northwest Territories.

Mr. Firth: Mr. Speaker, I am very happy that we have reached this stage, but I am not really happy to see what appear to be stalling tactics on the part of some hon. members. I would very much like to have this motion come to a vote. I feel as strongly today as I did when I first came to the House that this is a very important matter, and while we still have time today I would like it to come to a vote.

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I intend to speak on this motion and I may speak right until five o'clock. I find it rather strange that two or three evenings ago in the standing committee on Indian affairs there was a clear intention expressed by members of the committee to proceed with the question of aboriginal rights during the next three sessions of the committee. In fact, we will have witnesses coming before that committee next week and for the following two weeks. It seems to me that what has happened here this afternoon is another example of what first occurred late on Tuesday evening, when that committee invited the Prime Minister of Quebec to appear before the committee in a way that was guaranteed—

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on a point of order. The amplification system was not working when the hon. member was speaking. However, it is working now.

Mr. Watson: The first clearcut example of playing around with a most serious problem for the sake of politics occurred the other evening in the Indian affairs committee when we invited the Prime Minister of Quebec to appear before that committee on the question of aboriginal rights in a way that was guaranteed to assure a rejection of the invitation. This afternoon we are again playing around with a serious problem that affects equally the Indian and Eskimo peoples of this country and we are doing it in a fashion that is not helping their cause in any way. We are simply playing politics.

Some hon. Members: Hear, hear!

Mr. Watson: This House is playing politics with a problem that will require a non-partisan approach if we are to solve it. The Indian and Eskimo peoples of Canada expect a non-partisan approach from us in solving the aboriginal rights problem, the housing problem, the educational problem, the employment problem—in fact, the whole wide band of problems which we all agree exist so far as the Indian and Eskimo peoples are concerned. I do not think any party in this House can claim to have a greater interest than any other in these extremely serious problems which affect our native peoples. I do not think that any party in the House can claim to offer the ideal solutions, because I do not think we have ideal solutions.

If we are to approach effectively this whole problem of aboriginal rights, we will have to act initially in the committee, hearing the representative Indian groups as well as hearing from other concerned groups. We will have to determine an effective approach in the Indian affairs committee. I certainly have not seen any example or indication that that committee itself has adopted a clearcut approach upon how it will tackle the problem of aboriginal rights.

Mr. Howard: It certainly did since you were chairman.

Mr. Watson: When I was chairman of that committee we approached the educational problem in a non-partisan way and we came up with suggestions that were non-partisan. In fact, they were quite critical of the government. I also suggest that we produced results because of that non-partisan approach. The whole idea at the time was that we stimulate public opinion and force the government in the right direction. If we are to use the committee system effectively, we will have to get away from this fooling around with politics in committee.

Mr. Howard: Mr. Speaker, I rise on a point of order. I do so because the hon. gentleman raises questions with respect to proceedings in the committee. The other night in that committee the only person who raised matters in a partisan way was the hon. gentleman and his colleagues in the Liberal party.

Mr. Deputy Speaker: Order. That is a point of debate; it is not a point of order.

Mr. Watson: Mr. Speaker, I want to deal with the particular point that the hon. member for Skeena (Mr. Howard) has raised. I submitted at that meeting that an invitation to a prime minister of a province—

Mr. Peters: Premier.

Mr. Watson: He calls himself prime minister. I submitted that any invitation sent to a prime minister of a province should at least be submitted in a way that would have assured success. What is the point of inviting somebody to a meeting if you know from the beginning that he is not going to be able to accept your invitation?

Mr. Peters: You may know that.

Mr. Watson: Every member of the committee should know that the Prime Minister of Quebec could not accept that invitation.

Mr. Barnett: Mr. Speaker, I rise on a point of order. I was a member of the House present at that committee meeting. I assure you solemnly, Mr. Speaker, that to the best of my knowledge no other member, with the exception of the hon. member for Laprairie (Mr. Watson) could possibly have known that the premier of Quebec would refuse that invitation. I would suggest—

Mr. Deputy Speaker: Order. The hour appointed for the consideration of private members' business has now expired. It being five o'clock p.m., this House stands adjourned until Monday next at two o'clock p.m.

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